

ANNUAL REPORT | 2020



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Letter
of Transmittal

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, 2020.

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, 2020 and Income Statements, Cash Flow Statements and Statement of Changes in Equity for the year ended December 31, 2020.

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,



Iftekhar Ali Khan
Managing Director

Notice Of The 25th Annual General Meeting

Notice is hereby given to all the Members of Bay Leasing & Investment Limited that the 25th Annual General Meeting (AGM) of the Company will be held on **November 04, 2021 (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 Director's Report, Auditor's Report and Audited Financial Statements for the year ended 31st December 2020.
02. To declare 10% Cash Dividend for the year ended 31st December 2020 as recommended by the Board of Directors.
03. To elect/re-elect Directors in place of those who retired by rotation in accordance with the Articles of Association of the company.
04. To appoint / re-appoint External Auditor(s) of the Company for the year 2021 and to fix their remuneration.
05. To appoint/ re-appoint Compliance Auditor(s) of the company for the year 2021 as per Corporate Governance Code of BSEC and to fix their remuneration.
06. To transact any other business with the permission of the chair.

Dated, Dhaka

October 06, 2021

By order of the Board



M. Maniruz Zaman Khan

EVP & Company Secretary

Notes:

01. October 18, 2021 is the "Record Date" for entitlement of Dividend. The Shareholders whose names would appear in the Depository (CDBL) on the Record Date shall be entitled to the dividend and participate the AGM.
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 not later than 48 hours before commencement of the AGM.
03. Annual report-2021 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.blilbd.com
04. Merchant Banks and Depository Participants (DPs) are requested to provide the list of their margin clients who hold the shares of the Company as on "Record Date" to the Share Division of the Company Situated at Eunoos Trade Centre (Level-18), 52-53 Dilkusha C/A ,Dhaka-1000
05. 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 24 (twenty four) 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.
06. Shareholders are requested to login to the system well ahead of the meeting at appointed time for the AGM on Thursday, November 04, 2021 For any IT related guidance and help with the login process the respected members may contact at 01727159185

No benefit or gift in cash or kind shall be given to the shareholders for attending the 25th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.



Our
Vision

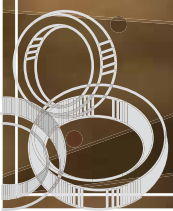
To be recognized as the most preferred multi-product financial institution for the communities we serve.





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 Story

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 Legal Form	: Bay Leasing & Investment Limited 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	: Bay Leasing & Investment Limited Eunoos Trade Center, Level-18 52-53 Dilkusha C/A, Dhaka-1000. Tel: 9592501-5, Fax: 9592500
Auditor	: Howladar Yunus & Co. House-14(Level 4&5) Road-16A, Gulshan, Dhaka-1212, Bangladesh Tel : +880258815247
Tax Advisor	: A.Wahab & Co. Chartered Accountants Hotel Purbani, Annex-2 (4th Floor) 1, Dilkusha C/A, Dhaka
Legal Advisors	: AZAD & COMPANY K.R.Plaza (6th Floor) 31, Purana Paltan, Dhaka-100. LexConsultium Suite No.-11/4 (11 th Floor) 67/9, Kakrail, Dhaka-1000 NAYAN & ASSOCIATES Meherba Plaza Suite No. 13-E (13th Floor), 33, Topkhana Road, Palton Dhaka, Bangladesh. NOOR-UL-MATIN Islam Chamber, 9 th Floor 125/A, Motijheel C/A, Dhaka-1000 Haque & Associates Shabbir Tower, 3/4 Purana Paltan Dhaka - 1000
Memberships	: DCCI (Dhaka Chamber of Commerce Industry). Bangladesh Leasing & Finance Companies Association. Bangladesh Association of Publicly Limited Company. Bangladesh Merchant Bankers Association.

Company Email
Company Web Site

: info@blilbd.com
: <http://www.blilbd.com>

Bankers

: Bank Alfalah Limited
Bank Asia Ltd.
BASIC Bank Limited
Dhaka 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.
Sonali Bank Ltd.
Pubali Bank Limited
Shahjalal Islami Bank Ltd.
Southeast Bank Limited
Standard Bank Limited
Agrani Bank Ltd.
Uttara Bank Limited
Eastern Bank Limited
Modhumati bank Limited
Prime Bank Ltd.
United Commercial Bank Limited
Woori Bank Bangladesh
South Bangla Agriculture & Commerce Bank Ltd.

Associate Company

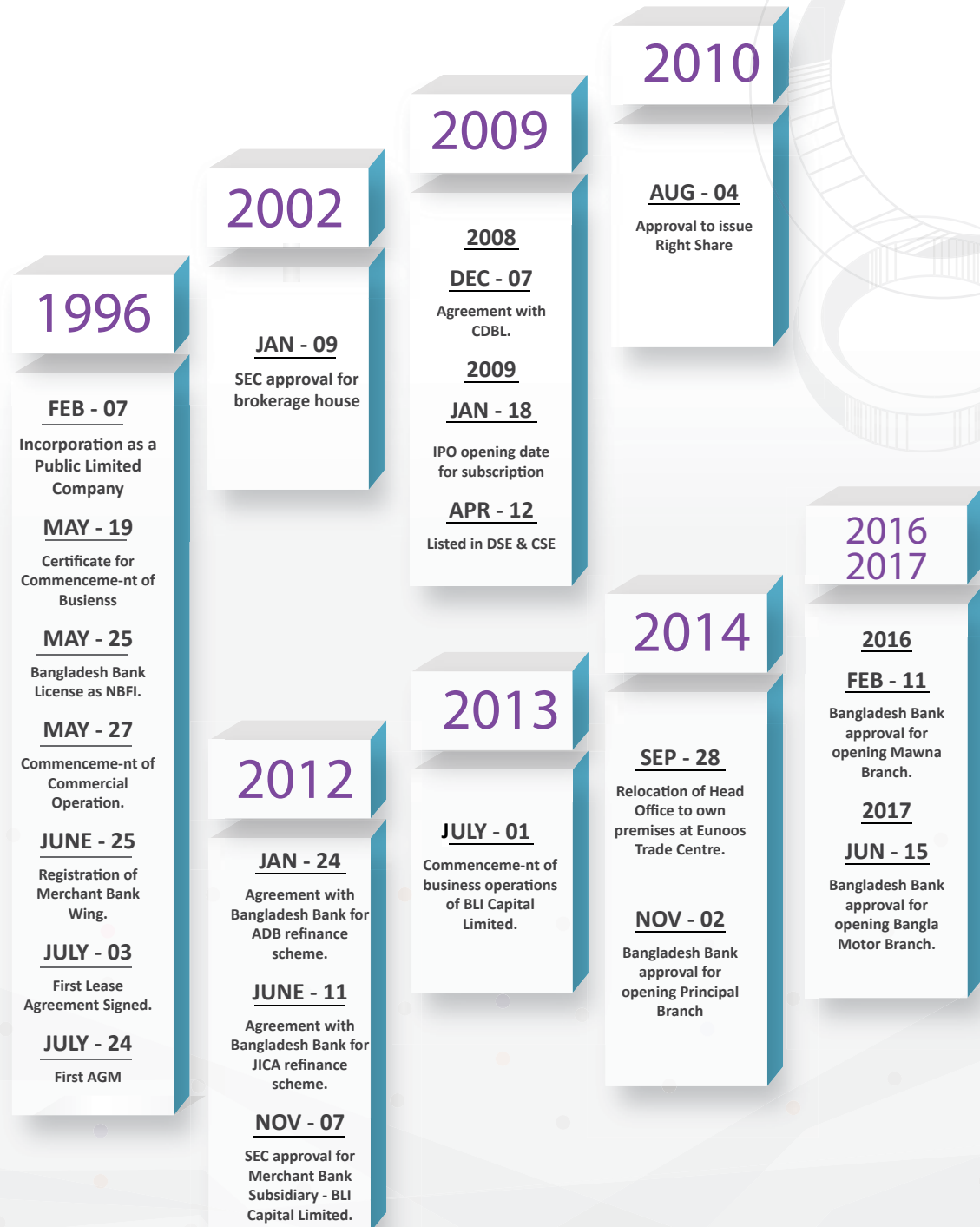
: **BLI Securities Limited**
Head Office
Rangs Panorama (4th floor),
80 Shatmosjid Road, Dhanmondi, Dhaka-1209.
Motijheel Branch
Printers' building (5th & 7th Floor),
5 rajuk Avenue, Motijheel, Dhaka-1000.
Dilkusha Branch
Eunoos Trade Centre,
52-53 Dilkusha C/A, Dhaka-1000.

Subsidiary Company

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

Branch of BLIL

: **Principal Branch**
Taz Marriot, Plot-SW(I)4, 2nd floor
25 Gulshan Avenue, Dhaka-1212
Mawna Branch
Hazi Riaz Uddin Complex (1st Floor)
Mawna Chowrasta
Sreepur, Gazipur
Bangla Motor Branch
Rupayan Trade Centre, Level-06
114 Kazi Nazrul Islam Avenue , Dhaka-1000



Products & Services



CORPORATE FINANCE



SME FINANCE



HOME LOAN



LEASE FINANCE



AUTO LOAN



**WOMEN
ENTREPRENEUR LOAN**



PLAIN TDR



**PROFIT TAKE
HOME**



**FLEXI SAVINGS
PLAN**



SUPER DPS PLAN



BLI Centuria



**WEALTH
PLAN**



**DOUBLE
MONEY PLAN**



Chamak Plan

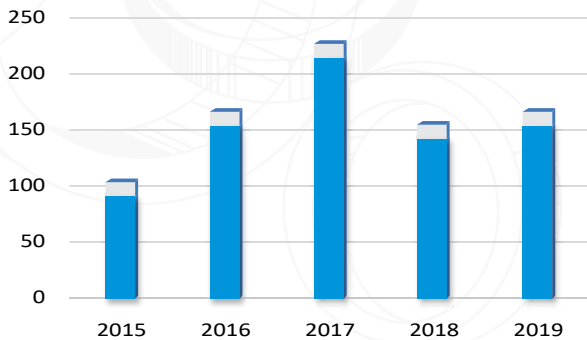
Financial Highlights

Figures in million

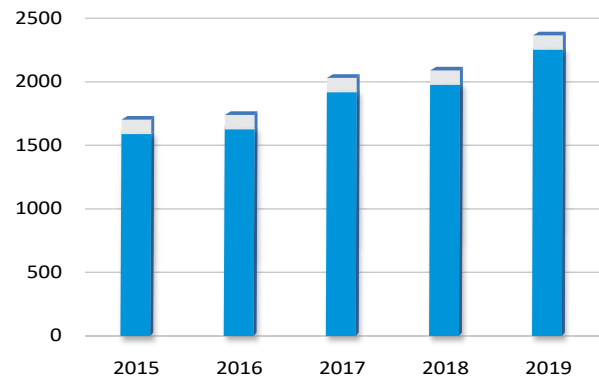
Particulars		2020	2019	2018	2017	2016
Lease, Term & Other Finance		11,323.61	12,202.48	12,922.74	11,955.53	10,023.09
Investments		2,267.06	2,009.36	1,961.69	1,681.85	1,646.00
Fixed Assets		1,432.87	1,218.29	1,213.64	1,261.38	1,246.35
Other Assets		563.57	792.23	635.55	487.89	321.40
Total Assets		16,911.51	16,972.07	18,426.49	16,325.10	13,551.49
Term & Other Deposits		6,603.29	6,181.25	8,003.56	6,424.72	4,938.63
Long Term Liabilities		6,753.22	7,059.65	6,741.18	6,352.36	5,147.56
Share Capital		1,408.88	1,374.52	1,374.52	1,309.07	1,309.07
Shareholders Equity		2,790.28	2,721.99	2,670.00	2,610.90	2,642.58
Operating Revenue		1,519.43	1,819.01	1,733.86	1,361.98	1,042.86
Financial Expenses		1,124.87	1,431.53	1,288.52	963.86	757.58
Operating Expenses		136.74	143.19	136.43	124.08	95.95
Profit before Taxation		217.81	184.93	288.43	217.60	167.63
Net profit after Tax		160.01	150.38	219.29	162.76	101.30
Current Ratio (Times)		1.30	1.18	1.05	1.03	1.01
Debt/Equity Ratio		4.79	4.86	5.52	4.89	3.82
Return on Equity		5.73%	5.52%	8.21%	6.23%	3.83%
Return on Assets		1.29%	1.04%	1.66%	1.33%	1.36%
Dividend	Cash	10.00%	7.50%	10%	10%	15%
	Stock	0.00%	2.50%	0%	5%	-
Net Asset Value per Share		19.8	19.8	19.43	19	20.19
EPS		1.14	1.09	1.6	1.24	0.77

Key Performance Indicators

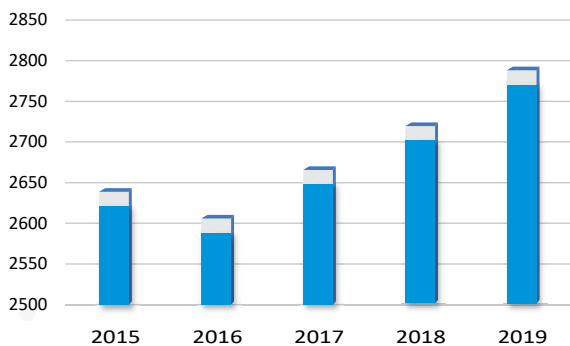
Net Profit After Tax (BDT in million)



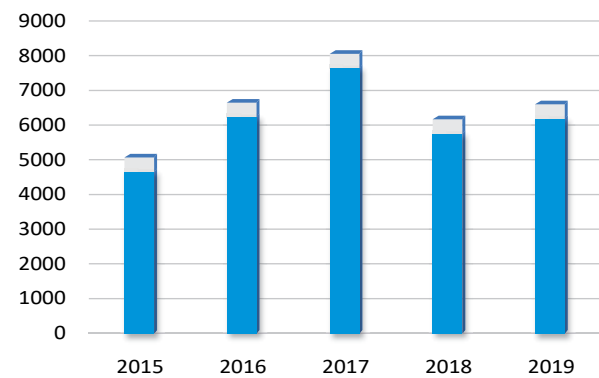
Investment (BDT in million)



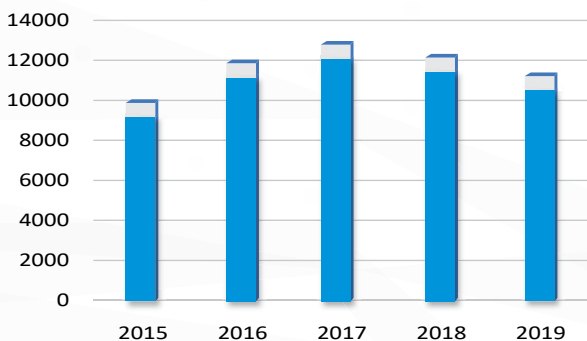
Shareholders' Equity (BDT in million)



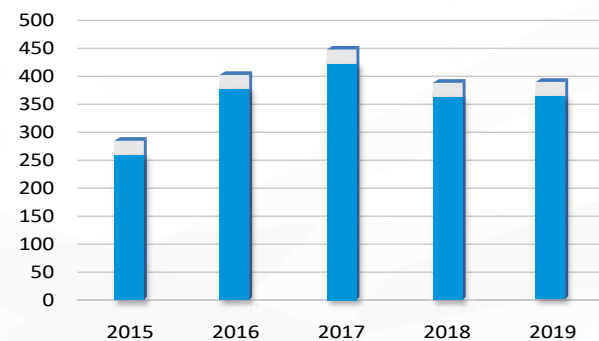
Term Deposits (BDT in million)



Loans and Advances (BDT in million)



Operating Income (BDT in million)



Board of Directors



Dr. Maswooda Ghani
Chairman

Dr. Maswooda Ghani is the Chairperson 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.



Prof. Suraiya Begum
Director

Prof. Suraiya Begum, one of the Sponsors of Bay Leasing & Investment Limited, is the member of the Board Audit Committee. 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.

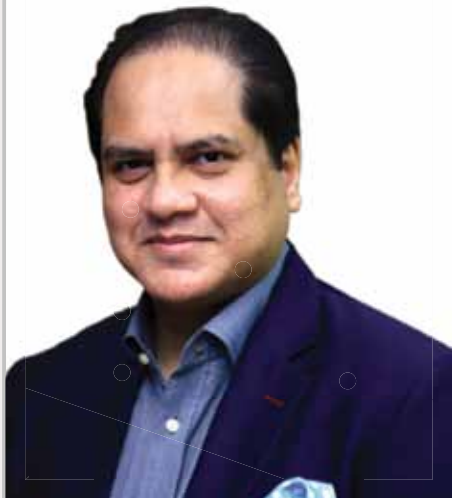
In the final leg of her illustrious career she was appointed as Member of the Public Service Commission (PSC) for a period of 5 years (2007-2012).

Board of Directors



Tarik Sujat
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.



Zubayer Kabir
Director

Mr. Zubayer Kabir, a Sponsor Director of Bay Leasing & Investment Limited, is the 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



Fatema Zahir Majumder
Director

Mrs. Fatema Zahir Majumder is a sponsor shareholder and Director 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.



Prof. Shahid Uddin Ahmed, Ph.D.
Independent Director

Prof. Shahid Uddin Ahmed is an Independent Director of Bay Leasing & Investment Limited. A Masters in Management from University of Dhaka, he completed MBA (Management) and Ph.D from Brunel University, London, UK. He had an illustrious career as an Academician and reached the position of Pro Vice Chancellor and also for an interim period the Vice Chancellor of University of Dhaka. He has authored and published many books and research papers on Entrepreneurship Development and Management and also winner of distinguished Awards and Gold Medal. His doctoral research was based on “Entrepreneurship and Management Practices among Immigrants from Bangladesh in the UK”. His academic visits took him to various countries in the SAARC region, Middle East, Europe and the USA.

Board of Directors



Dr. Zaidi Sattar
Independent Director

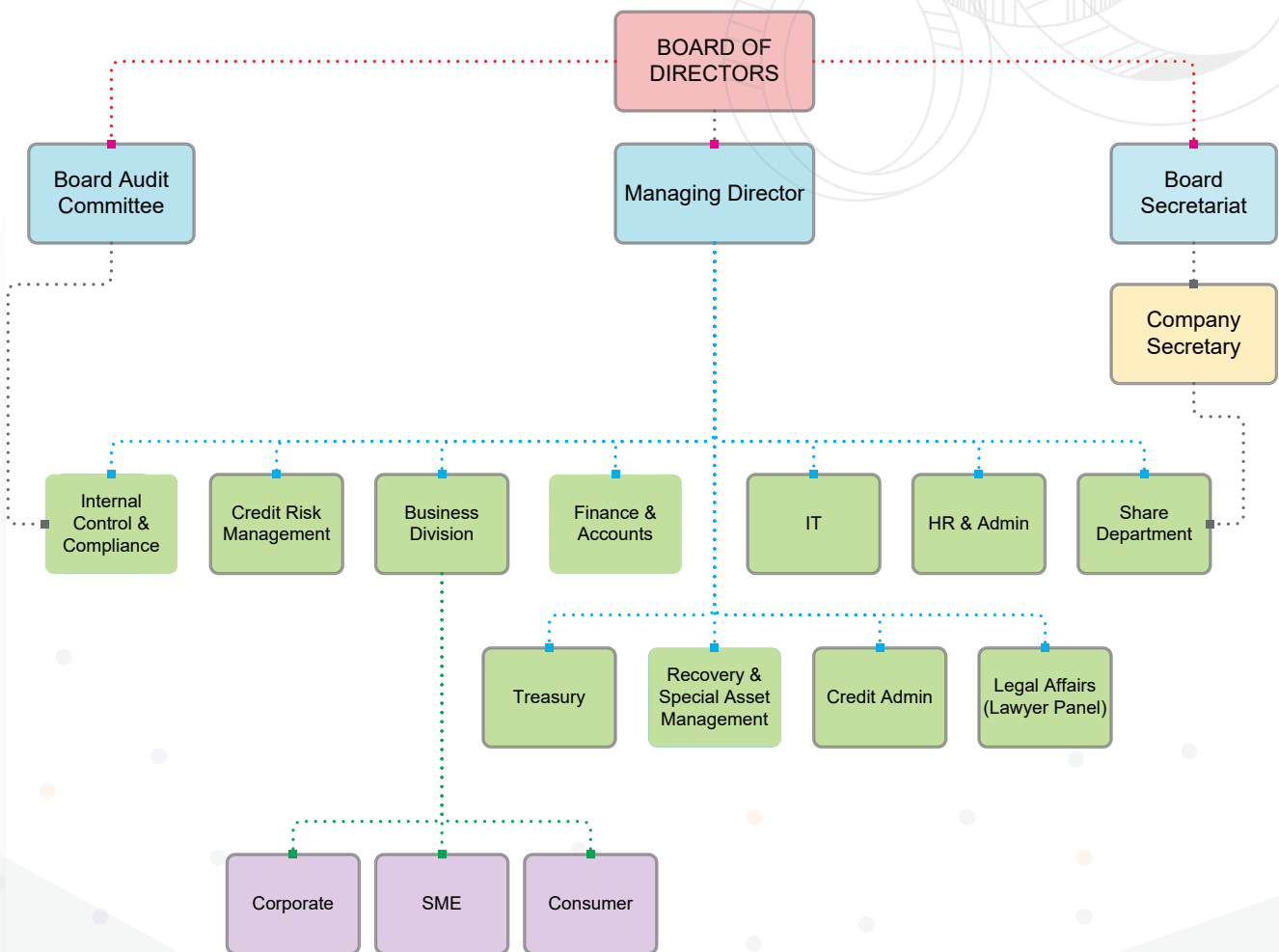
Dr. Zaidi Sattar is an Independent Director of Bay Leasing & Investment Limited. His illustrious career started after completion of B.A. (Hons) in Economics from Dhaka University in 1967 and Masters in Economics from Karachi University in 1968. After a short stint as Lecturer in Economics at Dhaka University, Dr. Sattar joined the Civil Service of Pakistan in 1969 and later held top echelon administrative positions in various districts and secretariats in Bangladesh until 1983. And part of this time he was on administrative leave and completed his second Masters in Political Economy and subsequently Ph.D in Economics from Boston University, USA. From the year 1984 until 1992 Dr. Sattar was Associate Professor at the Catholic University of America in Washington DC. He then moved to Dhaka and joined National Board of Revenue as World Bank International Advisor on Tariffs and Tax Reform until 1995 and later as Special Macroeconomic Advisor at UNDP till 1996. He continued his services at World Bank as Senior Economist and Consultant for the next 12 years until the year 2009. Dr. Zaidi Sattar is currently the Chairman of Policy Research Institute (PRI) of Bangladesh and has been holding this position since 2009.



Iftekhar Ali Khan
Managing Director

Mr. Iftekhar Ali Khan joined Bay Leasing and Investment Limited in September 2010. He started his banking career 33 years ago as a Management Trainee at ANZ Grindlays Bank where he worked for a decade and held the position of Branch Manager of Nasirabad, Chittagong and later Manager, Karwan Bazar branch. In 1994, he moved to Standard Chartered Bank as Head of Chittagong zone. Later in 1999, Mr. Khan joined EXIM Bank as SEVP and Head of Corporate. Between the years 2001 and 2006, Mr. Khan served as DMD of GSP Finance and Mutual Trust Bank respectively. From 2007 to 2009 he served as Country Head of Ceylinco Consolidated (BD) Limited, an international remittance company head quartered in Singapore. Prior to joining as the MD of Bay Leasing & Investment Limited in 2010 he held the position of Additional Managing Director of BD Finance Limited. Mr. Khan has traveled widely and attended numerous trainings and seminars at home and abroad.

Organogram



Management Committee (MANCOM)



Mr. Iftekhar Ali Khan
Managing Director
& Chairman, MANCOM



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



Mr. M. Maniruz Zaman Khan
Head of Finance &
Company Secretary
Member



Mr. Mohammad Rashedul Islam
Head of Bangla Motor Branch
Member



Mr. Rashed Al Islam
Head of Principal Branch
Member



Mr. Shabbir Minhaz Chowdhury
Head of SAM
Member



Mrs. Sharmin Akhter
Head of Share Department
Member



Mr. Samir Saha
Head of ICC
Member



Mr. Enayet Kabir
Sr. Manager, Finance & Accounts
Member



Mr. Faisal Bin Naser Ahmed
Head of CAD
Member



Azizur Rahman Sarker
In Charge, CRM
Member



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

Committees

MANAGEMENT COMMITTEE (MANCOM)

Mr. Iftexhar Ali Khan
Mr. Md. Lutfur Rahman
Mr. M. Maniruz Zaman Khan
Mr. Mohammad Rashedul Islam
Mr. Rashed Al Islam
Mr. Shabbir Minhaz Chowdhury
Mrs. Sharmin Akhter
Mr. Samir Saha
Mr. Enayet Kabir
Mr. Faisal Bin Naser Ahmed
Mr. Azizur Rahman Sarker
Mr. Md. Mahade Hasan Bhuyan

- Chairman
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member Secretary

CREDIT COMMITTEE (CC)

Mr. Iftexhar Ali Khan
Mr. Md. Lutfur Rahman
Mr. M. Maniruz Zaman Khan
Mr. Mohammad Rashedul Islam
Mr. Rashed Al Islam
Mr. Faisal Bin Naser Ahmed
Mr. Azizur Rahman Sarker
Mr. Md. Mahade Hasan Bhuyan

- Chairman
- Member
- Member
- Member
- Member
- Member
- Member
- Member Secretary

CENTRAL COMPLIANCE UNIT (CCU)

Mr. Md. Lutfur Rahman
Mr. Samir Saha
Mr. Md. Arifur Rahman Badhon

- CAMLCO
- Member
- Member

BASEL IMPLEMENTATION UNIT (BIU)

Mr. Iftexhar Ali Khan
Mr. Enayet Kabir
Mr. Samir Saha

- Head of BIU
- Member
- Member

ASSET & LIABILITY MANAGEMENT COMMITTEE (ALCO)

Mr. Iftexhar Ali Khan
Mr. Md. Lutfur Rahman
Mr. M. Maniruz Zaman Khan
Mr. Mohammad Rashedul Islam
Mr. Rashed Al Islam
Mr. Enayet Kabir
Mr. Samir Saha

- Chairman
- Member
- Member
- Member
- Member
- Member
- Member Secretary

Committees

RISK MANAGEMENT FORUM (RMF)

Mr. Iftekhar Ali Khan
Mr. Md. Lutfur Rahman
Mr. Azizur Rahman Sarker
Mr. Samir Saha

- Chief Risk Officer
- Member
- Member
- Member

RISK ANALYSIS UNIT (RAU)

Mr. Shabbir Minhaz Chowdhury
Mrs. Sharmin Akhter
Mr. Enayet Kabir
Mr. Md. Jashim Uddin Rajib
Mr. Md. Tanshen Parvez

- Unit Head
- Member
- Member
- Member
- Member

INTEGRITY COMMITTEE

Mr. Md. Lutfur Rahman
Mr. M. Maniruz Zaman Khan
Mr. Md. Shahidul Haque Ahmed
Mr. Md. Arifur Rahman Badhon

- Committee Head
- Focal Point
- Member
- Member

SUSTAINABLE FINANCE COMMITTEE

Mr. Md. Lutfur Rahman
Mr. M. Maniruz Zaman Khan
Mr. Mohammad Rashedul Islam
Mr. Rashed Al Islam
Mr. Shabbir Minhaz Chowdhury
Mr. Faisal Bin Naser Ahmed
Mr. Samir Saha
Mr. Shahidul Haque Ahmed
Mr. Md. Mahade Hasan Bhuyan

- Committee Head
- Member
- Member
- Member
- Member
- Member
- Member
- Member
- Member Secretary

SUSTAINABLE FINANCE UNIT

Mr. Faisal Bin Naser Ahmed
Mr. Md. Zabed Miah
Mr. Md. Arifur Rahman Badhon
Mr. Nawshad Md. Aziz Arman

- Unit Head
- Member
- Focal Point
- Fallback Person

Chairman
Message



Dr. Maswooda Ghani
Chairman



Chairman's Message

Dear Shareholders

By the Grace of Almighty, Bay Leasing has passed another year holding its ground and ensuring sustainability in business despite the ongoing challenges of COVID-19 pandemic faced by the world as well as our country in 2020. As we all know, year 2020 brought about one of the most unprecedented scenarios in modern times with COVID-19, claiming millions of lives globally including Bangladesh and destroying the livelihoods due to extended lockdowns and impacted economic activity. Irrespective of facing all the hurdles throughout the year, Bay Leasing successfully managed to maintain its overall stability by providing dividend to its honorable shareholders consistently at the same level.

On behalf of the Board of Directors, I welcome you to the 25th Annual General Meeting of Bay Leasing & Investment Limited and would like to take this opportunity to express my sincere appreciation to all of you for the unrelenting support and faith that you have placed in us and in our endeavors. It is your continuous support and kind patronage that have always resulted in the continued success of the company.

Global Economic Conditions

In the year 2020 the world faces unprecedented challenges from the COVID-19 pandemic, testing global economic resilience from multiple dimensions. The world economy and supply chains were severely disrupted by the pandemic, shrinking by over 9.6% in the year. Rapidly spreading virus, lockdowns, panic, economic disruption crippled the world, leading to a global GDP growth rate of a negative 3.5%, as reported by International Monetary Fund (IMF).

However, approval and rollout of vaccines have boosted hopes of economic recovery. Global trade volumes started recovering by the closing of 2020. Countries in the Asia-Pacific region crossed over the adverse health and economic outcomes from the crisis and they are on their way to recovery. Low interest rates and expectations of low oil prices in the coming year are likely to translate into strong economic recovery, spearheaded by fiscal stimulus.

National Economic Conditions

Bangladesh has been adversely affected with the onset of the COVID pandemic and experienced an economic slowdown. GDP growth in FY 2020 is projected to be 5.2% down from 8.13% in FY 2019 as estimated by Bangladesh Bureau of Statistics (BBS). Growth in export and import in FY 2019 – 2020 is negative. Despite a significant slowdown in both imports and exports, high remittance inflow and lower imports contributed to offset the lower exports, resulted in rising foreign exchange reserves which stood at a record high USD 43 billion as of 31 December 2020 and also improves overall Balance of Payments. The initial panic in the economy was dealt with in form of Stimulus package announced by the government as well as support from the Central Bank through payment deferral to borrowers, relaxed classification policy and liquidity assistance. The central bank effectively managed the exchange rate risks with its frequent intervention in the foreign exchange market. However, a 13% increase in the fiscal budget in FY 2021, with a focus on public services and healthcare has been effective in handling the challenges of a post-pandemic economy.

Financial Sector Conditions

The financial sector faced challenges in 2020 due to the slowing down of economic activity. However, regulatory bodies were active in guiding the market players through the pandemic. Throughout 2020, appropriate directives were put into effect in a timely manner to mitigate the impact on stakeholders. There are still several dilemmas facing the financial services industry. Excess reserves with Bangladesh Bank have increased by 236%. The industry has sustained high levels of classified loans since January 2018. Especially in the NBFIs sector, the NPL ratio grew from 10.4% to 13.29% from September 2019 to June 2020. In the total asset composition of all NBFIs, the amount of loans, lease and advances was 77.82 percent during the said period. However, Central Bank has taken several policy measures to mitigate the impacts of COVID-19 on financial institutions and their clients by keeping classification status



of loan/lease/advance unchanged from January to December 2020, lowering the Cash Reserve Requirement (CRR) from 2.5 percent to 1.5 percent on bi-weekly basis and from 2.0 percent to 1.0 percent on daily basis, restructuring and revolving loan renewal facilities on easy terms and conditions. Central Bank also facilitates interest rate subsidy and refinance scheme for pandemic affected clients of FIs' and Banks under the government under the government stimulate packages for lending working capital in industries and service sector and CMSME sector.

Financial Position & Performance

Though the year 2020 was an unprecedentedly challenging and a difficult year, the Company registered growth of 1.83% in operating revenue and 6.41% in net profit from 2019 which shows its resilience. At the close of December 31, 2020, the profit after tax of the Company was 160.01 million. The Company posted an operating profit of Tk. 394.55 million for the same period.

Earnings per Share (EPS) increased from BDT 1.07 in 2019 to BDT 1.14 in 2020 and Net Asset Value (NAV) increased from BDT 19.32 in 2019 to BDT 19.80 in 2020.

Borrowings from banks and financial institutions shrank by 10.14% from BDT 6.86 billion in 2019 to BDT 6.17 billion in 2020. Term deposits from corporate entities, organizations and individuals increased by 6.93% to BDT 6.38 billion in 2020. This apparent shift in focus in deposit collection is due to better control over our deposit portfolio while keeping the cost of deposit at a minimum level.

The lease, loans and advances portfolio of the Company shrank by 7.20% from BDT 12.20 billion to BDT 11.32 billion over 2020. The asset portfolio consists of both short term revolving working capital and long term asset financing facilities.

The year 2020 presented a major cost administration challenge to our Company. In keeping with our commitment to our employees during difficult times we avoided reducing headcount and salary packages. Despite of this, we were able to reduce operating expenses by 4.50% from 2019 which reflects in increasing our net profit after tax.

Risk Management

Risk is the main cause of uncertainty in any organization. Focusing and identifying various risks and managing them is vital in any financial institution. Escalating non-performing loans is always a risk at times of crisis and the Covid-19 pandemic of 2020 has been no exception. However, the Company strengthened its credit risk assessment framework in 2020 with the updated guidelines and circulars of Bangladesh Bank. The 2020 risk management objectives were to establish a more structured and data-driven approach to various aspects of risk. BLIL's strong information systems as well as highly qualified personnel ensure efficient risk assessment, risk management, and prompt decision making. The Credit Committee members are equipped with training and experiences in order to assess the risks of the proposals. BLIL management always keeps their focus on secured lending to the right borrowers and furthermore, the loan default rate has been kept low over the year.

Compliance & Governance

Central Bank has taken some policy measures in order to put in place good corporate governance framework for NBFIs. In line with that, Independent Internal Control and Compliance division of BLIL works to ensure the accountability and transparency along with the objective of reducing anomalies and conflicts of interest. BLIL complies with the corporate governance requirements as well. The compliance division ensures that BLIL complies with all the applicable regulations and adopts changing regulatory guidelines.

Technology

Technology is key to survive and thrive in the post pandemic world and we are reaping the benefits of our investment in digital transformation which enabled us to continue our business operation flawlessly. We have already launched a new core banking system to support the growth trajectory of the company and our long term goal is to use upcoming technologies for identifying customer needs, making credit decisions and building a stronger system to make banking easier for our customers.



Concluding note

Despite different obstacles, the world economy is ready for a rebound on the back of a stable global trade condition and emerging economies are expected to achieve new momentum and the new opportunities arising from a post pandemic landscape will be there to seize. The Bangladesh economy is expected to embrace this momentum in the coming year, with economic activity picking up in the latter half of 2021 and registering a pre-COVID level of growth. The central bank foresees a strong credit growth in both the public and private sectors. Resumption of the large infrastructural projects by the government will generate fresh opportunities.

The key challenge for our Company in 2021 will be to continue to support the demand for financing despite of tighter liquidity, more stringent regulations, shrinking interest rate margins and increasing non-performing loans. Our main aim should be fostering growth of core business operations while ensuring heightened profitability. Asset quality of lending portfolio, connectivity with clients, innovation of service and financially viable funding will also remain our focus. However, we have firm faith in our expertise and motivation to work harder which will propel us to cross over all the difficulties of future.

I again, wish to thank all my colleagues in the Board of Directors for their guidance and support and all our Shareholders and Customers for their unflinching faith on us in this vulnerable time. I also convey my sincere appreciation to the Management and staff of BLIL for their dedication and professionalism in discharging their responsibilities during the pandemic. I am also thankful to the Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC) and the Registrar of Joint Stock Companies and Firms and the DSE & CSE for their support at all times.



Dr. Maswooda Ghani
Chairman

MD's
Message



Iftekhar Ali Khan
Managing Director



Dear Valued Shareholders

Assalamu Alaikum,

At the outset, I would like to express my deepest thanks to you for your continuous support to our organization and I am pleased to present a brief summary of **Bay Leasing and Investment Ltd. (BLIL)** and our major achievements along with overall performance during the year 2020. Bay Leasing has successfully completed 25 years since its incorporation in February 1996 and celebrating silver jubilee for completion of 25 years in 2020. The year 2020 has been unlike anything in the past, a year of uncertainty induced by global Corona Virus Pandemic. It hit the world so hard that it literally brought the world to a standstill. Besides, the toll this outbreak has had on human life, it has also disrupted the social, economic and financial structures of the entire world, nothing like that was ever experienced in the modern history. In Bangladesh, the government declared general holiday from March 26, 2020 which continued till May 31, 2020. Thus, almost a quarter was ticked off from the business calendar where survival and protections of human lives were the utmost priorities. Like all other businesses, in BLIL also business was seriously affected by COVID-19 pandemic, particularly during the first half of the year. Despite of offices being closed during the lockdown, all employees were working from home to ensure any support and services required by our existing customers. But new business mobilizations came to a standstill as we prioritized the health safety and well beings of the employees and customers and stopped all types of physical interaction with the customers.

However, despite significant challenges in Covid-19 pandemic year, we have spent with sustained earnings and strengthened our relationship. Beside maintaining business relationship our concentration in 2020 was improvement of loan recovery, reducing bank borrowing by increasing core deposit as well as customer diversification which enhanced the organization's scope of operation and achievement throughout the year. In 2020 we have achieved a significant growth in our investment income besides our regular interest income. But due to ongoing challenges faced by the financial sector related to negative image of NBFi industry, liquidity crisis, capital adequacy ratio, rising trend in cost of deposit and non-performing loans, we took prudent measures to avoid any major business setback.

This is my immense pleasure to invite you all to the 25th Annual General Meeting of Bay Leasing & Investment Limited and glad to present the annual report, financial performances with audited financial statements for the year ended 31 December 2020.

Economy & Industry Review

All over the world strict lockdowns and social distancing protocols due to the Covid-19 pandemic disrupted economic activity in 2020, especially in cross-border trade & manufacturing. The global growth contraction during 2020 is estimated at negative 3.50%. Most of the largest economies in the world have seen economic slowdowns that will take time to recover. Global lockdowns have slowed down export and import growth and shrinking global economic growth. In 2021, the global economy is projected to grow 5.50% as per IMF.

Despite facing the pandemic induced challenges in all economic sectors suitable and timely measures taken by the Government and Bangladesh Bank paved the way for economic recovery of Bangladesh. According to the report of Bangladesh Bureau of Statistics (BBS) estimated real GDP growth of 3.51 percent in FY2019-20, which was 7.28 percent in previous fiscal year. Following negative impacts of COVID-19, all major sectors witnessed a lower growth. However, the growth rate in FY20 was highest in South Asian region. However, The Government's expectation to achieve 8.20% growth in FY21 would be challenging. The increase in GDP by 8.20 percent may have happened because in recent year's growth is being driven by public sector which has undertaken a number of mega projects with huge investments.

Gross domestic savings decreased to 23.77 percent of GDP in FY 2019-20 from 25.02 percent a year earlier, total investment also decreased to 30.47 percent in FY 2019-20, which was 31.57 percent in FY 2018-19. Public sector investment increased to 8.41 percent of GDP in FY



2019-20, which was 8.03 percent in FY 2018-19. In FY 2019-20 total export earnings decreased by 16.93 percent to US\$ 33,674.09 million compared to the previous fiscal year. The total import for FY 2019-20 stood at US\$ 54,785 million, which was 8.6 percent lower than the previous fiscal year. Unexpected volume of inward remittance grew by 18.4 percent to US\$21.7 billion in 2020, defying the gloomy projections and in spite of the ongoing Covid-19 pandemic globally due to cash incentives given at the rate of 2.0 percent of remitted amount. According to BBS, the annual average inflation rate was 5.6 percent in end of 2020 which was 5.48% in 2019. The review of the performance of Bangladesh economy in 1st pandemic year of 2020, protection of the household incomes and reduction of unemployment rates would be challenging during the pandemic period. Nevertheless, coordinated and effective measures towards recovery of economic activities and bringing a significant population under vaccination would certainly accelerate our country towards the economic growth.

Overview of the Financial Sector of Bangladesh

Despite of covid-19 pandemic situation in 2020 the financial sector of Bangladesh shows excess liquidity, surplus liquidity in banks have risen by 95% to above BDT 2000 billion in December 2020. It is impact of stimulus packages for private industry and service sectors for overcoming covid-19 pandemic situation and increased savings have led to excess liquidity in the market. Weighted average lending rates for banks have fallen from 9.68% to 7.52%, leading to spreads decreasing to 2.98% due to refixation of interest rate by Bangladesh Bank for deposit and lending. Bank fund is a major source of fund for most of the Non-Bank Financial Institutions (NBFIs), so the deposit rates of NBFIs decreased to 8.69% has offset the reduction in lending rates to 12.04% and spreads have increased to 3.35% in 2020. Besides these public confidence in NBFIs has been further shaken up with few financial institutions failing to meet their liability obligations.

The financial sector is facing a lack of demand for credit caused by nationwide lockdown due to pandemic situation, private sector credit growth suffering well below the projected targets of the government, at around 8.4% against a projection of 11.5%. While regulating the financial sector, Bangladesh Bank has adopted flexible loan repayment i.e. deferral the repayment of installment from March 2020 to December 2020 in response to the pandemic. In this connection, the NPL ratio in the industry to shrink to 7.66% as of December 2020 from 8.89% in 2019. On funding side, deposit mobilization could be a challenge with more industry players coming into the market and Government increasing its borrowing through banking system as well as national savings certificates. In addition to this, sustained pressure on reducing Interest rate could further narrow-down the spread. In such a situation, unless Banks and NBFIs manage to search new and cheap sources of fund and find ways to reduce the classified loan trend, managing desired margin could be a major hurdle. As the coronavirus relief measures are relaxed, survival in the industry would require an optimal mix of prudential risk-taking, flexibility, and capturing market niches.

Financial Review

Despite the Covid-19 pandemic situation faced by the whole financial sector during the year 2020 like nationwide Loack down, reducing spread, unstable capital market, liquidity crisis, negative news on NBFIs sector, BLIL was able to achieve strong Balance Sheet and Profitability. In 2020, BLIL tried to give more concentration on loan recovery and deposit marketing rather than taking growth loan portfolio due to liquidity crisis, increase of NPL, low spread of interest income in the financial sector.

Due to slowdown of loan disbursement, Loans and Advances has been decreased to BDT 11,324 million in 2020, decreased by 7.19% from BDT 12,202 million in 2019, however deposit portfolio has been increased by 7.82% to BDT 6,603 million in 2020.

However, total Interest Income decreased by 21.28% in 2020 to BDT 1,172 million from BDT 1,489 million in 2019 due to early adjustment of some large loans by clients who move to the Banking Sector to avail single digit. On the other hand, investment income increased by 7.04% in 2020 to BDT 304 million against BDT 284 million in 2019 mainly gained from capital market by trading of shares.



Operating Profit increased by 5.73% to BDT 258 million in 2020 against BDT 244 million in 2019. Overall, Profit after Tax increased by 6.66% to BDT 160 million in 2020 from BDT 150 million in 2019.

Return on Asset stood at 0.94% in 2020 against 0.89% in the previous year. The total assets of BLIL slightly reduced by 0.36% to BDT 16,911 million in 2020 from BDT 16,972 million in 2019. ROE shows 7.81% in 2020 which was 5.52% in 2019.

Risk Management

Risk is undoubtedly one of the most crucial issues in the field of financial risk management. Every financial institution, big or small, diverse or focused, assumes risk as part of their essential activity as an enterprise. BLIL is committed to ensure that all risk management policies and practices are ingrained in its business operations. The credit risk management addresses areas of market, credit and operational risk and seeks to minimize the risks generated by the activities of the company. Guidelines of core risk areas are in place and updated periodically. Appropriate internal control measures have been implemented overseen by the Internal Control and Compliance (ICC) department. The Asset Liability Management Committee (ALCO) conducts periodic reviews to assess prevailing market conditions, re-price products and revise interest rates. Company's policies/guidelines on Credit Risk Management and Money Laundering & Terrorist Financing prevention have been updated based on latest guidelines and circulars of Bangladesh Bank. A separate Risk Assessment Report has been prepared to identify every possible risk area and to get them included in the Risk Register. Under the guideline of Bangladesh Bank, all these risk factors have been assigned with appropriate risk score, risk appetite level and applicable treatment/action plans.

There are several risks facing BLIL in the upcoming year. In the immediate term, conclusion of the flexibility repayment period will increase in classified loans in financial sector. Provisioning levels are likely to increase at the end of the flexibility repayment period by the regulatory body. The end of the flexibility repayment period will allow the true extent of the risks to be reflected in official reporting and will determine the direction of the sector in the upcoming year.

Information & Communication Technology (ICT)

To increase the pace of work and the quality of services, BLIL upgrades its ICT resources in a timely manner. At present, the ICT Department of BLIL is working continuously to increase the efficiency and effectiveness of the ICT initiatives. From the beginning of 2020 BLIL has operating the core banking software named “**BankUltimus**” in full-fledged. This software has enriched our operational capacity, customer services, cost effectiveness and accuracy. BankUltimus is ensuring quality customer service while streamlining our business process and equipping for improved Management Information System (MIS). We have also made plans to significantly improve and expand our IT infrastructure through expansion of our data center and disaster recovery site.

Human Resource Development & Employee Turnover

We all know that employees are a company's greatest asset. It's my pleasure to inform that we are in regular revision and review of our HR policy to accommodate all the possible HR related aspects and establish a workplace with better corporate governance. The employees of BLIL are highly trained to perform their job responsibilities. As a part of human resource development, BLIL arranges in-house training programs at a regular basis in order to enhance employees' capacity and potential. In the year 2020, the employees of BLIL participated in multiple training programs organized by Bangladesh Bank, BIBM and BIAC. Trained, highly satisfied and motivated employees of BLIL play a vital role in BLIL's success. The employee turnover ratio was nil in the year 2020 reflecting high employee satisfaction in the company. Moreover, we have formulated a policy on Prevention of Sexual Harassment to provide protection against sexual harassment to women at workplace in BLIL. BLIL puts much emphasis on retaining and rewarding good employees.



Social Responsibility

Considering social responsibility as a major duty, BLIL has already been helping the underprivileged section of the populace in Covid-19 pandemic situation. In this connection, BLIL distributed Oxygen Cylinders, Hand Sanitizers and Masks through 03(three) Voluntary Organizations for underprivileged people in rural areas for protection and safety of lives in the community.

Green Initiatives

BLIL encourages the reduction of carbon footprint. Before disbursing loans to the clients, BLIL management tries to ensure that proper measures are taken by the client in order to reduce any negative effect on the environment. The management also scrutinizes critically the chances of businesses falling under the red category according to the Environment Conservation Rules, 1997. Therefore, environmental and social risk management system is properly integrated with the credit risk management system in the process of disbursing loans to the clients. This is to be noted that the employees of BLIL have gained awareness regarding environmental and social issues. Considering environmental and social responsibilities, BLIL has already adopted initiatives like recycling office inventories, installing power efficient technology, avoiding bottled water, sharing office equipment, initiating in-house plantation programs etc. BLIL has also started to finance under environment friendly products/initiatives/projects of Bangladesh Bank.

Expectation in 2021

Economic outlook in 2020 was very challenging. Continuing covid-19 pandemic has made it more challenging in 2021, since it has put the economy of the whole country in a stressful situation due to nationwide lockdown. So, first of all we have a plan how to overcome the losses occurred from this situation at the earliest. BLIL has the capacity to cope with changing environment as well as creating new opportunities. In 2021, BLIL tried to focus on ensuring sustainability in business as well as maintaining the quality. In 2021 we will try to continue our business keeping in mind the same strategy by utilizing our financial and infrastructural strength to meet forthcoming challenges. Our first 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 retail business mainly, 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.

Acknowledgement

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 in this covid-19 pandemic situation. Lastly, I take this opportunity to thank all of my colleagues for their loyalty, sincerity, commitment and relentless hard work.



Iftekhar Ali Khan
Managing Director



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.

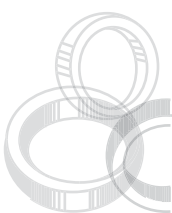
Special focus on combating Money Laundering and Terrorist Financing

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.

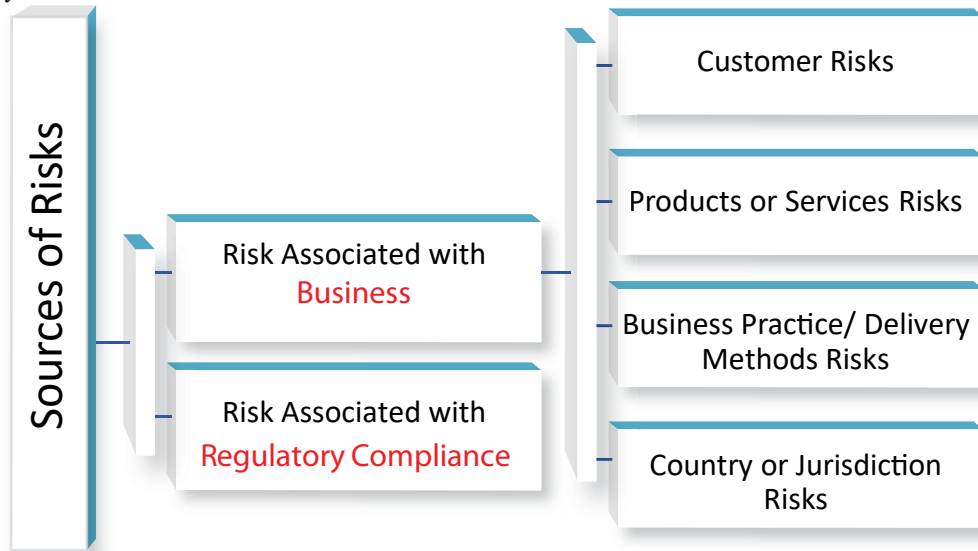
Bangladesh Bank, as the Central Bank and the governing authority of Bay Leasing & Investment Limited, has provided guideline's with instructions and indications to identify, assess the risk of ML & TF in our businesses and to take effective measures to mitigate the identified risk and monitor and review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



Risk Identification

Identify the main ML&TF risks:

- 1) Customers
- 2) Products & Services
- 3) Business practices/ delivery methods or channels
- 4) Country/ jurisdiction

Identify the main regulatory risks:

- 1) Failure to report STRs/SARs
- 2) Inappropriate customer verification
- 3) Inappropriate record keeping
- 4) Lack of AML/CFT program



Risk Assessment

Measure the size & importance of risks:

- 1) Likelihood - Chance of the risk happening
- 2) Impact - the amount of loss or damage if the risk happened
- 3) Likelihood X Impact = Level of Risk (Risk Score)



Risk Treatment

Manage the business risks:

- 1) Minimize and manage the risks
- 2) Apply strategies, policies and procedures

Manage the regulatory risks:

- 1) Put in place systems and controls
- 2) Carry out the risk plan and AML&CFT program



Risk Monitoring

Monitor and review the risk plan:

- 1) Develop and carry out monitoring process
- 2) Keep necessary records
- 3) Review risk plan and AML&CFT program
- 4) Do internal audit or assessment
- 5) Do AML&CFT compliance report



- ✓ 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

LI K EL IH O O D	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

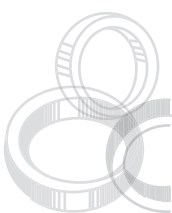
This risk group consists of our entire business practice and delivery methods or channels.

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.



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						
Srl. 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:					
7	A) Significant and unexplained geographic distance between the institution and the location of the customer B) Frequent and unexplained movement of accounts to different institutions C) Frequent and unexplained movement of funds between institutions in various geographic locations	Unlikely	Major	Medium	Acceptable Risk	Tier 2 Action Plan
		Unlikely	Major	Medium	Acceptable Risk	
		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 24th AGM

Director's Report

Dear Shareholders

On behalf of the Board of Directors of Bay Leasing & Investment Limited, I am delighted to welcome you to the 25th Annual General Meeting of the Company and take great pleasure in presenting to you all the Annual Report 2020 of the company along with the audited financial statements and auditor's report for the year ended December 2020 for consideration and approval of the valued shareholders. The audited financial statements were approved by the Board of Directors of the company on September 28, 2020. The Board presents this Annual Report in compliance with the Companies Act 1994, Financial Institutions Act 1993 and guidelines issued by Securities and Exchange Commission, Bangladesh Bank and other regulatory authorities. In Year 2020 the world economy went through a great pause in the middle of the year. Which caused the world GDP growth rate to a negative 4.4% as projected by the IMF. The epidemic has mostly affected the global trade volume. Lockdowns, isolation and trade restrictions have reduced the global trade volume in 2020 by a staggering 10.43% from the last year. On the bright side, investments as a percentage of global GDP slightly decreased from 26.27% in 2019 to 26.11% in 2020. Moreover, global inflation remained around 3%. The local economy showed strong and posted strong GDP growth compared to regional and global peers. The initial panic in the economy was dealt with in form of Stimulus package announced by the government as well as support from the Central Bank through payment deferral to borrowers, relaxed classification policy and liquidity assistance. Banks and FIs adopted cautious approach in disbursements due to uncertain environment coupled with implementation of ceiling in lending and deposit rate, resulting in private sector lending growth at below 9.0% for FY20.

Global Economy

The COVID-19 recession is a major ongoing global economic crisis which has caused both a recession in some nations, and in others a depression. It is currently the worst global economic crisis in history, surpassing the impact of the Great Depression. The economic crisis began due to the economic consequences of the ongoing COVID-19 pandemic. The first major sign of a recession was the collapse of markets during the 2020 stock market crash, which began in late February and lasted through March. As of September 2020, every advanced economy is in a recession or depression, whilst all emerging economies are in recession. Modeling by the World Bank suggests that in some regions a full recovery will not be achieved until 2025 or beyond.

Real GDP Growth (%)							
Economy/Region	2014	2015	2016	2017	2018	2019	2020
Economy							
Advanced economies	2.1	2.2	1.7	2.2	2	1.7	-4.7
Emerging and Developing Asia	6.8	6.8	6.4	6.5	6.5	5.5	-1
Emerging market and developing economies	4.7	4.3	4.3	4.6	4.9	3.7	-2.2
Major advanced economies (G7)	1.9	2.1	1.4	2	1.9	1.6	-5
World	3.6	3.4	3.2	3.6	3.7	2.9	-3.3
Region							
Africa (Region)	3.8	3.5	2.1	3.5	3.7	3.2	-1.9
Asia and Pacific	5.6	5.5	5.3	5.5	5.4	4.5	-1.3
Europe	1.5	1.3	1.6	2.2	2	1.6	-5.8
Middle East (Region)	2.9	2.1	5.7	1.3	2.8	-0.8	-4
North Africa	1.8	3.7	3.3	4.8	4.1	3.8	-1.7
South Asia	7	7.4	6.8	6.6	7.1	4.3	-6.5
Sub-Saharan Africa (Region)	4.9	3.4	1.5	2.7	3.4	2.9	-2
European Union	1.8	2.3	2	2.3	2.1	1.7	-6.1
Sub-Saharan Africa	5.1	3.4	1.4	2.6	3.4	3.1	-1.9

Source: International Monetary Fund (IMF)

Asia and Pacific

Asia-Pacific has been hit hard by the coronavirus pandemic and is recovering from a severe recession. The outlook varies by country depending on infection rates and containment measures, policy responses, reliance on contact-intensive activities, and external demand. Output is expected to remain below pre-pandemic trends over the medium term, with the most vulnerable in society likely to be hit the hardest. The projections remain highly uncertain, with significant downside risks.

Europe

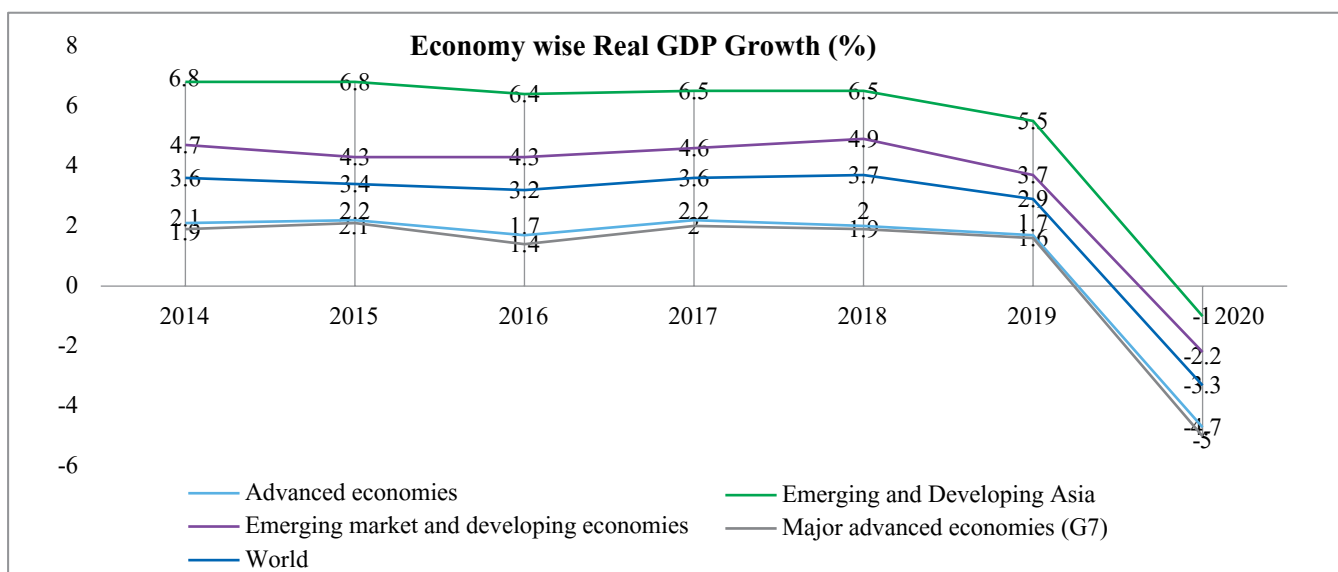
The COVID-19 pandemic has hit Europe particularly hard — we project that the economic contraction in 2020 will be among the world’s largest. Countries in Europe responded swiftly to the pandemic, which helped avoid worse outcomes. A decisive policy response protected incomes and the productive capacity of the economy. Across Europe, governments deployed large fiscal packages to support households and firms, with job retention programs preserving at least 54 million jobs. But the outlook for 2020 remains bleak and the recovery will be partial and uneven. We project that economic activity in Europe this year will decline by 7% and rebound by 4.7% in 2021. The recovery path is exceptionally uncertain. The ongoing resurgence of infections across Europe presents perhaps the greatest downside risk at this stage. Learn more, download our new Regional Economic Outlook for Europe.

Middle East (Region)

Countries in the Middle East, North Africa, Afghanistan, and Pakistan (MENAP) region and those in the Caucasus and Central Asia (CCA) responded to the COVID-19 pandemic with swift and stringent measures to mitigate its spread and impact but continue to face an uncertain and difficult environment. Oil exporters were particularly hard hit by a “double-whammy” of the economic impact of lockdowns and the resulting sharp decline in oil demand and prices. Containing the health crisis, cushioning income losses, and expanding social spending remain immediate priorities. However, governments must also begin to lay the groundwork for recovery and rebuilding stronger, including by addressing legacies from the crisis and strengthening inclusion.

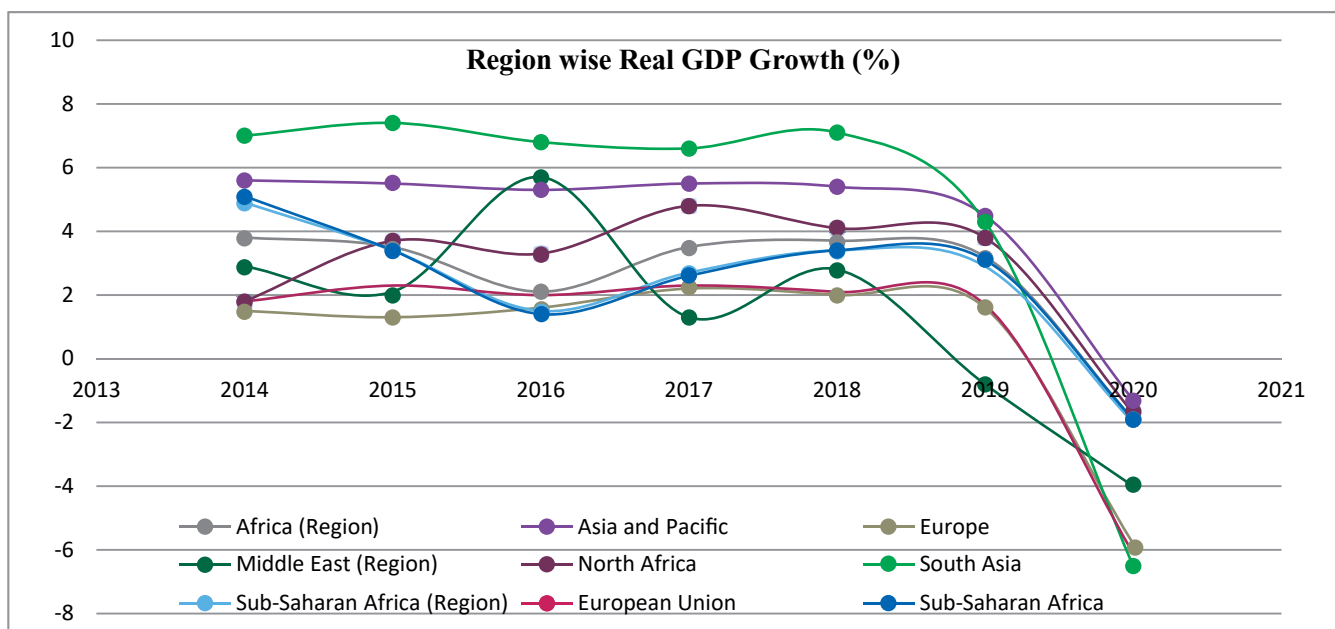
Sub-Saharan Africa

Sub-Saharan Africa is contending with an unprecedented health and economic crisis— one that, in just a few months, has jeopardized years of hard-won development gains and upended the lives and livelihoods of millions. The current outlook for 2020–21 is broadly unchanged from the June update, with activity in 2020 projected to contract by 3.0 percent, still the worst outcome on record. For 2021, regional growth should recover modestly to 3.1 percent.



Source: International Monetary Fund (IMF)





Source: International Monetary Fund (IMF)

Bangladesh Economy

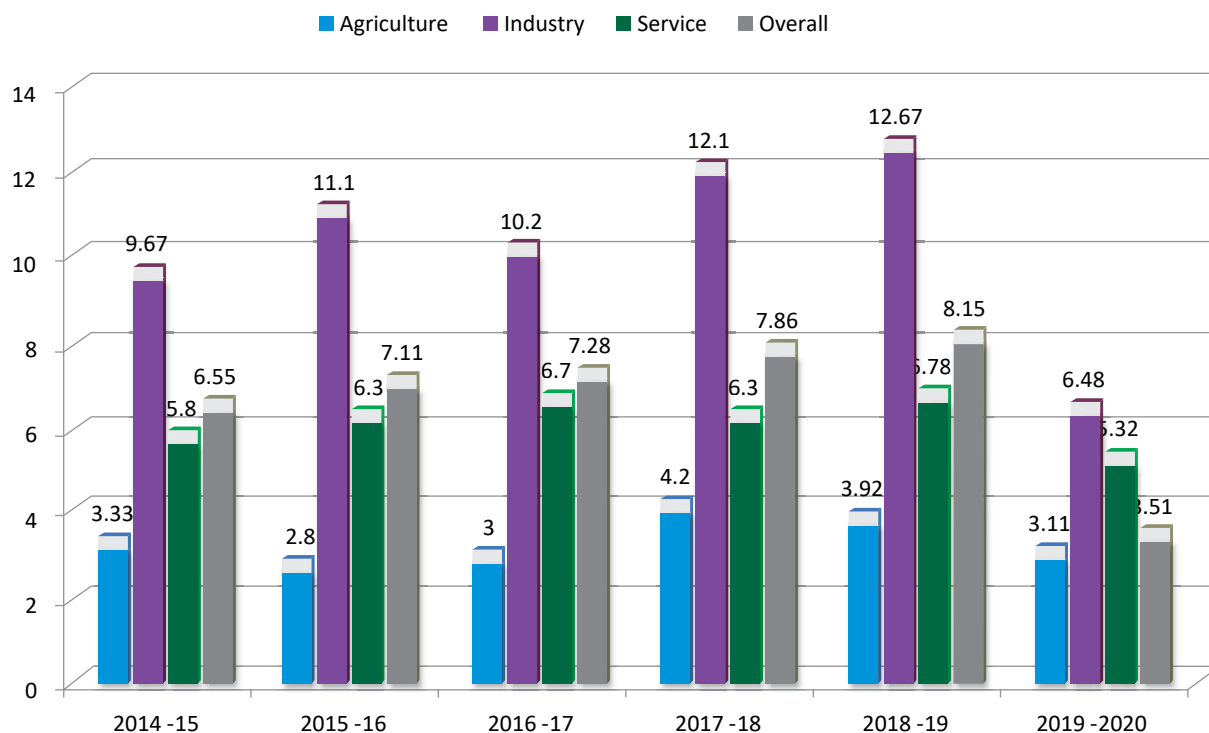
Over the past decade Bangladesh's economic growth has steadily increased from 6 percent to 8 percent. The global novel Coronavirus (COVID-19) pandemic has adversely affected the economy of Bangladesh. According to the provisional estimates of the Bangladesh Bureau of Statistics (BBS), GDP growth in FY2019-20 stood at 3.51 percent, compared to 8.15 percent in the previous fiscal year. Growth in export and import in FY2019-20 is negative. However, remittance inflows grew by 10.87 percent has reduced the current account deficit compared to the previous fiscal year. At the same time, the increase in capital and financial account inflows has led to a surplus in the overall balance of payments. As a result, the foreign exchange reserves have increased significantly. As of June 30, 2020 the foreign exchange reserve stood at US\$ 36.04 billion, the highest ever. During this period, a marginal depreciation in exchange rate of Taka with the US dollar is being observed. To keep the country's economy afloat in the face of the ongoing Coronavirus pandemic, extra spending on healthcare, emergency humanitarian assistance has been materialized. The government has already announced a financial package of about Tk. 1.2 lakh crore for economic recovery. Some of the notable activities of this package are: create special funds for export-oriented industries; provide working capital facilities to the affected industry and service sector organizations; provide working capital facilities to small (including cottage industries) and medium industrial enterprises; increase the benefits of the Export Development Fund; increase coverage of social security; direct cash transfer to targeted people, formulate various funds for the agricultural sector. As well as financial incentives, various activities including policy support such as reduction of import duty on COVID-19 related products, policy support to increase liquidity in the banking sector has been provided. As a result of these actions taken by the government, the economy is expected to turn around.

(Source: Bangladesh Economic Review 2020, Ministry of Finance)

Selected economic indicators (%)	2015	2016	2017	2018	2019	2020
GDP Growth	6.55	7.11	7.28	7.86	8.15	3.51
Inflation	6.41	5.92	5.44	5.78	5.48	5.65
Remittance Inflow growth	7.6	-2.52	-14.48	17.32	17.89	18.51
Export growth	3.35	9.77	1.72	6.4	9.1	-16.93
Import growth	11.26	5.94	9.00	25.2	1.8	-8.57

(Source: BB, Economic statistics)

Contributions of Different Sectors in Bangladesh's GDP



Source: BBS

Growth decomposition shows that, although growth rate moderated due to COVID-19 pandemic in FY20, the industry sector continued to achieve the highest growth followed by services and agriculture sector. This reflects the sustainability of growth of the economy.

(Source: BBS Sectoral Growth Rate of GDP)

Agriculture Sector

The growth of agriculture sector decreased slightly to 3.1 percent in FY20 from 3.9 percent in FY19. The growth rate dropped due to moderation of growth in all sub sectors of agriculture viz. crops and horticulture, animal farming, forest and related services and fishing. Among the subsectors, fishing achieved a growth of 6.1 percent in FY20 against 6.2 percent growth in FY19. Growth in agriculture and forestry subsector fell from 3.2 percent in FY19 to 2.1 percent in FY20. Under agriculture and forestry subsector, forest and related services registered the highest growth of 6.4 percent in FY20 which was 8.3 percent in FY19. Moreover, growth in animal farming and crops and horticulture subsectors also fell from 3.5 and 2.0 percent in FY19 to 3.0 and 0.9 percent in FY20 respectively.

Industry Sector

The industry sector, constituting more than one-third of gross value-added (GVA) in the economy, grew by around 6.5 percent in FY20, far below from 12.7 percent in FY19. This drop in growth was mainly led by low growth in all subsectors of industry hampered by ongoing COVID-19 pandemic. Among the subsectors, mining and quarrying; manufacturing; electricity, gas and water supply; and construction registered the growth of 4.4, 5.8, 6.2 and 9.1 percent in FY20 against 5.9, 14.2, 9.6 and 10.3 percent in FY19 respectively. The large and medium scale and small-scale subsectors of manufacturing sector also registered lower growth at (5.5 and 7.8 percent respectively) in FY20 compared to 14.8 and 11.0 percent growth respectively in FY19.



Service Sector

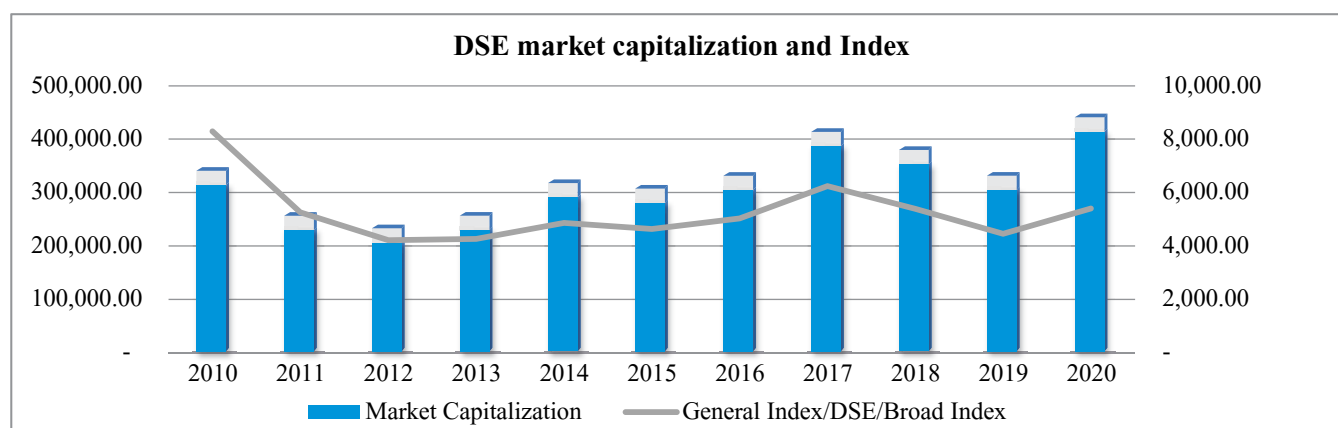
Despite some moderation, the service sector, comprising more than half of GVA, registered a modest growth of 5.3 percent in FY20. Within the sector, larger growth impulse in FY20 primarily came from health and social work (10.0 percent) and other financial intermediation (9.5 percent). Among the sub sectors of services, wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods; hotel and restaurants; transport, storage and communication; financial intermediation; real estate, renting and business activities; public administration and defense; education; and community, social and personal services registered the growth of 5.0, 6.5, 6.2, 4.5, 4.9, 6.0, 6.2 and 3.6 percent in FY20 which was 8.1, 7.6, 7.2, 7.4, 5.2, 6.4, 7.7 and 3.7 percent in FY19 respectively.

Capital Market

Capital market in Bangladesh consists of two full-fledged automated stock exchanges- the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Bangladesh ended 2020 as the best performing economy and the best performing stock market in the region. DSEX, the benchmark index of the Dhaka Stock Exchange, gained 21.3%, the highest among its peers, despite the 66-day recess for the countrywide general shutdown to slow the spread of coronavirus. This was quite the turnaround for DSEX, which fell 17.3 per cent in 2019 while bourses in emerging Asian countries showed healthy gains. Although the GDP growth rate came down to 5.24%, it was still higher than in neighboring countries in South Asia. The impact of the Covid pandemic was relatively less severe in Bangladesh, possibly due to the low average age of the population, with more than 60% under the age of 25. Government stimulus measures, including a BDT 1.03 trillion stimulus package also helped in limiting the damage. Our central scenario is that the rolling out of the Covid vaccine both at home and abroad will result in Bangladesh returning to its previous growth trajectory.

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

Source: Bangladesh Bank

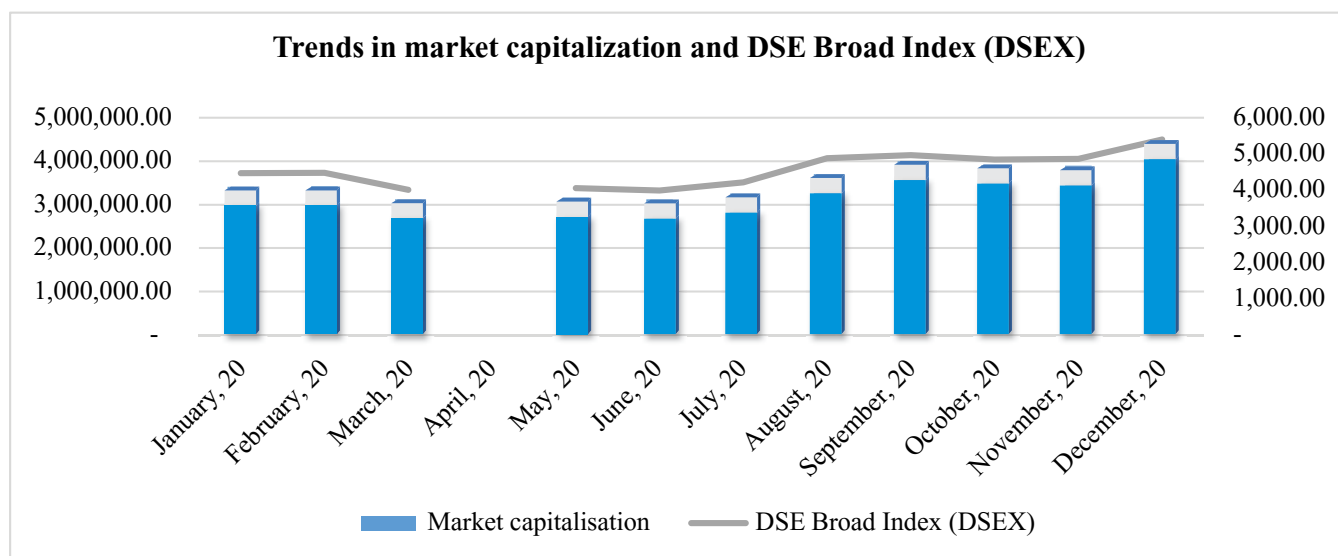


Source: DSE

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

End Month	Market capitalization	DSE Broad Index (DSEX)
January, 20	3,408,928.52	4,469.66
February, 20	3,429,831.80	4,480.23
March, 20	3,122,353.71	4,008.29
April, 20	-	-
May, 20	3,161,761.67	4,060.45
June, 20	3,119,669.82	3,989.09
July, 20	3,257,327.60	4,214.43
August, 20	3,698,344.85	4,879.15
September, 20	3,996,422.07	4,963.29
October, 20	3,912,515.01	4,846.10
November, 20	3,899,792.14	4,866.84
December, 20	4,482,300.52	5,402.07

Source: DSE



Source: DSE



Banking Sector and BLIL's Performance

Year 2020 was a toughest year in the banking sector due to lockdown. Government declared special initiative to reschedule the classified loans and introduced stimulus package. Hence, both interest rate on deposit and lending decreased than previous year.

Name of Banks	W. Avg. Interest Rate on Deposits	W. Avg. Interest Rate on Advances	Interest Rate Spread
PRIVATE BANKS	4.76	7.85	3.05
All Banks	4.54	7.56	2.98
<i>Source: Statistics Department, Bangladesh Bank.</i>			

The deposit and lending also gained some growth.

Items	(Taka in Million)		Percentage Changes
	December, 2020	December, 2019	July' 20 over Dec'19
Deposits	12,904,724	11,369,796	13.50%
Bank Credit	14,485,407	12,884,307	12.43%
<i>Source: Statistics Department, Bangladesh Bank.</i>			

Being a Financial Institutes other than scheduled bank BLIL faced various challenges from stakeholders including Banks, Depositors as well as Borrowers. Hence, we were needed to take a conservative approach to minimize the liquidity and reputational risk.

Loans & Advances

The total portfolio of the company stood at BDT 11,323.61 million at the end of year 2020 with a negative growth rate of 7.20 % against the previous year.

Sources of Funds

To achieve of our business growth and improvement of ratings the company had to increase core deposits. Consequently, the total deposit was BDT 6,603.29 million at the end of year 2020 which is 6.83% more than then previous year and whereas total borrowing was BDT 6,171.77 million at the end of year 2020 which was 10.14% less than the previous year.

Shareholders' Equity

The Authorized Capital of the company was BDT.3000.00 million and paid-up Capital was BDT.1,408.88 million as on December 31, 2020. The Capital and Reserve of the Company in 2020 stood at Tk. 2,856.48 million. The Capital and Reserve of the Company as on 31st December, 2020 are appended below:

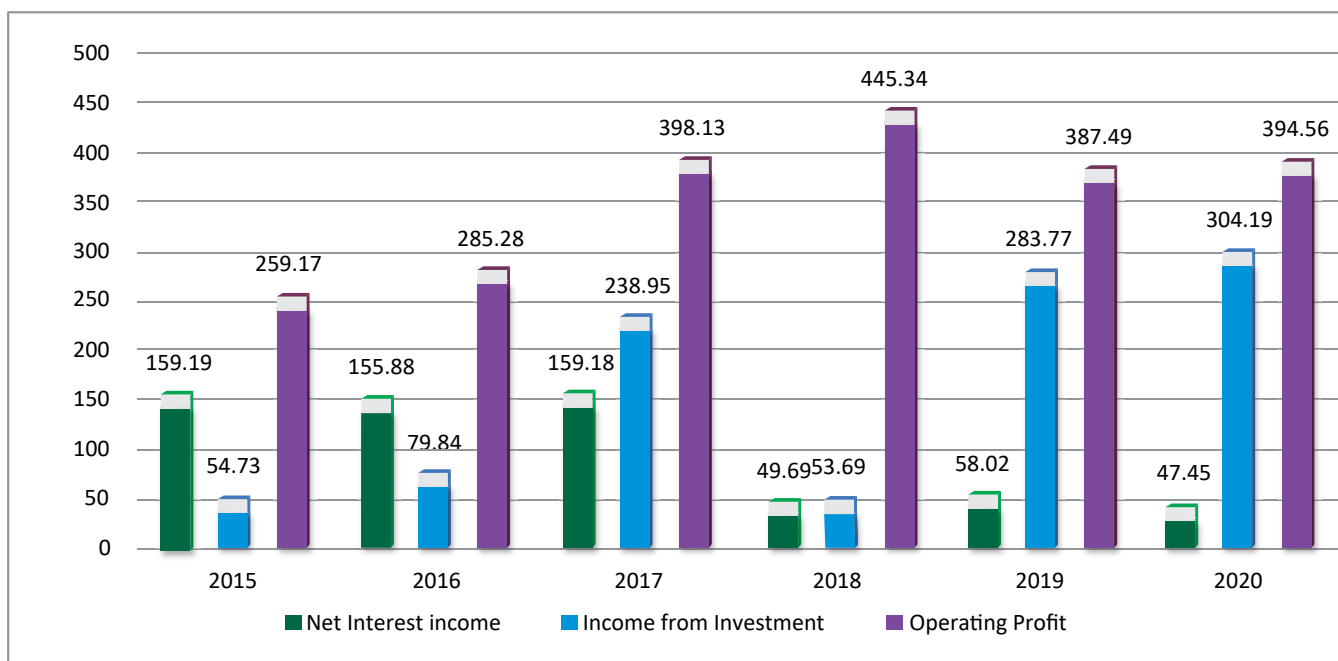
Particulars	BDT in Million	
a) Core Capital (Tier- (Capital)	2020	2019
Paid -Up Capital	1,408.88	1,374.52
Statutory Reserve	623.95	592.15
Non-Repayable Share premium account	121.12	155.48
General Reserve	111.27	99.75
Retained Earnings	195.26	164.83
Total Core Capital	2,460.48	2,386.73



b) Supplementary Capital [Tier- II Capital]		
General Provision for Unclassified Loan	233.53	107.85
General Provision on off - Balance Sheet Items	-	-
General Provision on off -Shore Banking Units	-	-
Revaluation gain/loss on investments	-	-
Assets Revolution Reserve	162.47	165.71
Total Supplementary Capital	396.00	273.57
Total	2856.48	2660.3

Operating Revenue & profit

The year 2020 was a most challenging year for the Bangladesh economy and BLIL's financial and operational performances had impacts of this as well. In this adverse situation, we prudently utilized our resources and capacity to get the maximum benefits for our shareholders as well as to protect their interests from any uncertain business risks. But our mainstream business of Loans and Advances has improved which is a positive sign for our sustainable business in the long run. The following table depicts the components of operating profit.



BDT in Million

BDT in Million

Years	Net interest Income	Income from Investment	Operation Profit
2013	108.23	92.52	227.32
2014	122.43	102.62	282.33
2015	159.19	54.73	259.17
2016	155.88	79.84	285.28
2017	159.18	238.95	398.13
2018	49.69	53.69	445.34
2019	58.02	283.77	387.49
2020	47.45	304.19	394.56



Earnings Per share (EPS)

Our EPS was and 1.14 & 1.07 for the year 2020 and 2019 respectively. EPS has significantly increased this year.

Provision for Tax

Provision for tax at the end of the year 2020 was BDT 57.80 million which was BDT 34.55 million in December 31, 2019.

Human Capital

BLIL recognizes that its employees are its most valuable asset. The company always tries to ensure a healthy workplace environment. It provides positive working conditions which can lead to employee satisfaction and enhanced productivity. BLIL values its employees' contributions and adopts different policies to reward them. The employee turnover ratio of BLIL is very low in comparison to the industry average. In the year 2020, employee turnover ratio for BLIL was less than 5%.

Training & Workshops

The changing nature of work and the workplace environment require a skilled, knowledgeable workforce with employees who are adaptive, flexible, dynamic, energetic, and focused on the future. We also emphasized on soft skill development to cope up with the uncertain business situation. Employees of Bay leasing & Investment Ltd. has participated both in-house and external training programs provided by BIBM, BBTA, IFC, SEDF etc. Employees are also highly encouraged to participate in various relevant workshops, seminars and fairs organized by chamber bodies and other professional institutes.

Employee welfare & facilities

BLIL offers its employees a highly competitive remuneration package. It provides its employees various facilities such as Home Loan, Car Loan, and Personal Loan to raise their standard of living. It also provides employee profit sharing scheme, provident fund and gratuity to its employees to create an efficient, healthy and loyal working force for the company. We also adopted a comprehensive insurance policy to protect the employees from any health accidental hazards.

Compliance and conviction

BLIL is in compliance of all applicable laws and regulations and does not adhere to any non-compliance of regulatory requirements, any loan default by the company or its directors or senior management.

Managing Director and CFO's declaration certificate

The Managing Director and CFO's declaration to the Board is appended on page no. 83

Senior Management

Disclosure of senior management personnel have been accounted for in page no. 78

Related Party Transaction

Disclosure of all related party transactions, including basis such transactions, has been provided in note 39.03, on page no. 136 & 80

Insider Trading

The members of the board of BLIL, or its sub-committee, or its senior management and the family members did not involve in any insider trading and did not violate the provision with regard to insider trading.



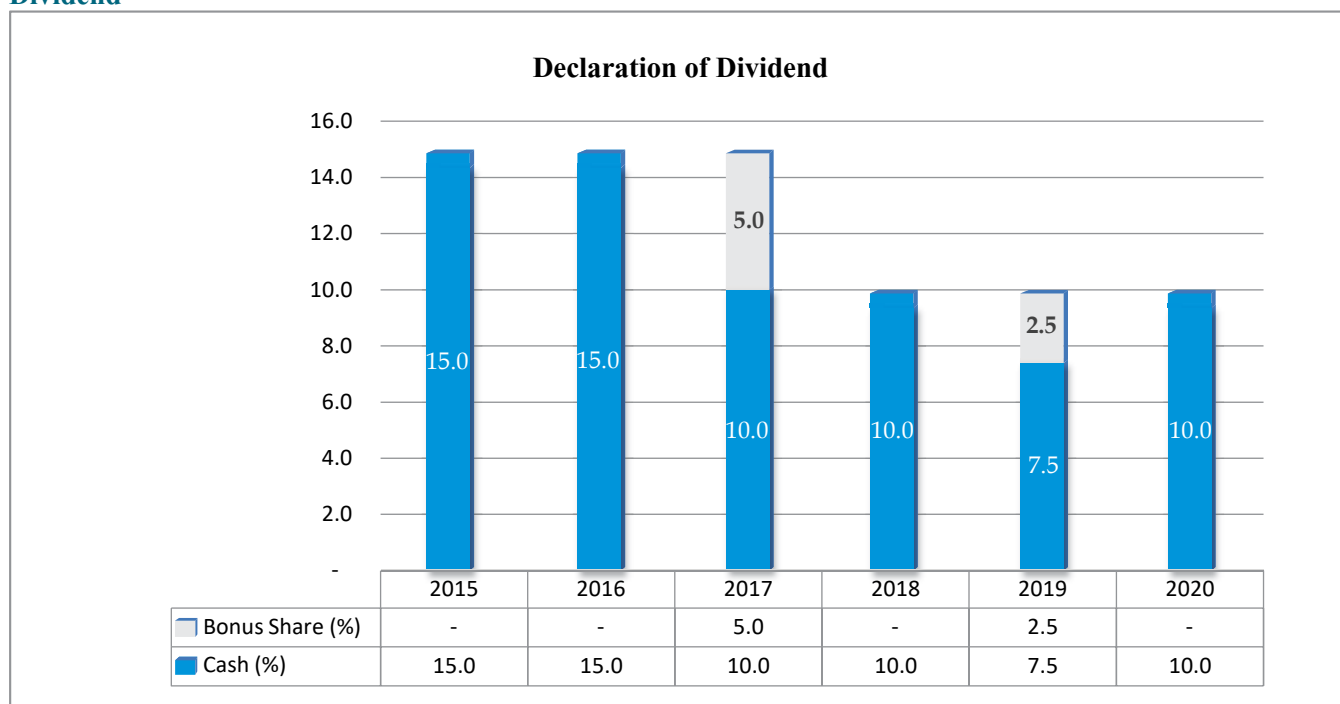
Shareholding pattern

BLIL's shareholding pattern as on December 31, 2019 is disclosed as per the new CGC of BSEC in Annexure -1 of this annual report, Page no. 79

Board Meetings and Attendance

During the year 2019, a total of ten meetings of the Board were held. Attendance by the Directors and remuneration to the directors has been summarized in Annexure-II, page no. 80

Dividend



Directors

A brief resume of the directors are appended in page no- which include his/her nature of expertise and qualifications. An analysis of the directors' experience and expertise and its impact on the corporate governance of the company is included in the Corporate Governance Report.

Related entities with the Directors

The names of the company in which the directors hold director ship and member ship of committees of the board are included in the note related party transaction of financial statements page no. 136

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. Mrs. Suraiya Begemi
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 25th Annual General Meeting of the Company.



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 24th Annual General Meeting of the Company.

External Auditors

M/s. Pinaki & Company, Chartered Accountants have successfully completed their third year. The Board recommended the appointment of M/s. Howladar yunus & Co., Chartered Accountants as the auditors of the company for the year 2020.

Anti-Money Laundering/Combating the Financing of Terrorism:

Money Laundering has been identified as a major threat to the financial services community. It is important that the management of Bay Leasing consider the prevention of money laundering as part of their core risk management strategies and not simply treat it as a stand-alone requirement that is being imposed by the legislation.

As financial organizations are committed to the prevention of money laundering, the management of BLIL has taken the following program:

Formation of Central Compliance Unit (CCU) at Corporate Office headed by Chief Anti Money Laundering Compliance Officer (CAMLCO).

Formation of Branch Compliance Unit (BCU) at Principal Branch headed by Branch Anti Money Laundering Compliance Officer (BAMLCO).

Know Your Customer (KYC) have now become an integral part of an account relationship. They are mandatory and a vital reference point to all account relationships.

Appropriate customer identification, record keeping and primary points of consideration. The company has a policy to keep all related documents/records for a minimum of five years even after closure of account.

Workshops and seminars have been attended by the staffs to upgrade their skills on AML procedures.

Directors Statements Pursuant to the Disclosure and Transparency

The Directors confirms that to the best of each director's knowledge and belief:

The financial statements, prepared in accordance with IAS/IFRS as adopted by ICAB, give a true and fair view of the assets, liabilities, financial positions and result of the company and,

The management report contained in the operational and financial review includes a fair review of the development and performance of the business and positions of the company, together with a description of the principal risks and uncertainties that may face.

The internal control system is properly designed, implemented and effectively monitored.

Status of Compliance

Status of the compliance of conditions of Corporate Governance code imposed by the Bangladesh Security and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207Admin/80 dated 03 June, 2018 along with a certificate from a Chartered Accountant Firm has been enclosed on page no.74

We also enclose a statement of compliance on the good governance guidelines issued by the Bangladesh bank on page no.75



DR. Maswoodi Ghani
Chairman



Disclosures under Pillar III- Market Discipline

For the year ended 31st December 2020

Overview

The Basel-II disclosures presented in these documents are related to BLIL for the year ended December 31, 2020. 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.

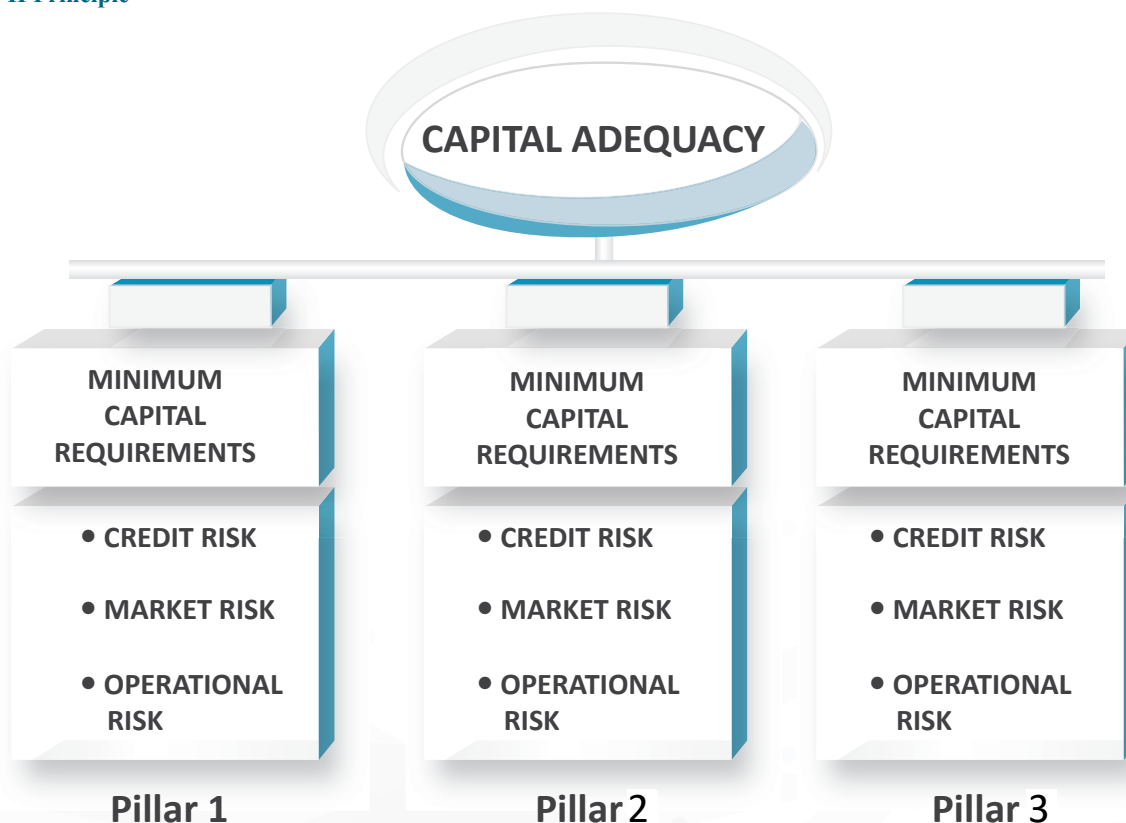
Pillar-II: Supervisory Review Process (SRP)

SRP basically deals with other risks faced by a bank but not covered in pillar-1. 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, 2020.

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:

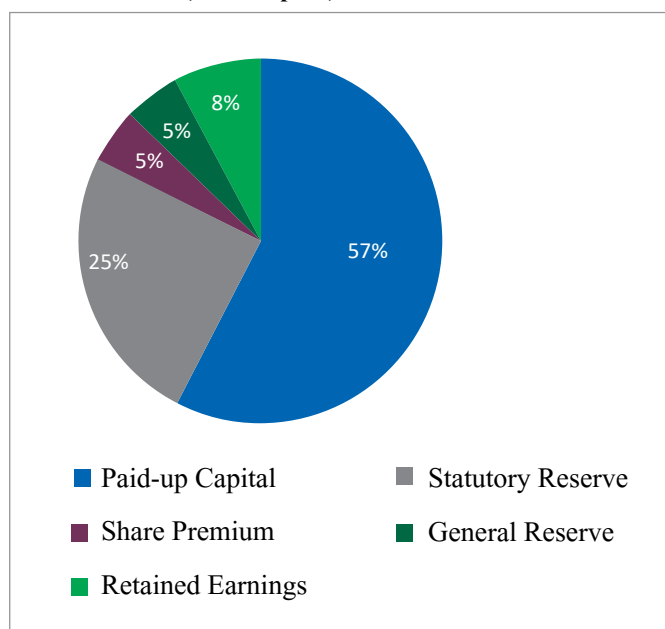
Sl.	Name	Designation	Designation (CCU)
01.	Mr. Iftekhar Ali Khan	Managing Director	Head of BIU
02.	Mr. Samir Saha	Asst. Vice President	Member
03.	Md. Enayet Kabir	Asst. Vice President	Member



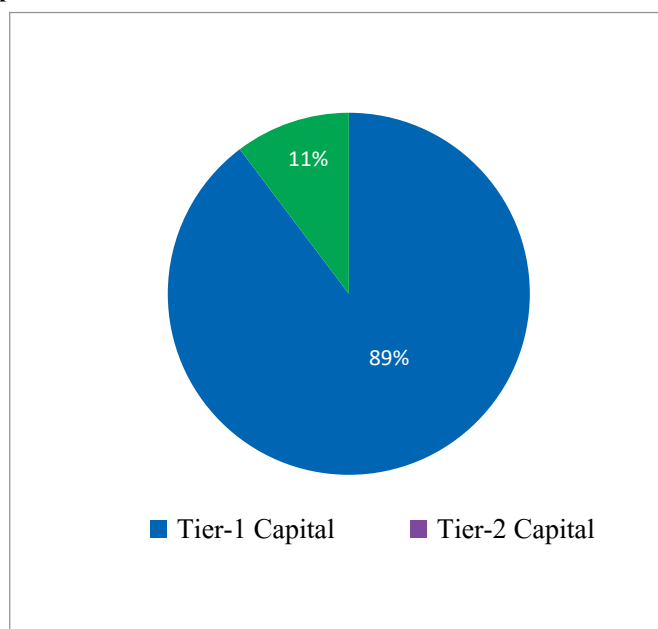
Quantitative Disclosure Amount in

Particulars	Amount in Crore
Paid up capital	140.89
Statutory reserve	62.39
Non-repayable share premium account	12.11
General reserve	11.13
Retained earnings	19.53
Minority interest in subsidiaries	-
Non-cumulative irredeemable preference shares	-
Dividend equalization account	-
Total Tier-1 (Core Capital)	246.05
Deductions from Tier-1 Capital	-
Tier-2 (Supplementary Capital)	
General Provision (Unclassified loans up to specified limit+SMA+off Balance Sheet exposure)	13.30
Asset Revaluation Reserves up to 50%	16.25
Tier-2 Capital	29.55
Total Eligible Capital (1+2)	275.60

Tier -1 (Core Capital)



Total Capital



Risk Weighted Assets (RWA)

Particulars	2020
A. Credit Risk:	1065.33
On-Balance sheet	1061.67
Off-Balance sheet	3.66
B. Market Risk	233.98
C. Operational Risk	57.10
Total Risk Weighted Assets	1356.41

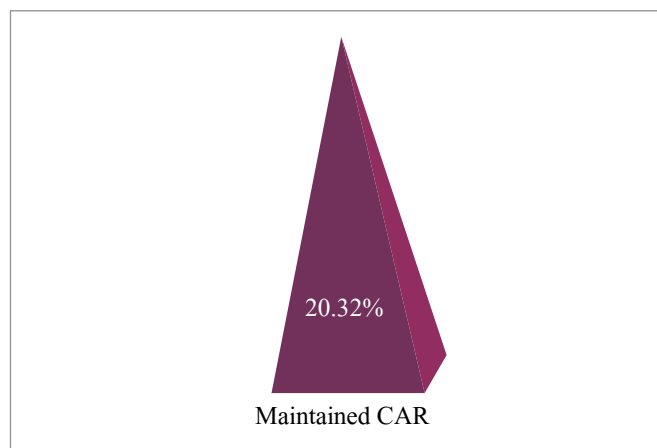
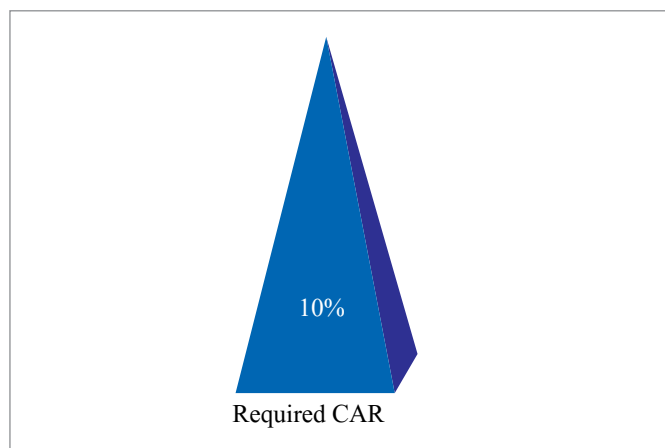
3) Capital Adequacy

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	
	2020	2019
A. Eligible Capital:		
1. Tier-1 Capital	246.05	238.68
2. Tier-2 Capital	29.55	27.36
3. Total Eligible Capital (1+2)	275.60	266.04
B. Total Risk Weighted Assets (RWA)	1356.41	1806.66
C. Capital Adequacy Ratio (CAR) (A3/B)*100	20.32%	14.73%
D. Core Capital to RWA (A1/B)*100	18.14%	13.21%
E. Supplementary Capital to RWA (A2/B)*100	2.18%	1.51%
F. Minimum Capital Requirement (MCR) 10% of RWA	135.64	180.67



CAR as on December 31, 2020

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

Sector	Amount in Crore
Agricultural Sector	19.82
Textile	46.06
Garments	89.98
Jute and jute products	0.29
Food production/processing industry	25.21
Plastic industry	7.89
Ship Manufacturing Industry	4.24
Chemical & Pharmaceutical	5.09
Cement/Concrete and allied industry	59.00
Paper, printing and packaging industry	42.69
Glass and ceramic industry	-
Electronics and electrical industry	10.22
Trade and commerce	102.19
Power, Gas, water and sanitary service	1.58
Transport & Communication	2.50
Real Estate & Housing	312.89
Merchant Banking	24.71
Others	93.91
Total	838.43



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

Area	Amount in crore
Dhaka Division	834.73
Chittagong Division	-
Khulna Division	-
Rajshahi Division	1.81
Rangpur Division	0.65
Barishal Division	-
Sylhet division	-
Mymanshing	1.24
Total	838.43

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	25.07
Over 1 month but not more than 3 months	79.28
Over 3 months but not more than 1 year	268.42
Over 1 year but not more than 5 years	411.77
Over 5 years	53.89
Total	838.43

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	115.94

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 116.99 crore. Capital Requirement is 10% of the said value which stand to BDT 11.70 crore

General Risk- Market value of investment in equities is BDT 116.99 crore. Capital Requirement is 10% of the said value which stand to BDT 11.70 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	233.98
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. This is a critical initiative for the company because having a mapped out process enables users to operate more efficiently, enhances knowledge amongst staff and fills in the holes in operations. We ensure that all the policies and processes address clear responsibilities and accountabilities of the cross functional departments including the employees.

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 α (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	57.10



Report of the Audit Committee

The Board Audit Committee of Bay Leasing is one of the sub-committee of 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 Bay Leasing'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
Dr. Zaidi Sattar	Chairman	Independent Director
Prof. Suraiya Begum	Member	Director
Mr. Tarik Sujat	Member	Director
Mr. Zubayer Kabir	Member	Director
Fatema Zahir Majumder	Member	Director

As per regulatory guidelines the Company Secretary of Bay Leasing Mr. M. Maniruz Zaman Khan is the secretary of the Audit Committee.

Meetings of the Audit Committee

Four meetings were held in the year 2020. The Managing Director, CFO and other Division Heads of Bay Leasing attended the meetings on invitation.

Terms of Reference of the Audit Committee

- Dr. Zaidi Sattar, 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 also 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.



Dr. Zaidi Sattar

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 (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Size of the Board of Directors			
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		--
1 (2)	Independent Directors			
1 (2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	\checkmark		
1 (2) (b)	For the purpose of this clause "independent director" means a director:			
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		--
1 (3)	Qualification of Independent Director (ID)			
1 (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial 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 (Put ✓ in the appropriate column)		Remarks (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
1 (4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		--
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
1 (5)	The Director's Report to Shareholders			
	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):			
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;	✓		--

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	✓		--
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;	✓		--
1 (5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5) (xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		--
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		--
1(5) (xxiii)(c)	Executives; and	✓		--



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);			N/A
1 (5) (xxiv)	In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders:			
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;	✓		--
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv) (a)	accounting policies and estimation for preparation of financial statements;	✓		--
1(5)(xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			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 Annexure-A ; and	✓		--
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	✓		--
1 (6)	Meetings of the Board of Directors:			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		--
1 (7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) 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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2	Governance of Board of Directors of Subsidiary Company.			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;		✓	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
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		--
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		--
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		--
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)-			
3 (1)	Appointment:			
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;		✓	CFO & CS is the same persons. Segregation is under process.
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).	✓		--
3 (2)	Requirement to attend Board of Directors' Meetings:			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board 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:	✓		--
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3 (3) (a)	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:			
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	✓		--



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	✓		--
4.	Board of Directors' Committee:			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee; and	✓		--
4 (ii)	Nomination and Remuneration Committee.			N/A As per Bangladesh Bank DFIM Circular Letter No. 07 Dt: 25.09.2007 FI's are allowed to form only Audit Committee & Executive Committee as the sub-Committee of the Board
5	Audit Committee:			
5 (1)	Responsibility to the Board of Directors:			
5 (1) (a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		--
5 (1) (b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	✓		--
5 (1) (c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		--
5 (2)	Constitution of the Audit Committee			
5 (2) (a)	The Audit Committee shall be composed of at least 3 members;	✓		--
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		--
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		--
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.	✓		--
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 independent director.	✓		--



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5 (3)	Chairman of the Audit Committee			
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;	✓		--
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.	✓		--
5 (3) (c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	✓		--
5 (4)	Meeting of the Audit Committee			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		--
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		--
5 (5)	Role of Audit Committee			
	The audit committee shall: -			
5 (5) (a)	Oversee the financial reporting process;	✓		--
5 (5) (b)	monitor choice of accounting policies and principles;	✓		--
5 (5) (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		--
5 (5) (d)	oversee hiring and performance of external auditors;	✓		--
5 (5) (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		--
5 (5) (f)	review along with the management, the annual financial statements before submission to the board for approval;	✓		--
5 (5) (g)	review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval;	✓		--
5 (5) (h)	review the adequacy of internal audit function;	✓		--
5 (5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		--
5 (5) (j)	review statement of significant related party transactions submitted by the management.	✓		--
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
5 (6)	Reporting of the Audit Committee			
5 (6) (a)	Reporting to the Board of Directors			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		--
5 (6) (a) (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			
5 (6) (a) (ii) (a)	report on conflicts of Interests.			N/A
5 (6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect in the internal control system;			N/A



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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
5(6) (b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
5 (7)	Reporting to the Shareholders and General Investors.			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 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
6	Nomination and Remuneration Committee (NRC).			
6 (1)	Responsibility to the Board of Directors			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			N/A As per Bangladesh Bank DFIM Circular Letter No. 07 Dt: 25.09.2007 FI's are allowed to form only Audit Committee & Executive Committee as the sub-Committee of the Board
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
6 (2)	Constitution of the NRC			
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
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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
6 (3)	Chairperson of the NRC			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			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
6 (4)	Meeting of the NRC			
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
6 (5) (b)	NRC shall oversee, the following matters and make report with recommendation to the Board:			
6 (5) (b) (i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
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 (Put ✓ in the appropriate column)		Remarks (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
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			N/A
7.	External/Statutory Auditors should not be engaged in:			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -			
7 (1) (i)	appraisal or valuation services or fairness opinions;	√		--
7 (1) (ii)	Financial information 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.	√		--
8	Maintaining a website by the Company.			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	√		--
8 (2)	The company shall keep the website functional from the date of listing.	√		--
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		--
9	Reporting and Compliance of Corporate Governance:			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of 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.			24 th AGM 29-10-2020
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 2020. 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.

Date: 06 October 2021


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	A. Work Planning and Strategic Management			
	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. Formation of sub-committee			
	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.	√		
	C. Financial Management			
	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	A. Management of loan/lease/investments			
	i. Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	√		
	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. Risk Management			
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	√		
	C. Internal Control and Compliance			
	A regular Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditor, external auditors and Bangladesh Bank Inspection team.	√		
	D. Human Resources Management			
	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.	√		
	E. Appointment of the Managing Director and Increase of Salaries & Allowances			
	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.	√		
F. Benefit to the Chairman				
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 31st December, 2020

Sl No.	Name of Directors	Positions	No. of Shares	% of Shareholding
1	Dr. Maswooda Ghani	Chairman	88,40,640	6.27
2	Prof. Suraiya Begum	Director	33,73,728	2.39
3	Mr. Tarik Sujat	Director	30,39,808	2.16
4	Mr. Zubayer Kabir	Director	28,18,213	2.00
5	Mrs. Fatema Zahir Majumder	Director	29,69,150	2.11
6	Prof. Shahid Uddin Ahmad	Independent Director	0	0
7	Dr. Zaidi Sattar	Independent Director	0	0
8	Mr. A K M Azizur Rahman	Sponsor Director	10,77,381	0.76
9	Mrs. Hamida Hossain	Sponsor Director	7,48,181	0.53
10	Mr. Abdul Matlub Ahmad	Sponsor Director	1,74,32,633	12.37
11	Mr. Raiyan Kabir	Sponsor Director	13,26,008	0.94
12	Mrs. Quamrunnessa Ratna	Sponsor Director	51,487	0.04
13	Ms. Farhana Kabir	Sponsor Director	6,86,916	0.49
14	Mr. Iftekhar Ali Khan	Managing Director	0	0
	Total		4,23,64,145	30.07

Senior Executives Shareholding position

SL #	Name of Shareholders	Designation	Number of Shares	% of Holdings
1.	Mr. Iftekhar Ali Khan	Managing Director	-	-
2.	Mr. Mohammad Lutfur Rahman	Senior Executive Vice President	-	-
3.	Mr. M. Maniruz Zaman Khan	Executive Vice President	-	-
4.	Mr. Mohammad Rashedul Islam	Vice President	-	-
5.	Mr. Rashed Al Islam	Vice President	-	-
6.	Mr. Shabbir Minhaz Chowdhury	Senior Assistant Vice President	-	-
7.	Ms. Sharmin Akhter	Senior Assistant Vice President	-	-

Associates and Subsidiaries Shareholding as on 31 December, 2019

SL No	Name of Directors	Relationship	No. of shares	% of holding
01.	BLI Capital Ltd	Subsidiary Company	-	-
02	BLI Securities Ltd.	Associate Company	-	-
03.	Lucky Feed Ltd.	Associate Company	-	-



Pattern of Shareholdings as on 31st December, 2020

SI No.	Name of Directors	Positions	No. of Shares	% of Shareholding
1	Dr. Maswooda Ghani	Chairman	88,40,640	6.27
2	Prof. Suraiya Begum	Director	33,73,728	2.39
3	Mr. Tarik Sujat	Director	30,39,808	2.16
4	Mr. Zubayer Kabir	Director	28,18,213	2.00
5	Mrs. Fatema Zahir Majumder	Director	29,69,150	2.11
6	Prof. Shahid Uddin Ahmad	Independent Director	Nil	Nil
7	Dr. Zaidi Sattar	Independent Director	Nil	Nil

b) Shareholding 10% or more

Abdul Matlub Ahmad	1,74,32,633	12.37
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c) Shareholding 5% or more

Southeast Bank Limited	1,40,12,405	9.93
Southeast Bank Capital Services Limited	1,40,06,839	9.94

Shareholding of the sponsors/Directors as on 31st December, 2020

SI No.	Shareholder's Group	No. of shares held	% of total shares	No. of shareholders
1	Sponsors & Directors	4,23,64,145	30.37	11
2	Corporate Bodies	5,91,48,383	41.98	265
3	Foreign Investor	1,80,912	0.13	46
	Local Individual	3,91,95,003	27.82	6397
	Total	14,08,88,443	100.00	6719



Attendance by the Directors at the Board Meetings during the year-2020

SL No	Name of Sponsor Directors/ Shareholders	Status	Total Meeting	Attended	Attended Fee	Remarks
1	Dr. Maswooda Ghani	Chairman	7	7	56000	The Directors who could not attend any meeting were granted leave of absence
2	Prof. Suraiya Begum	Director	7	7	56000	
3	Mr. Tarik Sujat	Director	7	7	56000	
4	Mr. Zubayer Kabir	Director	7	3	24000	
5	Mrs. Fatema Zahir Majumder	Director	7	7	56000	
6	Mr. Sheikh Abdul Hafiz	Independent Director	7	2	16000	
7	Mr. Zakir Ahmed Khan	Independent Director	7	7	56000	
8	Dr. Zaidi Sattar	Independent Director	7	1	8000	
9	Prof. Shahid Hossain	Independent Director	7	5	40000	

Audit Committee Meeting and attendance of Directors during the year-2020

SL No	Name of Sponsor Directors/ Shareholders	Status	Total Meeting	Attended	Attended Fee	Remarks
1	Mr. Sheikh Abdul Hafiz	Chairman	4			Due to long chronic illness Mr. Hafiz, Chairman was unable to attend (but chaired by others) and he expired in Nov' 20. However currently Dr. Zaidi Sattar is Chairman, Audit Committee.
2	Prof. Suraiya Begum	Member	4	4	32000	
3	Mr. Tarik Sujat	Member	4	4	32000	
1	Mr. Zubayer Kabir	Member	4	2	16000	
5	Mr. Zakir Ahmed Khan	Member	4	4	32000	

Transactions with Senior Executives

SL No	Name of Sr. Executives	Designation	Remuneration/Salary	Loan Outstanding
1	Mr. Iftekhar Ali Khan	Managing Director	5,969,350	
2	Mohammad Lutfur Rahman	Senior Executive Vice President	3,384,192	5,473,652
3	M. Maniruz Zaman Khan	Executive Vice President	2,212,224	4,801,568
4	Mohammad Rashedul Islam	Vice President	2,267,334	7,185,267
5	Mr. Rashed Al Islam	Vice President	2,262,628	1,342,772
6	Mr. Shabbir Minhaz Chowdhury	Senior Assistant Vice President	1,653,120	-
7	Ms. Sharmin Akhter	Senior Assistant Vice President	1,579,206	408,355



Green Finance Initiatives

GREEN 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 the Managing Director and the Chief Financial Officer

Date: September 30, 2021

The Board of Directors

Bay Leasing & Investment Limited

Subject: Declaration on Financial Statements for the year ended on 31st December, 2020


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, 2020 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, 2020 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,


Managing Director



Chief Financial Officer (CFO)



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 2020 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 2020 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 2020, the Group reported total gross loans, advances and leases of BDT 11,323,608,964 (2019: BDT 12,202,477,865) and provision for loans and advances of BDT 400,000,000 (2019: BDT 360,000,000).</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"> • Completeness and timing of recognition of loss events in accordance with criteria set out in FID Circular no 08, dated 03 August 2002, FID Circular no 03, dated 03 May 2006 and FID Circular no 03, dated 29 April 2013; • 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 flows; • Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates. 	<p>We tested the design and operating effectiveness of key controls. focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. <p>Considering the unprecedented adverse impact on Bangladesh economy due to COVID 19, Bangladesh Bank has instructed NBFIs not to further downgrade any loan/lease/advance from its existing classification applicable as at 1 January 2020. Initially the duration of this moratorium for any further downgrade was up to 30 June 2020 but considering longer adverse impact of COVID 19 this has been further extended to 31 December 2020 vide DFIM Circular Letter no 06 dated 01 November 2020. Accordingly, amount and percentage of classified loan has improved as at 31 December 2020 as compared to 31 December 2019 since no additional classification or further downgrade of classified loans and advances have been recognized during the current period.</p> <p>The said BB Circular has also instructed to consider all installments payable during the period from 1 January to 31 December 2020 as deferred and reschedule the number of installment and amount from 1 January 2021. As a result, the number of installments unpaid during January to December 2020 shall be added with the revised repayment schedule.</p> <p>No penal interest or additional fee/charge/commission shall be imposed on these deferred instalments.</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 Assets

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 Assets to totaling BDT (23,990,772) as at 31 December 2020.</p> <p>Significant judgment is required in relation to deferred tax Assets as their recoverability is dependent on forecasts of future profitability over a number of years.</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 DTAs 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 DTA’s. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>

3. Lease, Loans, and advances

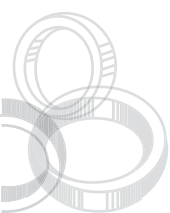
See Note 7 to the Financial Statements

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.</p> <p>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 1987, 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;

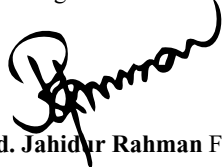


- V. The financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- VI. Adequate provisions have been made for 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 463 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



Md. Jahidur Rahman FCA

Partner

Enrollment No: 860

Dated: Dhaka- 29 Sep 2021

DVC No: 2109290860 AS593657



Bay Leasing & Investment Limited
Consolidated Balance Sheet
as at 31 December 2020

Particulars	Notes	Amount in Taka	
		31-12-2020	31-12-2019
PROPERTY AND ASSETS			
Cash		58,365,728	91,994,041
In hand (including foreign currencies)	3 a	295,430	766,962
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.02	58,070,298	91,227,079
Balance with banks and other financial institutions	4 a	1,266,027,809	657,718,380
In Bangladesh		1,266,027,809	657,718,380
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6 a	2,267,059,115	2,009,364,245
Government		-	-
Others		2,267,059,115	2,009,364,245
Lease, loans and advances	7 a	11,323,608,964	12,202,477,865
Lease, loans and advances		11,323,608,964	12,202,477,865
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	8 a	1,432,874,999	1,218,290,095
Other assets	9 a	563,574,543	792,225,949
Non - financial institutional assets		-	-
Total Assets		16,911,511,158	16,972,070,575
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks, other financial institutions and agents	10.01 a	6,171,769,492	6,867,986,862
Deposits and other accounts	11 a	6,603,290,534	6,181,245,207
Current Accounts & Other Accounts etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		6,386,120,571	5,972,345,840
Bearer Certificates of Deposits		-	-
Other Deposits		217,169,963	208,899,367
Other liabilities	12 a	1,346,161,513	1,200,833,511
Total Liabilities		14,121,221,539	14,250,065,580
Capital / Shareholders' equity			
Paid- up capital	13.02	1,408,884,435	1,374,521,400
Statutory Reserve	14.00	623,950,000	592,151,000
Share premium	15.00	121,115,565	155,478,600
General reserve		111,271,431	99,751,013
Assets Revaluation reserve	16.00	324,936,639	331,429,942
Retained surplus	17 a	200,121,521	168,663,018
Total equity attributable to the equity holders of the company		2,790,279,591	2,721,994,973
Non-Controlling Interest	18	10,028	10,022
Total Liabilities and Shareholders' Equity		16,911,511,158	16,972,070,575



Bay Leasing & Investment Limited
Off-Balance Sheet Items
as at 31 December 2020

Particulars	Notes	Amount in Taka	
		31-12-2020	31-12-2019
Contingent Liabilities	38.00	200,000,000	182,900,000
Acceptances and endorsements		-	-
Corporate guarantee		200,000,000	182,900,000
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		200,000,000	182,900,000
Net asset value per share		19.80	19.32

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


Chairman


Director


Managing Director


Company Secretary

Signed in terms of our separate report of even date



Md. Jahidur Rahman FCA
Partner
Howladar Yunus & Co.
Chartered Accountants
Dated: Dhaka -29 Sep 2021
DVC No: 2109290860 AS593657



Bay Leasing & Investment Limited
Consolidated Profit & Loss Account
For the year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31-12-2020	31-12-2019
Interest Income	20 a	1,172,321,882	1,489,551,225
Interest paid on Deposit, Borrowing etc.	21 a	(1,124,868,720)	(1,431,529,066)
Net Interest Income		47,453,162	58,022,159
Investment Income	22 a	304,189,146	283,772,216
Commission, Exchange and Brokerage Income	23 a	5,426,002	28,827,194
Other Operating Income	24 a	37,489,801	16,864,085
Total Operating Income		394,558,111	387,485,654
Salary and allowances	25.00	69,372,696	69,787,723
Rent, taxes, insurance, electricity, etc	26 a	9,660,379	10,661,527
Legal expenses		239,890	3,572,925
Postage, stamp, telecommunication, etc	27 a	1,239,630	1,679,954
Stationery, Printing, advertisement, etc.	28 a	2,946,580	3,189,185
Managing Director's salary and benefits		5,969,350	6,013,597
Directors' fees	29.00	528,000	837,200
Auditor's fees	30.00	327,750	299,000
Charges on Loan Losses		-	-
Depreciation and repairs of assets	31 a	37,980,794	31,544,671
Other expenses	32 a	8,479,444	15,606,180
Total operating expenses		136,744,513	143,191,962
Profit before provision		257,813,598	244,293,692
Provision against lease, loans, advances	33 a	29,473,695	59,361,000
Provision against diminution in value of Investment	34 a	10,526,305	-
Other Provision		-	-
Total Provision		40,000,000	59,361,000
Total Profit before taxes		217,813,598	184,932,692
Provision For Tax	35 a	57,796,939	34,548,437
Net Profit after taxation		160,016,660	150,384,255
Net profit after tax attributable to:			
Equity holders of the Company		160,016,654	150,384,246
Non Controlling Interest		6	9
		160,016,660	150,384,255



Bay Leasing & Investment Limited
Consolidated Profit & Loss Account
For the year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31-12-2020	31-12-2019
Appropriations			
Statutory reserve	14	31,799,000	29,750,000
General reserve		-	-
Non-Controlling Interest		6	9
		31,799,006	29,750,009
Retained Surplus	36 a	128,217,654	120,634,246
Earning Per Share (EPS)		1.14	1.07

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



Chairman


Director


Managing Director


Company Secretary

Signed in terms of our separate report of even date



Md. Jahidur Rahman FCA
 Partner

Howladar Yunus & Co.

Chartered Accountants

Dated: Dhaka - 29 Sep 2021

DVC No. 2109290860 AS593657



Bay Leasing & Investment Limited
Consolidated Cash Flow Statement
For the year ended 31 December 2020

Particulars	Amount in Taka	
	31-12-2020	31-12-2019
A) Cash flows from operating activities		
Interest receipts	1,300,756,309	1,529,258,877
Interest payments	(1,134,129,818)	(1,486,585,034)
Dividend receipts	43,437,209	25,122,172
Fees and commission receipts	135,000	1,100,000
Payments to employees	(75,342,046)	(75,801,320)
Payments to suppliers	(2,946,580)	(3,189,185)
Receipts from other operating activities	40,731,194	74,699,210
Payments for other operating activities	(22,083,379)	(34,269,887)
Cash generated from operating activities before changes in operating assets and liabilities	150,557,889	30,334,833
Increase / decrease in operating assets and liabilities		
Other assets	229,573,248	(272,663,221)
Lease, loans and advances to customers	931,429,780	916,659,570
Margin Loan	(97,200,096)	128,742,748
Margin Deposit	9,786,224	(47,269,013)
Deposits from other banks / borrowings	220,782,431	(1,277,243,173)
Deposits from customers	192,992,300	7,815,375
Payment as Call Loan	(163,216,300,000)	(179,804,500,000)
Receipt as Call Loan	162,466,300,000	180,374,500,000
Other liabilities account of customers	(51,564,311)	40,211,628
	685,799,576	66,253,914
Net cash from operating activities	836,357,465	96,588,747
B) Cash flows from investing activities		
Proceeds from sale of securities	379,844,811	337,814,955
Payments for purchases of securities	(382,091,513)	(110,469,588)
Proceeds from sale of Fixed Assets	1,916,000	-
Receive from BLI Capital against advance	22,140,000	29,520,000
Purchase of property, plant and equipment	(251,002,400)	(22,406,107)
Net cash from investing activities	(229,193,102)	234,459,260
C) Cash flows from financing activities		
Receipts of long term loan	286,575,096	258,945,208
Repayment of long term loan	(447,914,006)	(1,054,777,332)
Share Money Deposit	-	17,213
Net draw down/(payment) of short term loan	222,069,291	(369,857,900)
Dividend paid	(93,213,628)	(108,523,603)
Net Cash from financing activities	(32,483,247)	(1,274,196,415)
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	574,681,116	(943,148,408)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	749,712,421	1,692,860,829
G) Cash and cash equivalents at end of the year	1,324,393,537	749,712,421
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	295,430	766,962
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	58,070,298	91,227,079
Balance with banks and other financial institutions (notes 4 (b))	1,266,027,809	657,718,380
Total	1,324,393,537	749,712,421

Bay Leasing & Investment Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

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
Balance as at January 01, 2020 (Note-39)	1,374,521,400	155,478,600	592,151,000	99,751,013	331,429,942	168,663,018	2,721,994,973	10,022	2,722,004,995
Prior period error adjustment	-	-	-	11,520,418	-	(163,348)	11,357,070	-	11,357,070
Restated balance as at January 01, 2020	1,374,521,400	155,478,600	592,151,000	111,271,431	331,429,942	168,499,670	2,733,352,042	10,022	2,733,362,065
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-
Transferred during the year (Note-2.36)	-	-	-	-	(6,493,303)	6,493,303	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	160,016,654	160,016,654	6	160,016,660
Transfer (Sale Of Assets)	-	-	-	-	-	-	-	-	-
Dividends (Bonus shares)	34,363,035	(34,363,035)	-	-	-	(103,089,105)	(103,089,105)	-	(103,089,105)
Cash Dividend	-	-	-	-	-	(31,799,000)	-	-	-
Appropriation made during the year	-	-	31,799,000	-	-	-	-	-	-
Balance as at December 31, 2020	1,408,884,435	121,115,565	623,950,000	111,271,431	324,936,639	200,121,522	2,790,279,592	10,028	2,790,289,620
Balance as at December 31, 2019	1,374,521,400	155,478,600	592,151,000	99,751,013	331,429,942	168,663,018	2,721,994,973	10,022	2,722,004,995



Bay Leasing & Investment Limited
Balance Sheet
as at 31 December 2020

Particulars	Notes	(Amount in Taka)	
		31-12-2020	31-12-2019
PROPERTY AND ASSETS			
Cash	3.00	58,320,544	91,937,461
In hand (including foreign currencies)		250,246	710,382
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		58,070,298	91,227,079
Balance with banks and other financial institutions	4.00	1,247,464,380	655,297,910
In Bangladesh		1,247,464,380	655,297,910
Outside Bangladesh		-	-
Money at call and short notice	5.00	-	-
Investments	6.00	1,169,881,251	925,088,917
Government		-	-
Others		1,169,881,251	925,088,917
Lease, loans and advances	7.00	8,384,333,005	9,353,454,250
Lease, loans and advances		8,384,333,005	9,353,454,250
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	8.00	848,703,425	857,549,169
Other assets	9.00	2,414,238,176	2,452,328,608
Non - financial institutional assets		-	-
Total Assets		14,122,940,781	14,335,656,315
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks, other financial institutions and agents	10.00	3,681,415,051	4,520,790,736
Deposits and other accounts	11.00	6,405,046,617	5,992,787,514
Current Accounts & Other Accounts etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		6,386,120,571	5,972,345,840
Bearer Certificates of Deposits		-	-
Other Deposits		18,926,046	20,441,674
Other liabilities	12.00	1,251,058,922	1,103,919,261
Total Liabilities		11,337,520,590	11,617,497,511
Capital / Shareholders' equity			
Paid- up capital	13.02	1,408,884,435	1,374,521,400
Statutory reserve	14.00	623,950,000	592,151,000
Share premium	15.00	121,115,565	155,478,600
General reserve		111,271,431	99,751,013
Assets Revaluation reserve	16.00	324,936,639	331,429,942
Retained surplus	17.00	195,262,122	164,826,849
Total Liabilities and Shareholders' Equity		14,122,940,781	14,335,656,315



Bay Leasing & Investment Limited
OFF-BALANCE SHEET ITEMS
as at 31 December 2020

Particulars	Notes	Amount in Taka	
		31-12-2020	31-12-2019
Contingent Liabilities	38.00	200,000,000	182,900,000
Acceptances and endorsements		-	-
Letters of guarantee		200,000,000	182,900,000
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		200,000,000	182,900,000
Net asset value per share		19.77	19.29

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



Chairman


Director


Managing Director


Company Secretary

Signed in terms of our separate report of even date


Md. Jahidur Rahman FCA
Partner
Howladar Yunus & Co.
Chartered Accountants
Dated: Dhaka - 29 Sep 2021
DVC No. 2109290860 AS593657



Bay Leasing & Investment Limited
Profit & Loss Account
For the year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31-12-2020	31-12-2019
Interest Income	20	960,542,831	1,291,420,936
Interest paid on Deposit, Borrowing etc.	21	(916,827,961)	(1,193,808,420)
Net Interest Income		43,714,870	97,612,516
Investment Income	22	283,059,985	225,136,929
Commission, Exchange and Brokerage Income	23	135,000	1,100,000
Other Operating Income	24	21,075,676	10,889,318
Total Operating Income		347,985,531	334,738,763
Salary and allowances	25	54,059,289	51,894,510
Rent, taxes, insurance, electricity, etc	26	3,454,423	4,550,795
Legal & Professional fees		239,890	192,925
Postage, stamp, telecommunication, etc	27	531,285	489,685
Stationery, Printing, advertisement, etc.	28	2,035,138	2,513,574
Managing Director's salary and benefits		5,969,350	6,013,597
Directors' fees	29	528,000	837,200
Auditor's fees	30	264,500	235,750
Charges on Loan Losses		-	-
Depreciation and repairs of assets	31	19,398,200	18,118,334
Other expenses	32	6,404,315	11,713,183
Total operating expenses		92,884,390	96,559,553
Profit before provision		255,101,141	238,179,210
Provision against lease, loans, advances	33	29,473,695	59,361,000
Provision against diminution in value of Investment	34	10,526,305	-
Other Provision		-	-
Total Provision		40,000,000	59,361,000
Total Profit before taxes		215,101,141	178,818,210
Provision For Tax	35	56,107,720	30,069,115
Net Profit after taxation		158,993,422	148,749,095



Bay Leasing & Investment Limited
Profit & Loss Account
For the year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31-12-2020	31-12-2019
Appropriations			
Statutory reserve	14	31,799,000	29,750,000
General reserve		-	-
Dividends		-	-
		31,799,000	29,750,000
Retained Surplus		127,194,422	118,999,095
Earning Per Share (EPS)	36	1.13	1.06

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

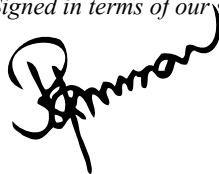

Chairman


Director


Managing Director


Company Secretary

Signed in terms of our separate report of even date



Md. Jahidur Rahman FCA
 Partner
Howladar Yunus & Co.
 Chartered Accountants
 Dated: Dhaka - 29 Sep 2021
 DVC No. 2109290860 AS593657



Bay Leasing & Investment Limited
Cash Flow Statement
For the year ended 31 December 2020

Particulars	Amount in Taka	
	31-12-2020	31-12-2019
A) Cash flows from operating activities		
Interest receipts	1,056,889,337	1,275,750,242
Interest payments	(899,165,930)	(1,221,217,798)
Dividend receipts	27,611,817	25,122,172
Fees and commission receipts	135,000	1,100,000
Payments to employees	(60,028,639)	(57,908,107)
Payments to suppliers	(2,035,138)	(2,513,574)
Receipts from other operating activities	19,561,850	10,093,718
Payments for other operating activities	(11,750,662)	(18,120,233)
Cash generated from operating activities before changes in operating assets and liabilities	131,217,635	12,306,420
Increase / decrease in operating assets and liabilities		
Other assets	16,872,274	(161,702,863)
Lease, loans and advances to customers	931,429,780	916,659,570
Deposits from other banks / borrowings	220,782,431	(1,277,243,173)
Deposits from customers	192,992,300	7,815,375
Payment as Call Loan	(163,216,300,000)	(179,804,500,000)
Receipt as Call Loan	162,466,300,000	180,374,500,000
Other liabilities account of customers	(25,923,432)	34,904,134
	586,153,353	90,433,043
Net cash flows from operating activities	717,370,988	102,739,463
B) Cash flows from investing activities		
Proceeds from sale of securities	379,844,811	337,814,955
Payments for purchases of securities	(369,188,977)	-
Proceeds from sale of Fixed Assets	946,000	-
Purchase of property, plant and equipment	(9,973,955)	(15,520,303)
Receive from BLI Capital against advance	22,140,000	29,520,000
Net cash from investing activities	23,767,879	351,814,652
C) Cash flows from financing activities		
Receipts of long term loan	286,575,096	258,945,208
Repayment of long term loan	(447,914,006)	(1,054,777,332)
Share Money Deposit	-	17,213
Net draw down/(payment) of short term loan	71,963,224	(493,596,216)
Dividend paid	(93,213,628)	(108,523,603)
Net Cash from financing activities	(182,589,314)	(1,397,934,730)
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	558,549,553	(943,380,615)
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	747,235,371	1,690,615,986
G) Cash and cash equivalents at end of the year	1,305,784,924	747,235,371
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	250,246	710,382
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	58,070,298	91,227,079
Balance with banks and other financial institutions (notes 4 (b))	1,247,464,380	655,297,910
Total	1,305,784,924	747,235,371

Bay Leasing & Investment Limited
Statement of Changes in Equity
For the year ended 31 December 2020

Particulars	Paid-up capital	Share premium	Statutory reserve	General reserve	Assets Revaluation Reserve	Retained earnings	Total
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Balance as at January 01, 2020	1,374,521,400	155,478,600	592,151,000	99,751,013	331,429,942	164,826,849	2,718,158,805
Prior period error adjustment	-	-	-	11,520,418	-	(163,348)	11,357,070
Restated balance at January 01, 2020	1,374,521,400	155,478,600	592,151,000	111,271,431	331,429,942	164,663,501	2,729,515,875
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-
Prior period adjustment (Note- 2.36)	-	-	-	-	(6,493,303)	6,493,303	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	158,993,422	158,993,422
Bonus Share	34,363,035	(34,363,035)	-	-	-	-	-
Cash Dividend	-	-	-	-	-	(103,089,105)	(103,089,105)
Appropriation made during the year	-	-	31,799,000	-	-	(31,799,000)	-
Balance as at December 31, 2020	1,408,884,435	121,115,565	623,950,000	111,271,431	324,936,639	195,262,121	2,785,420,192
Balance as at December 31, 2019	1,374,521,400	155,478,600	592,151,000	99,751,013	331,429,942	164,826,849	2,718,158,804



Bay Leasing & Investment Limited
Liquidity Statement
(Analysis of Maturity of Assets & Liabilities)
For the year ended 31 December 2020

(Amount in BDT)

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand	250,246	-	-	-	-	250,246
Balance with Bangladesh Bank and its agent	58,070,298	-	-	-	-	58,070,298
Balance with banks and other financial institutions	53,142,228	87,899,382	1,106,422,770	-	-	1,247,464,380
Money at call and short notice	-	-	-	-	-	-
Investments	61,411,327	198,475,602	430,635,820	159,208,725	320,149,777	1,169,881,251
Leases, loans and advances	250,684,122	792,849,100	2,684,211,834	4,117,692,444	538,895,505	8,384,333,005
Fixed assets including premises, furniture and fixtures	-	-	-	-	848,703,425	848,703,425
Other assets	-	-	251,132,678	903,892,183	1,259,213,315	2,414,238,176
Non banking assets	-	-	-	-	-	-
Total assets (A):	423,558,221	1,079,224,084	4,472,403,102	5,180,793,352	2,966,962,022	14,122,940,781
Liabilities:						
Borrowings from banks, other financial institutions and agents	83,221,437	213,942,700	675,230,146	1,792,268,283	916,752,485	3,681,415,051
Deposits & Other Accounts	302,247,196	776,952,877	2,325,128,769	2,638,585,302	362,132,473	6,405,046,617
Provision and other liabilities	15,156,748	50,304,927	142,113,620	219,548,739	823,934,888	1,251,058,922
Total liabilities (B):	400,625,381	1,041,200,504	3,142,472,535	4,650,402,324	2,102,819,846	11,337,520,590
Net liquidity gap (A - B):	22,932,840	38,023,580	1,329,930,567	530,391,028	864,142,177	2,785,420,192

Bay Leasing & Investment Limited

Notes to the Financial Statements

as at and for the year ended 31 December 2020

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 13th day of March 2011 under the Companies Act 1994. Registered office of the company is situated at Rupayan Trade Center, 10th 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.

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) 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, 1984;
- Income Tax Rules, 1984;
- 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 1 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 28th September in the 184th 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 1st January 2020 to 31st December 2020.



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 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 International Accounting Standard (IAS) 18 : Revenue 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 real estate loan 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 purpose in accordance with the provision of Income Tax Ordinance, 1984 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 earning 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 184th meeting, held on September 28, 2021, has recommended 10.00% cash dividend for the year 2020. The above is subject to approval of the shareholders in the 25th Annual General Meeting, scheduled to be held on 4th November at 11:00 a.m. at Digital Platform as per BSEC order.



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 18: Revenue	Complied
11	IAS 19: Employee Benefits	Complied
12	IAS 20: Accounting for Govt. Grants and disclosures of Govt. Assistances	Not Applicable
13	IAS 21: The Effects of Changes in Foreign Exchange Rates	Complied
14	IAS 23: Borrowing Costs	Complied
15	IAS 24: Related Party Disclosures	Complied
16	IAS 26: Accounting and Reporting by Retirement Benefit Plan	Not Applicable
17	IAS 27: Separate Financial Statements	Complied
18	IAS 28: Investments in Associates	*Partially Departed
19	IAS 32: Financial Instruments: Presentation	*Partially Departed
20	IAS 33: Earnings Per Share	Complied
21	IAS 34: Interim Financial Reporting	Complied
22	IAS 36: Impairment of Assets	Complied
23	IAS 37: Provisions, Contingent Liabilities and Contingent Assets	Complied
24	IAS 38: Intangible Assets	Not Applicable
25	IAS 39: Financial Instrument: Recognition and Measurement	*Partially Departed
26	IAS 40: Investment Property	Not Applicable
27	IAS 41: Agriculture	Not Applicable
28	IFRS 1: First-time adoption of International financial Reporting Standards	Not Applicable
29	IFRS 2: Share-based Payment	Not Applicable
30	IFRS 3: Business Combinations	Not Applicable
31	IFRS 4: Insurance Contracts	Not Applicable
32	IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
33	IFRS 6: Exploration for and Evaluation of Mineral Resources	Not Applicable
34	IFRS 7: Financial Instruments: Disclosures	Not Applicable
35	IFRS 8: Operating Segments	Complied
36	IFRS 10: Consolidated Financial Statements	Complied
37	IFRS 11: Joint Arrangements	Not Applicable
38	IFRS 12: Disclosure of Interests in Other Entities	Complied
39	IFRS 13: Fair Value Measurement	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 2020;
- Consolidated and Separate Profit and Loss Account for the year ended 31 December 2020;
- Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2020;
- Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2020;
- Liquidity Statement for the year ended 31 December 2020 and
- Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2020.

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 31-12-2020 except which are disclosed in note- 38 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 (65 nos.) engaged for the whole year or Part.



3.00 Cash :		
Particulars	31-12-2020	31-12-2019
Cash in hand	250,246	710,382
Balance with Bangladesh Bank and its agent bank(s)	58,070,298	91,227,079
Total:	58,320,544	91,937,461

3.01 Cash in hand:		
Particulars	31-12-2020	31-12-2019
In local currency	250,246	710,382
In foreign currency	-	-
Total:	250,246	710,382

3 a) Consolidated Cash in Hand		
Bay Leasing & Investment Ltd.	250,246	710,382
BLI Capital Ltd.	45,184	56,580
	295,430	766,962

3.02 Balance with Bangladesh Bank and its agent bank(s):		
Particulars	31-12-2020	31-12-2019
In local currency with Bangladesh Bank	58,070,298	91,227,079
In foreign currency	-	-
Total:	58,070,298	91,227,079

3.03 Statutory Deposits:

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 FID circular no. 6 dated November 06,2003 and FID Circular No. 02 dated November 10, 2004.

The cash reserve requirement (CRR) has been calculated at the rate of 2.5% 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	51,428,125	83,167,568
Actual reserve maintained	58,070,298	91,227,079
Surplus/(deficit)	6,642,173	8,059,511

b) Statutory Liquidity Reserve:		
Particulars	31-12-2020	31-12-2019
Required reserve (including CRR)	183,017,657	176,899,188
Actual reserve maintained including CRR (note-3.04)	1,305,784,924	747,235,371
Surplus/(deficit)	1,122,767,267	570,336,183

3.04 Actual reserve maintained (including CRR):		
Particulars	31-12-2020	31-12-2019
Cash in hand	250,246	710,382
Balance with Bangladesh Bank and its agent bank(s)	58,070,298	91,227,079
Balance with Banks and other financial institutions (note-4)	1,247,464,380	655,297,910
Total:	1,305,784,924	747,235,371

4.00 Balance with banks and other financial institutions:

Particulars	31-12-2020	31-12-2019
In Bangladesh (4.01)	1,247,464,380	655,297,910
Outside Bangladesh	-	-
Total:	1,247,464,380	655,297,910

4.01 In Bangladesh:**Current Deposits:**

Particulars	31-12-2020	31-12-2019
Bank Alfalah Limited	266,668	269,326
BASIC Bank Limited	1	802
Dutch Bangla Bank Ltd.	211,146	285,571
Midland Bank Ltd	2,102	-
EXIM Bank Limited	16,686	18,525
First Security Bank Ltd.	102,361	211,431
Janata Bank Ltd.	7,322	8,012
Modhomoti Bank Limited	-	943
NCC Bank Limited	1,393	2,573
Prime Bank Ltd	-	157,380
Southeast Bank Limited	3,525,699	9,364,741
Standard Bank Ltd	504,789	506,209
The City Bank Limited	27,226	27,916
Trust Bank Limited	5,105	6,830
Uttara Bank Limited	66	66
Sub Total:	4,670,564	10,860,325

Short-term deposits/SND:**In Local Currency:**

Jamuna Bank Limited	29,804	30,530
Mutual Trust Bank Ltd.	15,175	-
Southeast Bank Limited	17,635,363	135,558,822
	17,680,342	135,589,352

In Foreign Currency:

Southeast Bank Limited	1,363,474	1,348,233
Sub Total:	19,043,816	136,937,585

Particulars	Amount	Exchange rate	Taka
Dollar	\$13,326.70	83.95	1,118,776
Euro	€ 1,432.90	101.72	145,755
Pound	£873.98	113.21	98,943
			1,363,474

Fixed deposits:

Mercantile Bank Ltd.	168,750,000	168,750,000
National Credit & Commerce Bank Ltd.	20,000,000	20,000,000
Southeast Bank Limited	885,000,000	268,750,000
Midland Bank Ltd	50,000,000	50,000,000
Uttara Bank Limited	100,000,000	-
Sub Total:	1,223,750,000	507,500,000

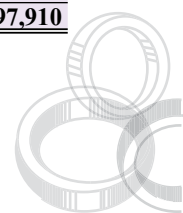
Grand Total:	1,247,464,380	655,297,910
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4 a) Consolidated Balance with banks and other financial institutions:

Bay Leasing & Investment Ltd.	1,247,464,380	655,297,910
BLI Capital Ltd.	18,563,429	2,420,470
	1,266,027,809	657,718,380

4.02 Maturity grouping of balance with banks and other financial institutions:

Particulars	31-12-2020	31-12-2019
On demand	-	-
Up to 1 month	53,142,228	48,322,166
Over 1 month but not more than 3 months	87,899,382	11,707,489
Over 3 months but not more than 1 year	1,106,422,770	595,268,255
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
Total:	1,247,464,380	655,297,910



5.00 Money at call and short notice:

i) Investments are as follows:

	-	-
Total:	-	-

6.00 Investments for BLIL:

Particulars

	31-12-2020	31-12-2019
Government securities	-	-
Treasury Bills	-	-
National Investment Bonds	-	-
Bangladesh Bank Bill	-	-
Govt. notes/bonds	-	-
Prize Bonds	-	-
Others	-	-
Other investment	1,169,881,251	925,088,917
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)	1,093,311,801	848,519,467
Total:	1,169,881,251	925,088,917

6.01 Investment in non marketable ordinary shares

Particulars

	31-12-2020	31-12-2019
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

6.02 Investment in marketable securities:

Listed Securities

Name of the Company	Qty.	Cost Price	Market price per share on 31-12-2020	Market Price	Provision
Appolo Ispat Ltd	169,950	3,345,066	6.50	1,104,675	(2,240,391)
Asia Insurance Ltd	956,898	31,980,088	107.80	103,153,604	71,173,516
Exim Bank Ltd.	2,228,029	53,914,233	11.80	26,290,742	(27,623,491)
BSRM Ltd	27,500	2,556,394	42.50	1,168,750	(1,387,644)
National Life Insurance Co. Ltd.	1,935,142	205,530,519	254.50	492,493,639	286,963,120
Power Grid Ltd	63,250	5,797,598	41.80	2,643,850	(3,153,748)
Southeast Bank Ltd.	27,950,000	521,989,333	12.50	349,375,000	(172,614,333)
Titas Gas	525,000	53,789,915	30.80	16,170,000	(37,619,915)
Prime Bank Ltd	2,901,386	116,458,302	17.10	49,613,701	(66,844,601)
Pragati General Insurance	85,200	8,388,555	63.30	5,393,160	(2,995,395)
Pragati Life Insurance	143,276	15,660,820	88.30	12,651,271	(3,009,549)
United Air	935,396	19,743,664	1.60	1,496,634	(18,247,030)
Popular Life 1st Mutual Fund	339,116	2,344,340	5.40	1,831,226	(513,114)
Delta Life Insurance	171,550	34,471,898	68.20	11,699,710	(22,772,188)
Lafarge Surma	153,090	17,341,076	47.80	7,317,702	(10,023,374)
GPH Ispat	10,363		30.60	317,108	317,108
NCCB Bank	255		13.20	3,366	3,366
Premier Bank	5,578		11.00	61,358	61,358
Total		1,093,311,801		1,082,785,496	(10,526,305)

6 a) Consolidated Investment:

Bay Leasing & Investment Ltd.

BLI Capital Ltd.

	31-12-2020	31-12-2019
Bay Leasing & Investment Ltd.	1,169,881,251	925,088,917
BLI Capital Ltd.	1,097,177,864	1,084,275,328
Total:	2,267,059,115	2,009,364,245

All investments in marketable securities are valued on cost price at the balance sheet date. Provision has not required 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:

Particulars	31-12-2020	31-12-2019
On demand	-	-
Up to 1 month	61,411,327	52,314,722
Over 1 month but not more than 3 months	198,475,602	189,232,100
Over 3 months but not more than 1 year	430,635,820	233,302,146
Over 1 year but not more than 5 years	159,208,725	149,087,444
Over 5 years	320,149,777	301,152,505
Total:	1,169,881,251	925,088,917

7.00 Lease, loans and advances

Broad category-wise break up:

Particulars	31-12-2020	31-12-2019
Inside Bangladesh		
Lease Finance (note-7.01)	691,609,213	1,801,808,474
Term Finance (note-7.02)	4,696,012,962	5,639,966,514
Housing Finance (note-7.03)	2,996,710,830	1,911,679,262
	8,384,333,005	9,353,454,250
Outside Bangladesh	-	-
Total:	8,384,333,005	9,353,454,250

7 a) Consolidated Lease, Loans & advances

Bay Leasing & Investment Ltd.	8,384,333,005	9,353,454,250
BLI Capital Ltd.	3,186,450,004	3,089,249,908
	11,570,783,009	12,442,704,158
Less: Inter company balance eliminated	247,174,045	240,226,293
Total:	11,323,608,964	12,202,477,865

7.01 Lease Finance:

Particulars	31-12-2020	31-12-2019
Balance Principal	457,979,787	1,493,075,588
Rental Receivable	233,629,426	308,732,886
Total:	691,609,213	1,801,808,474

Details are given below:

Particulars	31-12-2020	31-12-2019
Opening Balance	1,801,808,474	2,104,097,555
Add: Disbursement during the year	72,890,711	135,604,198
Add: Interest and other charges during the year	241,890,306	198,775,286
	2,116,589,491	2,438,477,039
Less: Write-off during the year	-	-
Realization during the year	(1,424,980,278)	(636,668,565)
Total:	691,609,213	1,801,808,474

Movement of Balance Principal:

Particulars	31-12-2020	31-12-2019
Gross lease receivable	1,728,429,379	3,641,852,651
Less: Unearned finance income	1,270,449,592	2,148,777,063
Balance Principal	457,979,787	1,493,075,588

7.02 Term Finance:

Particulars	31-12-2020	31-12-2019
Principal Outstanding	4,349,780,431	5,277,816,948
Interest Receivable	346,232,531	362,149,566
Total:	4,696,012,962	5,639,966,514



**Details are given below:
Movement of Outstanding Balance**

Particulars	31-12-2020	31-12-2019
Opening Balance	5,639,966,514	6,109,072,339
Add: Disbursement during the year	166,757,865	417,698,086
Add: Interest and other charges during the year	463,683,798	713,213,711
	6,270,408,177	7,239,984,136
Less: Write-off during the year	(78,073,155)	-
Realization/adjustment during the year	(1,496,322,060)	(1,600,017,622)
Total:	4,696,012,962	5,639,966,514

7.03 Housing Finance:

Particulars	31-12-2020	31-12-2019
Principal Outstanding	2,765,872,591	1,734,170,053
Interest Receivable	230,838,239	177,509,209
Total:	2,996,710,830	1,911,679,262

Movement of Outstanding Balance

Particulars	31-12-2020	31-12-2019
Balance at January 01	1,911,679,262	1,954,306,367
Add: Disbursement during the year	90,125,678	170,942,854
Add: Interest and other charges during the year	196,974,127	212,900,000
	2,198,779,067	2,338,149,221
Realization/adjustment during the year	797,931,763	(426,469,959)
Balance at December 31	2,996,710,830	1,911,679,262

7.04 Classification wise Lease, Loans & Advances

Particulars	31-12-2020	31-12-2019
Unclassified:		
Standard	6,698,808,795	7,782,368,736
SME	121,642,839	108,274,077
Other than SME	6,577,165,956	7,674,094,659
Special Mention Account (SMA)	894,346,233	638,528,985
	7,593,155,028	8,420,897,721
Classified:		
Sub-Standard	64,289,308	162,434,901
Doubtful	3,128,972	28,275,290
Bad/Loss	723,759,697	741,846,338
	791,177,977	932,556,529
Total:	8,384,333,005	9,353,454,250

7.05 Maturity grouping of lease, loans and advances:

Particulars	31-12-2020	31-12-2019
On demand	-	-
Up to 1 month	250,684,122	269,012,843
Over 1 month but not more than 3 months	792,849,100	881,173,628
Over 3 months but not more than 1 year	2,684,211,834	2,759,014,200
Over 1 year but not more than 5 years	4,117,692,444	4,198,749,685
Over 5 years	538,895,505	1,245,503,894
Total:	8,384,333,005	9,353,454,250

7.06 Lease, loans and advances on the basis of significant concentration

Lease, loans and advances to:		
Directors of the Company have interests	-	-
Chief Executive and other Senior Executives	29,627,743	28,968,113
Customers groups	8,354,705,262	9,324,486,137
	8,384,333,005	9,353,454,250

7.07 Number of clients with outstanding amount and classified lease, loans and advances exceeding 15% of total capital (Total capital of the Company was Taka 2,785.42 million as at December 31, 2020 & Tk 2,718.16 million in 2019) of the Company is as follows:

Number of clients	2	3
Amount of outstanding advances	943,483,232	1,361,907,099
Amount of classified advances	Nil	Nil
Measures taken for recovery	Not applicable	Not applicable

7.08 Details of large Lease, loans and advances

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 2018 BLIL has not disbursed large Lease, loans and advances;

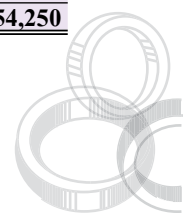
Number of clients	-	-
Amount of outstanding advances	-	-
Amount of classified advances	-	-
Measures taken for recovery	Not applicable	Not applicable

7.09 Industry-wise distribution of lease, loans and advances

	31-12-2020	31-12-2019
1. Agricultural sector	198,160,611	234,273,675
2. Industrial sector:		
a) Textile	460,637,088	468,481,908
b) Garments	899,818,681	880,161,571
c) Jute and jute products	2,910,315	3,174,106
d) Food production/processing industry	252,065,350	508,168,302
e) Plastic industry	78,873,316	83,595,685
f) Leather & leather products	-	-
g) Ship manufacturing Industry	42,423,950	38,736,229
h) Chemical & Pharmaceutical	50,868,190	260,528,554
i) Cement/Concrete and allied industry	590,048,257	689,948,128
j) Service industry	-	-
k) Paper, Printing and packaging industry	426,944,002	378,798,139
l) Telecommunication/information Technology	-	-
m) Glass and ceramic industry	-	1,964,051
n) Electronics and electrical industry	3,796,386	2,644,374
3. Trade & Commerce	1,021,937,687	1,301,761,307
4. Power, Gas, Water and sanitary service	15,768,991	283,611,130
5. Transport & Communication	24,968,910	746,325,537
6. Real Estate & Housing	3,128,854,377	2,967,052,931
7. Merchant Banking	247,174,045	240,226,293
8. Others	939,082,849	264,002,330
Total:	8,384,333,005	9,353,454,250

7.10 Geographical location-wise lease, loans and advances:

Particulars	31-12-2020	31-12-2019
Inside Bangladesh		
Urban		
Dhaka Division	8,347,254,592	9,171,466,244
Chittagong Division	-	78,073,155
Khulna Division	-	-
Rajshahi Division	18,138,206	38,675,594
Rangpur Division	6,479,666	7,095,788
Barisal Division	-	-
Mymensingh Division	12,460,541	58,143,469
Sylhet Division	-	-
	8,384,333,005	9,353,454,250
Outside Bangladesh	-	-
Total:	8,384,333,005	9,353,454,250



7.11 Particulars of Lease, Loans and Advances

	31-12-2020	31-12-2019
i) Lease, loans and advances considered good in respect of the FI is fully secured	4,743,487,317	4,846,999,327
ii) Lease, loans and advances considered good in respect of the FI holds no security other than the debtors personal guarantee	966,003,551	1,049,074,124
iii) Lease, loans and advances considered good secured by the personal undertakings of one or more parties in addition to the debtors personal guarantee	2,674,842,136	3,457,380,799
	8,384,333,005	9,353,454,250
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	29,627,743	28,968,113
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 directions, partners or managing agents or in the case of private companies, as member.	-	-
ix) Due from bank and financial institutions	548,812,405	907,396
x) Classified loans, advances and leases		
a) Classified loans, advances and leases on which interest has not been charged	791,177,977	932,556,529
b) Provision on doubtful loans, advances and leases	3,755,854	20,620,496
Provision on bad loans, advances and leases	152,185,425	231,526,189
Total provisions charged during the year	155,941,279	252,146,685
c) Amount of written off loans, advances and leases	215,083,602	137,010,447
Total amount realized against loans and leases previously written off	10,511,365	10,271,365
d) Provision kept against loans and advances classified as bad debts	152,185,425	231,526,189
e) Interest credited to Interest Suspense Account	240,590,888	181,470,005
xi) Cumulative amount of written off loans, advances and leases		
Opening Balance	137,010,447	137,010,447
Amount written off the year	78,073,155	-
	215,083,602	137,010,447

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	137,010,447	137,010,447
Amount written off during the year	78,073,155	-
The amount of written off loans, advances and leases	215,083,602	137,010,447

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 (SME)	0.25
Below 3 months	Standard (other than SME)	1
3 to 6 months	SMA	5
6 to 11 months	SS	20
12 to 18 months	DF	50
18 months and above	BL	100
Investment up to 5 years term	Classification status	Provision (%)
Below 6 months	Standard (SME)	0.25
Below 6 months	Standard (other than SME)	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

Status	Base for Provision	Rate	Provision	
			31-12-2020	31-12-2019
Unclassified- General Provision				
Standard	6,698,808,795		66,075,767	77,011,632
SME	121,642,839	0.25%	304,107	270,685
Other than SME	6,577,165,956	1.00%	65,771,660	76,740,947
Special Mention Account (SMA)	821,874,786	5.00%	41,093,739	29,817,850
			107,169,506	106,829,482
Classified- Specific provision				
Sub-Standard	13,571,242	20.00%	2,714,248	16,690,834
Doubtful	2,083,211	50.00%	1,041,606	3,929,662
Bad/Loss	152,185,425	100.00%	152,185,425	231,526,189
			155,941,279	252,146,685
Required provision for lease, loans & advances			263,110,785	358,976,167
Total provision maintained for lease, loans & advances			400,000,000	360,000,000
Excess provision for lease, loans & advances			126,362,910	1,023,833

8.00 Fixed assets including premises, furniture and fixtures:

Particulars	31-12-2020	31-12-2019
Cost & Revaluation		
Furniture and fixtures	22,437,199	22,544,558
Office equipment	16,856,038	18,325,887
Office Decoration	32,986,362	31,718,199
Right of Use Assets	11,221,940	11,221,940
Motor Vehicles	17,138,656	18,794,956
Electrical Goods	616,796	616,796
Intangible Assets	7,500,000	
Building	461,107,440	461,107,440
Construction WIP	80,079,800	80,079,800
Land	345,939,515	345,064,515
	995,883,746	989,474,091
Less: Accumulated depreciation	147,180,321	131,924,922
Net book value at the end of the year (Schedule-1)	848,703,425	857,549,169
8 a Consolidated Fixed Assets		
Bay Leasing & Investment Ltd.	848,703,425	857,549,169
BLI Capital Ltd.	584,171,574	360,740,926
	1,432,874,999	1,218,290,095



9.00 Other Assets:

Particulars	Notes	31-12-2020	31-12-2019
Income generating:			
Investment in associate & Subsidiaries	9.01	1,787,115,000	1,787,115,000
Interest receivable		24,668,904	24,203,062
Receivable from BLI Capital Ltd		277,961,399	300,101,399
Other receivable		41,717,830	93,926,542
Non-income generating:			
Advance, deposit and Prepaid expenses		9,818,012	14,290,190
Advance corporate tax	9.02	272,903,675	232,597,023
Advance Office Rent		-	-
Stationery & Stamp in hand		16,146	54,682
Security Deposit		37,210	40,710
Advance against Decoration, Preliminary Exp, Development		-	-
Branch Adjustment		-	-
Suspense Account		-	-
		2,414,238,176	2,452,328,608
Outside Bangladesh		-	-
Total:		2,414,238,176	2,452,328,608

9 a Consolidated Other Assets :

Particulars	31-12-2020	31-12-2019
Bay Leasing & Investment Limited	2,414,238,176	2,452,328,608
BLI Capital Limited	177,287,766	389,988,740
Adjustment for dealing with Subsidiary	(2,027,951,399)	(2,050,091,399)
Total:	563,574,543	792,225,949

9.01 Investment in Associate / Subsidiaries:

Investment in Associate	31-12-2020	31-12-2019
BLI Securities Limited	10,125,000	10,125,000
Lucky Feed Limited	27,000,000	27,000,000
Total:	37,125,000	37,125,000

Investment in Subsidiaries:	31-12-2020	31-12-2019
BLI Capital Ltd	1,749,990,000	1,749,990,000
Total:	1,749,990,000	1,749,990,000

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'

9.02 Advance corporate tax:

Particulars	31-12-2020	31-12-2019
Balance as on January 01	232,597,023	171,243,738
Addition during the year	40,306,652	61,353,285
Adjustment of previous years' tax liabilities	-	-
Balance as on December 31	272,903,675	232,597,023
Consolidated Advance income tax		
Bay Leasing & Investment Ltd.	272,903,675	232,597,023
BLI Capital Ltd.	20,711,506	20,711,506
	293,615,181	253,308,529

10.00 Borrowing from banks, other financial institutions and agents:

Particulars	Notes	31-12-2020	31-12-2019
In Bangladesh	10.01	3,681,415,051	4,520,790,736
Outside Bangladesh		-	-
Total:		3,681,415,051	4,520,790,736

10.01 In Bangladesh:

Particulars	31-12-2020	31-12-2019
Bank overdraft		
National Credit & Commerce Bank Ltd.	18,427,421	17,212,069
Mercantile Bank Ltd.	154,414,838	156,065,527
Mutual Trust Bank Ltd.	135,812,836	102,219,651
Eastern Bank Ltd	-	9,082,054
United Commercial Bank Ltd	98,057,001	106,508,389
Midland Bank Ltd	96,913,406	103,592,952
Basic Bank Ltd	145,432,021	154,016,790
First Security Bank Ltd.	372,505,225	369,081,571
Woori Bank Ltd	133,992,938	163,978,031
Uttara Bank Limited	180,963,348	82,798,776
Sub Total (a)	1,336,519,034	1,264,555,810
Short term loan/Call Money		
Sonali Bank Ltd- Call Money	100,000,000	80,000,000
Southeast Bank Ltd- Call Money	620,000,000	750,000,000
Modhomoti Bank Limited- STL	-	260,000,000
Southeast Bank Ltd- STL	-	380,000,000
Sub Total (b)	720,000,000	1,470,000,000
Long term loan		
Mutual Trust Bank Ltd	-	187,492,707
United Commercial Bank Ltd	108,465,847	117,571,685
Basic Bank Ltd	137,210,931	141,114,068
Dutch Bangla Bank Limited	-	27,111,606
Modhumoti Bank Limited	97,031,268	118,814,256
Midland Bank Ltd	153,747,398	172,740,595
Bank Asia Ltd	114,694,870	121,526,138
Jamuna Bank Ltd	95,394,619	105,316,762
Mercantile Bank Ltd	382,867,229	404,417,046
Pubali Bank Limited	66,672,580	81,487,285
Prime Bank Ltd	94,049,512	134,880,351
NCC Bank Ltd	46,965,141	65,765,417
Uttara Bank Limited	100,125,000	5,607,245
Shahjalal Islami Bank Ltd	66,312,757	81,685,324
Mutual Trust Bank Ltd	133,819,021	-
Sub Total (c)	1,597,356,173	1,765,530,485
Bangladesh Bank refinancing		
Bangladesh Bank	27,539,844	20,704,441
Sub Total (d)	27,539,844	20,704,441
Total (a+b+c+d)	3,681,415,051	4,520,790,736

10.01 a Consolidated Borrowing from Banks & Other FI's

Bay Leasing & Investment Ltd.	3,681,415,051	4,520,790,736
BLI Capital Ltd.	2,737,528,486	2,587,422,419
	6,418,943,537	7,108,213,155
Less: Inter company balance eliminated	247,174,045	240,226,293
Total:	6,171,769,492	6,867,986,862

10.02 Analysis by security against borrowing from banks, other financial institutions and agents:

Particulars	31-12-2020	31-12-2019
Secured (assets pledged as security for liabilities)	860,303,770	337,255,627
Unsecured	2,821,111,281	4,183,535,109
Total:	3,681,415,051	4,520,790,736

The loans are secured by first charge on all present and future floating assets of the Company ranking pari passu among the lenders.



10.03 Maturity grouping of borrowing from banks, other financial institutions and agents

Particulars		31-12-2020	31-12-2019
On demand		-	-
Up to 1 month		83,221,437	100,795,439
Over 1 month but within 3 months		213,942,700	231,148,757
Over 3 months but within 1 year		675,230,146	695,320,371
Over 1 year but within 5 years		1,792,268,283	2,548,363,261
Over 5 years		916,752,485	945,162,908
Total:		3,681,415,051	4,520,790,736

11.00 Deposits and other accounts:

Particulars	Notes	31-12-2020	31-12-2019
Current Accounts & Other Accounts etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits	11.01	6,386,120,571	5,972,345,840
Bearer Certificates of Deposits		-	-
Other deposits	11.02	18,926,046	20,441,674
Total:		6,405,046,617	5,992,787,514

11 a Consolidated Deposits and other accounts:

Bay Leasing & Investment Ltd.		6,405,046,617	5,992,787,514
BLI Capital Ltd.		198,243,917	188,457,693
Total:		6,603,290,534	6,181,245,207

11.01 Term deposits:

Particulars	Notes	31-12-2020	31-12-2019
Plain Term Deposits	11.1.2	6,334,683,797	5,923,055,384
Flexi Savings		321,000	259,000
Super DPS		41,104,000	36,489,000
BLIL Wealth Plan		-	102,456
BLI Chamak		711,774	-
Double Money Plan		9,300,000	12,440,000
Total:		6,386,120,571	5,972,345,840

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		3,018,762,288	2,797,979,857
Deposits from other than banks and financial institutions		3,367,358,283	3,174,365,983
Total:		6,386,120,571	5,972,345,840

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

Particulars		31-12-2020	31-12-2019
Government		-	-
Banks and financial institutions		3,018,762,288	2,797,979,857
Individual		1,124,159,003	978,432,941
Other Institutions		2,191,762,506	2,146,642,586
Total:		6,334,683,797	5,923,055,384

11.1.2 Maturity analysis of term deposits:

Particulars		31-12-2020	31-12-2019
a) Maturity analysis of deposits from Banks & Financial Institutions			
Payable on demand		-	-
Up to 1 month		201,122,605	189,262,105
Over 1 month but within 3 months		442,514,947	413,932,405
Over 3 months but within 1 year		1,008,607,797	907,688,947
Over 1 year but within 5 years		1,123,642,739	1,024,972,100
Over 5 years but within 10 years		242,874,200	262,124,300
Over 10 years		-	-
Sub Total:		3,018,762,288	2,797,979,857



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

Payable on demand	-	-
Up to 1 month	101,124,591	123,580,450
Over 1 month but within 3 months	334,437,930	348,208,398
Over 3 months but within 1 year	1,316,520,972	1,359,440,545
Over 1 year but within 5 years	1,496,016,517	1,286,823,391
Over 5 years but within 10 years	119,258,273	56,313,199
Over 10 years	-	-
Sub Total:	3,367,358,283	3,174,365,983
Grand Total:	6,386,120,571	5,972,345,840

11.02 Other deposits:

Particulars	31-12-2020	31-12-2019
Security deposit	1,127,100	1,922,700
Lease Advance & Others	17,798,946	18,518,974
Total:	18,926,046	20,441,674

12.00 Other liabilities:

Particulars	Notes	31-12-2020	31-12-2019
Interest suspense account	12.01	240,590,888	181,470,005
Accrued expenses and payables	12.02	284,901,673	289,633,993
Provision for lease, loans and advances	12.03	400,000,000	360,000,000
Provision for income tax	12.04	266,986,846	214,070,439
Deferred Tax Liability	12.05	8,996,540	5,805,227
Lease Liability		5,848,642	7,716,170
Dividend payable		43,734,333	45,223,427
Total:		1,251,058,922	1,103,919,261

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.	1,251,058,922	1,103,919,261
BLI Capital Ltd.	95,102,591	96,914,250
	1,346,161,513	1,200,833,511

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.

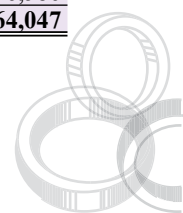
Particulars	31-12-2020	31-12-2019
Balance on January 01	181,470,005	133,376,132
Add: Amount trans. to "interest suspense" account during the year	73,722,240	48,093,873
Less: Amount recovered from "interest suspense" account during the year	-	-
Less: Amount written-off during the year	(14,601,357)	-
Balance as on December 31	240,590,888	181,470,005

12.02 Accrued expenses and payables:

Particulars	Notes	31-12-2020	31-12-2019
Liabilities For Financial expenses	12.02.1	239,810,005	222,564,047
Liabilities for accrued expenses	12.02.2	792,340	591,733
Liabilities for Gratuity Fund		26,477,102	23,452,583
Others Payable		17,822,226	43,025,630
Total:		284,901,673	289,633,993

12.02.1 Liabilities For Financial expenses:

Particulars	31-12-2020	31-12-2019
Interest Payable on Term Deposits	226,545,332	209,207,461
Interest Payable on Other Deposit	13,264,673	13,356,586
Total:	239,810,005	222,564,047



12.02.2 Liabilities for accrued expenses:

Particulars	31-12-2020	31-12-2019
Audit Fee	465,750	201,250
Telephone bill	57,840	20,790
Utility Bill	-	28,082
Office Maintenance	-	14,000
Credit Rating Fee	268,750	287,500
Salary	-	40,111
Total:	792,340	591,733

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.

Particulars	31-12-2020	31-12-2019
General provision on unclassified lease, loans and advances	233,532,416	107,853,315
Specific provision on classified lease, loans and advances	155,941,279	252,146,685
Provision against Investment in Shares	10,526,305	-
Provision as on 31 December	400,000,000	360,000,000

Movement of General provision;

	31-12-2020	31-12-2019
Balance on January 01	107,853,315	118,543,442
Add: Provision made during the year	125,679,101	(10,690,127)
Less: Provision released during the year	-	-
Provision as on 31 December	233,532,416	107,853,315

Movement of Specific provision ;

	31-12-2020	31-12-2019
Balance on January 01	252,146,685	182,095,558
Add: Provision made during the year	-	70,051,127
Add: Provision made on other assets	-	-
Less: Provision released during the year	(96,205,406)	-
Provision as on 31 December	155,941,279	252,146,685

12.04 Provision for Income Tax:

Particulars	31-12-2020	31-12-2019
Balance on January 01	214,070,439	182,070,439
Add: Provision made for the year 2019	-	32,000,000
Provision made for the year 2020	26,000,000	-
Short provision for the year 2017	12,916,407	-
Short provision for the year 2014	14,000,000	-
Less: Settlement of previous years' tax liabilities	-	-
	266,986,846	214,070,439

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	Tax Base	Taxable/deductible
	Amount at		temporary
	Balance Sheet		difference
Gratuity	26,477,100	-	26,477,100
Fixed Assets	521,142,401	470,674,529	(50,467,872)
Total	547,619,501	470,674,529	(23,990,772)
Applicable Tax Rate			37.50%
Deferred Tax Asset as on December 31, 2020			(8,996,540)
Deferred Tax Asset as on December 31, 2019			(5,805,227)
Deferred tax Expense for the year 2020			3,191,313
Total Liability against Deferred Tax			8,996,540

	31-12-2020	31-12-2019
13.00 Share Capital:		
13.01 Authorized capital		
300,000,000 ordinary shares of Taka 10 each	3,000,000,000	3,000,000,000
13.02 Issued, subscribed and fully paid-up capital		
140,888,443.5 ordinary shares of Taka 10 each	1,408,884,435	1,374,521,400

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, 2020 was Taka 1,358,040,000 as against available Core Capital (Tier-I) of Taka 2,460,483,552 and Supplementary Capital (Tier-II) of Taka 396,000,735 making a Total Eligible Capital of Taka 2,856,484,288 thereby showing a Surplus capital/equity of Taka 1,498,444,288 at that date. Details are shown below:

Core capital (Tier-I)

Fully paid-up Capital	1,408,884,435	1,374,521,400
Statutory Reserve	623,950,000	592,151,000
Non-repayable Share premium account	121,115,565	155,478,600
General Reserve	111,271,431	99,751,013
Retained Earnings	195,262,122	164,826,849
	2,460,483,552	2,386,728,862

Supplementary capital (Tier-II)

General provision maintained against Unclassified loan	233,532,416	107,853,315
General provision on off-balance sheet items	-	-
General provision on off-shore Banking Units	-	-
Revaluation gain / loss on investments	-	-
Assets revaluation reserve	162,468,320	165,714,971
	396,000,735	273,568,286

A. Eligible Capital:

	Amount	
1. Tier-1 Capital	2,460,483,552	2,386,728,862
2. Tier-2 Capital	396,000,735	273,568,286

3. Total eligible Capital (1+2)

	2,856,484,288	2,660,297,148
B. Total Risk Weighted Assets (RWA)	13,580,400,000	14,574,200,000
C. Capital Adequacy Ratio	21.03%	18.25%
D. Core Capital to RWA (A1/B)*100	18.12%	16.38%
E. Supplementary Capital to RWA (A2/B)*100	2.92%	1.88%
F. Minimum Capital Requirement (MCR) 10% of RWA =Bx10%	1,358,040,000	1,457,420,000

G) Surplus (A-F)

	1,498,444,288	1,202,877,148
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13.04 Percentage of shareholding at the closing date:

	No. of shares		Percentage	
	2020	2019	2020	2019
(i) Sponsors & Director				
Foreign	-	-		
Domestic	42,364,145	40,744,669	30.07	29.64
	42,364,145	40,744,669	30.07	29.64
(ii) Corporate Bodies				
Foreign	579	291,103	0.00	0.21
Domestic	59,148,383	51,240,938	41.98	37.28
	59,148,962	51,532,041	41.98	37.49
(iii) General public				
Foreign	-	-	-	-
NRB	180,333	179,106	0.13	0.13
Domestic	39,195,003	44,996,324	27.82	32.74
	39,375,336	45,175,430	27.95	32.87
Total:	140,888,443	137,452,140	100.00	100.00



13.05 Shareholding range on the basis of shareholding as at December 31, 2020

No. of shares	Number of Shareholders	Total number of shares	Percentage of total holdings
Less than 5000	5438	7,668,450	5.44%
5,001 to 10,000	545	3,876,623	2.75%
10,001 to 20,000	325	4,423,268	3.14%
20,001 to 30,000	139	3,444,328	2.44%
30,001 to 40,000	59	2,052,681	1.46%
40,001 to 50,000	36	1,655,280	1.17%
50,001 to 100,000	86	6,097,512	4.33%
100,001 to 1,000,000	69	17,630,272	12.51%
1,000,001 to 10,000,000	22	94,040,029	66.75%
	6,719	140,888,443	100.00%

14.00 Statutory Reserve:

Particulars	31-12-2020	31-12-2019
Balance as at January 01	592,151,000	562,401,000
Addition during the year	31,799,000	29,750,000
Balance as at December 31	623,950,000	592,151,000

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 of Tk. 31,799,000 has to be transferred to Statutory Reserve Fund. During the year the Company has transferred same to the statutory reserved fund.

15.00 Share Premium:

Particulars	31-12-2020	31-12-2019
Balance as at January 01	155,478,600	155,478,600
Addition during the year	-	-
Less: Premium use against stock dividend	(34,363,035)	-
Balance as at December 31	<u>121,115,565</u>	<u>155,478,600</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.

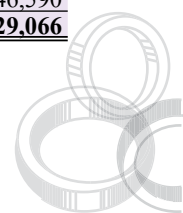
16.00 Assets Revaluation Reserve:

Particulars	31-12-2020	31-12-2019
Balance as at January 01	331,429,942	338,089,740
Sale of Assets	-	-
Transferred to Retained Earnings (Note- 2.36)	(6,493,303)	(6,659,798)
Balance as at December 31	324,936,639	331,429,942

17.00 Adjusted Retained Earnings Balance

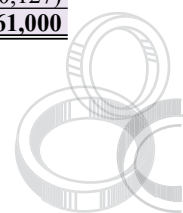
Particulars	31-12-2020	31-12-2019
Balance as at January 01	164,826,849	176,862,202
Dividend for last year	(103,089,105)	(137,452,140)
Previous year adjustment	(163,348)	(242,106)
Transfer from Revaluation reserve (Note- 2.36)	6,493,303	6,659,798
	68,067,700	45,827,754
Net profit after taxation for the year	158,993,422	148,749,095
Appropriation from current years profit:		
Transfer to statutory reserve	(31,799,000)	(29,750,000)
Transfer to General Reserve	-	-
	127,194,422	118,999,095
Balance as at December 31, Grand total (a + b)	195,262,122	164,826,849

17 a	Consolidated Retained Earnings	31-12-2020	31-12-2019
	Bay Leasing & Investment Ltd.	195,262,122	164,826,849
	BLI Capital Ltd.	4,859,400	3,836,169
	Last year adjustment Non-controlling interest	-	-
	Balance as at December 31	200,121,521	168,663,018
18.00	Non-Controlling Interest		
	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:		
	Particulars	31-12-2020	31-12-2019
	Opening balance	10,022	10,013
	Less: Interim Dividend	-	-
	Add: addition during the year	6	9
	Closing balance	10,028	10,022
	Share Capital	10,000	10,000
	Retained Earnings	28	22
		10,028	10,022
19.00	Net asset value per share		
	Particulars	31-12-2020	31-12-2019
	Total asset	14,122,940,781	14,335,656,315
	Total liabilities	11,337,520,590	11,617,497,511
		2,785,420,192	2,718,158,804
	Number of share outstanding	140,888,443	140,888,443
	Net asset value per share	19.77	19.29
19 a	Consolidated Net asset value per share		
	Total asset	16,911,511,158	16,972,070,575
	Total liabilities	14,121,221,539	14,250,065,580
		2,790,289,620	2,722,004,995
	Number of share outstanding	140,888,443	140,888,443
	Consolidated Net asset value per share	19.80	19.32
20.00	Interest Income:		
	Particulars	31-12-2020	31-12-2019
	Interest from Lease	241,890,306	198,775,286
	Interest from Term Finance	660,657,925	926,113,711
	Interest on Fixed Deposits with Banks and Other FI's	52,650,217	87,614,604
	Interest on balance with Banks	721,333	1,180,452
	Interest on Overdue	4,623,050	77,736,883
	Total:	960,542,831	1,291,420,936
20 a	Consolidated Interest Income		
	Bay Leasing & Investment Ltd.	960,542,831	1,291,420,936
	BLI Capital Ltd.	238,702,180	225,776,879
		1,199,245,011	1,517,197,815
	Less: Inter company balance eliminated	26,923,129	27,646,590
	Total:	1,172,321,882	1,489,551,225
21.00	Interest paid on Deposit, Borrowing etc.:		
	Particulars	31-12-2020	31-12-2019
	Interest on Call Loan & STL	73,051,608	95,461,104
	Interest on Over Draft	109,306,954	150,249,928
	Interest on Term Deposits	583,097,242	682,573,448
	Interest on Other Deposits	6,362,110	5,218,252
	Interest on Term Loan	144,593,974	260,196,659
	Interest on Lease Rent	416,073	109,029
	Total:	916,827,961	1,193,808,420
21 a	Consolidated Interest paid on Deposit, Borrowing etc.		
	Bay Leasing & Investment Ltd.	916,827,961	1,193,808,420
	BLI Capital Ltd.	234,963,888	265,367,236
		1,151,791,849	1,459,175,656
	Less: Inter company balance eliminated	26,923,129	27,646,590
	Total:	1,124,868,720	1,431,529,066



22.00	Investment Income:		
	Particulars	31-12-2020	31-12-2019
	Dividend Income	27,611,817	25,122,172
	Gain on Investment on Share	255,448,168	200,014,757
	Total:	283,059,985	225,136,929
22 a	Consolidated Investment Income		
	Bay Leasing & Investment Ltd.	283,059,985	225,136,929
	BLI Capital Ltd.	21,129,161	58,635,287
	Total:	304,189,146	283,772,216
23.00	Commission, Exchange and Brokerage Income:		
	Particulars	31-12-2020	31-12-2019
	Income from Commission	135,000	1,100,000
	Total:	135,000	1,100,000
23 a	Consolidated Commission, Exchange and Brokerage Income:		
	Bay Leasing & Investment Ltd.	135,000	1,100,000
	BLI Capital Ltd.	5,291,002	27,727,194
	Total:	5,426,002	28,827,194
24.00	Other Operating Income:		
	Particulars	31-12-2020	31-12-2019
	Service Fees	643,090	1,449,212
	Gain on sale of Fixed Assets	710,726	-
	Early settlement charge	8,769,638	1,854,786
	Documentation Fee	328,334	428,030
	Rental Income	5,323,500	6,084,000
	Recovery from Write Off	240,000	505,000
	Income from Transfer Fee	4,914,454	527,470
	Miscellaneous Income	145,934	40,820
	Total:	21,075,676	10,889,318
24 a	Consolidated Other Operating Income		
	Bay Leasing & Investment Ltd.	21,075,676	10,889,318
	BLI Capital Ltd.	16,414,125	5,974,767
	Total:	37,489,801	16,864,085
25.00	Consolidated Salary and allowances		
	Particulars	31-12-2020	31-12-2019
	Bay Leasing & Investment Ltd.	54,059,289	51,894,510
	BLI Capital Ltd.	15,313,407	17,893,213
	Total:	69,372,696	69,787,723
	Salaries and allowances		
	Salaries and allowances of Bay Leasing & Investment Limited include annual contribution of BDT 1,717,230/- to Provident Fund and BDT 3,179,319/- to Gratuity Fund. consolidated Salaries and allowances include annual contribution of BDT 1,117,200/- to Provident Fund and BDT 3,938,512/- to Gratuity Fund.		
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.		
26.00	Rent, Taxes, Insurance & Electricity:		
	Particulars	31-12-2020	31-12-2019
	Office Rent	410,940	225,720
	Rates & Taxes	249,912	1,714,626
	Utility	2,702,777	2,511,058
	Insurance Premium	90,794	99,391
	Total:	3,454,423	4,550,795
26 a	Consolidated Rent, Taxes, Insurance & Electricity		
	Bay Leasing & Investment Ltd.	3,454,423	4,550,795
	BLI Capital Ltd.	6,205,956	6,110,732
	Total:	9,660,379	10,661,527

27.00	Postage, stamp, telecommunication, etc.		
	Particulars	31-12-2020	31-12-2019
	Postage & stamp	4,255	109,230
	Telecommunication	527,030	380,455
	Total:	531,285	489,685
27 a	Consolidated Postage, stamp, telecommunication, etc.		
	Bay Leasing & Investment Ltd.	531,285	489,685
	BLI Capital Ltd.	708,345	1,190,269
	Total:	1,239,630	1,679,954
28.00	Stationery, Printing, advertisement, etc.		
	Particulars	31-12-2020	31-12-2019
	Stationery & Printing	728,708	948,999
	Advertisement	1,306,430	1,564,575
	Total:	2,035,138	2,513,574
28 a	Consolidated Stationery, Printing, advertisement, etc.		
	Bay Leasing & Investment Ltd.	2,035,138	2,513,574
	BLI Capital Ltd.	911,442	675,611
	Total:	2,946,580	3,189,185
29.00	Directors Fee:		
	Particulars	31-12-2020	31-12-2019
	Directors Fee	528,000	837,200
	Total:	528,000	837,200
	Each Director is paid TK. 8,000/- per meeting per attendance.		
30.00	Consolidated Auditor's Fees		
	Particulars	31-12-2020	31-12-2019
	Bay Leasing & Investment Ltd.	264,500	235,750
	BLI Capital Ltd.	63,250	63,250
	Total:	327,750	299,000
31.00	Depreciation and repairs of assets		
	Particulars	31-12-2020	31-12-2019
	Depreciation	18,584,425	17,067,096
	Fuel & Repair of assets	813,775	1,051,238
	Total:	19,398,200	18,118,334
31 a	Consolidated Depreciation and repairs of assets		
	Bay Leasing & Investment Ltd.	19,398,200	18,118,334
	BLI Capital Ltd.	18,582,594	13,426,337
	Total:	37,980,794	31,544,671
32.00	Other Expenses		
	Particulars	31-12-2020	31-12-2019
	Bank Charges	828,432	659,478
	Conveyances & Travelling	122,734	157,049
	Credit Rating Fees	268,750	267,500
	Office Maintenance	1,805,831	7,027,245
	Entertainment Expenses	557,068	1,148,056
	Listing & Other Regulatory Fees	1,481,860	1,255,808
	AGM & EGM Expenses	-	720,727
	Subscription & Donation	1,300,000	380,000
	Surveyors fee	-	62,500
	Newspaper & Periodicals	6,640	14,820
	Training Fee	33,000	20,000
	Total:	6,404,315	11,713,183
32 a	Consolidated Other Expenses		
	Bay Leasing & Investment Ltd.	6,404,315	11,713,183
	BLI Capital Ltd.	2,075,129	3,892,997
	Total:	8,479,444	15,606,180
33.00	Provision against lease, loans and advances:		
	Particulars	31-12-2020	31-12-2019
	On classified loans and other advances (Note-12.03)	(96,205,406)	70,051,127
	On un-classified loans (Note-12.03)	125,679,101	(10,690,127)
	Total:	29,473,695	59,361,000



33 a	Consolidated Provision against lease, loans and advances:		
	Bay Leasing & Investment Ltd.	29,473,695	59,361,000
	BLI Capital Ltd.	-	-
	Total:	29,473,695	59,361,000
34.00	Provision for Diminution in Value of Investment in Shares:		
	Particulars	31-12-2020	31-12-2019
	Balance 01-01-2020	-	-
	(Adjustment)/Addition during the year	10,526,305	-
	Total:	10,526,305	-
34 a	Consolidated Provision for Diminution in Value of Investment in Shares:		
	Bay Leasing & Investment Ltd.	10,526,305	-
	BLI Capital Ltd.	-	-
	Total:	10,526,305	-
35.00	Provision for Tax:		
	Particulars	31-12-2020	31-12-2019
	Current Year Tax	26,000,000	32,000,000
	Previous year Tax (2014 & 2017)	26,916,407	-
	Deferred Tax	3,191,313	(1,930,885)
	Total:	56,107,720	30,069,115
35 a	Consolidated Provision for Tax:		
	Bay Leasing & Investment Ltd.	56,107,720	30,069,115
	BLI Capital Ltd.	1,689,219	4,479,322
	Total:	57,796,939	34,548,437
36.00	Earnings per share (EPS):		
	Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31, 2020 as per International Accounting Standard (IAS) -33.		
	Particulars	31-12-2020	31-12-2019
	Net profit after tax	158,993,422	148,749,095
	Number of ordinary shares outstanding	140,888,443	140,888,443
	Earnings per share	1.13	1.06
36 a	Consolidated Earnings per share (EPS):		
	Net profit after tax	160,016,660	150,384,255
	Number of ordinary shares outstanding	140,888,443	140,888,443
	Earnings per share	1.14	1.07
37.00	Net Operating Cash Flows Per Share (NOCFPS)		
	Net cash flows from operating activities	717,370,988	102,739,463
	No. of Shares outstanding	140,888,443	140,888,443
		5.09	0.73
37.01	Reconciliation of Net Profit with Cash Flows from Operating Activities		
	Particulars	31-12-2020	31-12-2019
	Total Profit before taxes	215,101,141	177,422,439
	Adjustments:		
	Depreciation	16,260,898	17,067,096
	Gain on sale of Fixed Assets	(710,726)	-
	Gain on Investment on Share	(255,448,168)	(200,014,757)
	Provision for lease, loans, advances & Investments:	40,000,000	59,361,000
		15,203,145	53,835,778
	Increase / decrease in operating assets and liabilities		
	Other assets	56,705,584	(61,476,586)
	Lease, loans and advances to customers	969,121,245	814,022,011
	Deposits from customers	412,259,103	(1,269,427,798)
	Payment as Call Loan	(163,216,300,000)	(179,804,500,000)
	Receipt as Call Loan	162,466,300,000	180,374,500,000
	Other liabilities account of customers	54,388,563	57,139,343
	Income Tax paid	(40,306,652)	(61,353,285)
	Net cash flows from operating activities	717,370,988	102,739,463

	31-12-2020	31-12-2019
38.00 Contingent liabilities		
Corporate Guarantee	200,000,000	182,900,000
Total Off-Balance Sheet items including contingent liabilities	200,000,000	182,900,000

38.01 Corporate Guarantee

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

Dhaka Stock Exchange- BLI Securities Ltd	200,000,000	100,000,000
ICB- BLI Capital Ltd	-	82,900,000
Total:	200,000,000	182,900,000

39.00 Related Party Disclosures

39.01 Particulars of Directors of the Company as on December 31, 2020

Sl.no	Name of Directors	Designation	Shareholding status
1	Dr. Maswooda Ghani	Chairman	6.27%
2	Mr. Tarik Sujat	Director	2.09%
3	Mr. Zubayer Kabir	Director	2.00%
4	Prof.Suraiya Begum	Director	2.15%
5	Mrs. Fatema Zahir Majumder	Director	2.00%
6	Prof. Shahid Uddin Ahmed	Independent Director	0.00%
7	Dr. Zaidi Sattar	Independent Director	0.00%
	Total		14.51%

39.02 Name of Directors and their interest in different entities as on December 31, 2020.

Sl.no	Name of Directors	Designation	Entities Where they have interest
1	Dr. Maswooda Ghani	Chairman Director	Managing Director: Pushpo Clinic
2	Prof. Suraiya Begum	Director	N/A
3	Mr. Tarik Sujat	Director	CEO Colors of Bangladesh One Stop Print Shop Managing Director: MediaScene Ltd. (Daily Bhorer Kagoj) I- Info Media Ltd. Director Desh Television Limited
4	Mr. Zubayer Kabir	Director	Managing Director: 1. National Securitis & Conaultants Ltd. 2.Erebus Properties Ltd.
5	Mrs. Fatema Zahir Majumder	Director	1. Tiger Tours Ltd 2. Blue Flying Academy 3. Language Proficiency Centre Ltd Southeast Bank Ltd.
6	Prof. Shahid Uddin Ahmed (Ph.D)	Independent Director	Independent Director: Argon Denim Fabrics Ltd.
7	Dr. Zaidi Sattar	Independent Director	Chairman Policy Research Institute



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, 2020 were as follows:

Name of the related party	Relationship	Nature of transaction	Transaction amount /Outstanding receivable/(Payable)	
			2020	2019
BLI Capital Ltd	Subsidiary Company	Receivable	277,961,399	300,101,399
		Loan	247,174,045	240,226,293
		Contingent Liability	-	82,900,000
BLI Securities Ltd	Associate Company	Term Deposit	74,445,359	52,464,051
		Contingent Liability	200,000,000	100,000,000
Lucky Feed Ltd	Associate Company	Term Deposit	-	-
		Term Finance	83,914,101	82,263,856

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

As on 31 December 2020 no such contract exists.



Bay Leasing & Investment Limited
Highlights on the overall Activities
as on 31 December 2020

SI No.	Particulars	Currency	31-12-2020	31-12-2019
1	Paid-up capital	Taka	1,408,884,435	1,374,521,400
2	Total Shareholder's Equity	Taka	2,785,420,192	2,718,158,804
3	Capital Surplus/(deficit)	Taka	1,498,444,288	1,202,877,148
4	Total Assets	Taka	14,122,940,781	14,335,656,315
5	Total Deposits	Taka	6,405,046,617	5,992,787,514
6	Total Loans and advances	Taka	8,384,333,005	9,353,454,250
7	Total Contingent Liabilities and Commitment	Taka	200,000,000	182,900,000
8	Investment Deposit Ratio		1.49	1.56
9	Percentage of Classified Investment against Total Investments		9.44	9.97
10	Net Profit after Tax	Taka	158,993,422	148,749,095
11	Total Classified Investments	Taka	791,177,977	932,556,529
12	Provision Kept against classified Investments	Taka	155,941,279	252,146,685
13	Provision Surplus/(deficit)	Taka	115,836,605	1,023,833
14	Cost of Fund		9.42%	10.41%
15	Interest earning Assets	Taka	9,631,797,385	10,008,752,160
16	Non-Interest earning Assets	Taka	4,491,143,396	4,326,904,155
17	Return on equity		7.72%	5.47%
18	Return on Average Assets		1.12%	1.17%
19	Income from Investment	Taka	283,059,985	225,136,929
20	Income Per Share		1.13	1.06
21	Earning Per Share		1.13	1.06
22	Price earning Ratio (P/E Ratio)	Times	20.09	12.78



Bay Leasing & Investment Limited
Schedule of Fixed Assets
As at December 31, 2020

Schedule-1

Particulars	Balance as on 31.12.2020					Depreciation										W.D.V. as on 31.12.2020			
	Cost as on 01.01.2020	Revaluation as on 01-01-2020	Addition during the year	Revaluation during the year	Disposals/ Adjustments during the year	Cost (1+3-5)=6	Revaluation (2+4)-7	Total (6+7)=8	Rate of Depreciation	Balance as on 01.01.2020		Charged during the Year		Adjustment for Disposals		Balance as on 31.12.2020			
										Cost	Revaluation	Cost	Revaluation	Disposals	Cost	Revaluation	Cost	Revaluation	Total
1	2	3	4	5	(1+3-5)=6	(2+4)-7	(6+7)=8	9	10	11	12	13	14	(10+12-14)=15	(11+13)=16	17	(8-17)=18		
Furniture and Fixtures	22,544,558	-	273,641	-	381,000	22,437,199	-	22,437,199	10%	7,868,348	-	1,469,901	-	360,000	8,978,249	-	-	8,978,249	13,458,950
Office Equipment	18,325,887	-	57,151	-	1,527,000	16,856,038	-	16,856,038	15%	10,421,161	-	1,193,182	-	1,505,622	10,108,721	-	-	10,108,721	6,747,317
Office Decoration	31,718,199	-	1,268,163	-	-	32,986,362	-	32,986,362	20%	16,452,963	-	3,074,183	-	-	19,527,146	-	-	19,527,146	13,459,216
Right of Use Assets	11,221,940	-	-	-	-	11,221,940	-	11,221,940	-	1,395,771	-	2,323,527	-	-	3,719,298	-	-	3,719,298	7,502,642
Motor Vehicles	18,794,956	-	-	-	1,656,300	17,138,656	-	17,138,656	20%	13,574,050	-	1,032,834	-	1,463,404	13,143,480	-	-	13,143,480	3,995,176
Electrical Goods	616,796	-	-	-	-	616,796	-	616,796	20%	599,609	-	3,437	-	-	603,046	-	-	603,046	13,750
Intangible Assets	-	-	7,500,000	-	-	7,500,000	-	7,500,000	-	-	-	-	-	-	-	-	-	-	7,500,000
Building	140,437,900	320,669,540	-	-	-	140,437,900	320,669,540	461,107,440	2.50%	20,675,629	60,937,391	2,994,057	6,493,303	-	23,669,686	67,430,694	-	91,100,381	370,007,059
Construction WIP	80,079,800	-	-	-	-	80,079,800	-	80,079,800	0%	-	-	-	-	-	-	-	-	-	80,079,800
Land	270,742,336	74,322,179	875,000	-	-	271,617,336	74,322,179	345,939,515	0%	-	-	-	-	-	-	-	-	-	345,939,515
Total	594,482,372	394,991,719	9,973,955	-	3,564,300	600,892,027	394,991,719	995,883,746		70,987,531	60,937,391	12,091,121	6,493,303	3,329,026	79,749,626	67,430,694	-	147,180,321	848,703,425
2019	567,740,129	394,991,719	26,742,243	-	-	594,482,372	394,991,719	989,474,091		60,580,233	54,277,592	10,407,298	6,659,798	-	70,987,531	60,937,391	-	131,924,922	857,549,169



Auditors' Report

BLI Capital Limited



Independent Auditor's Report

To The Shareholders of BLI CAPITAL LIMITED

Report on the Audit of the Financial Statements for the year ended 31 December 2020

Opinion:

We have audited the financial statements of “**BLI CAPITAL LIMITED.**”, (“the Company”) which comprise the statement of financial position as at 31 December 2020, 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 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), The Bangladesh Securities and Exchange Commission rule-2020, The Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing 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 the Financial Statements

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable laws and regulations, we also report the following:

- 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 so far as it appeared from our examination of those books; and
- The statement financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Dhaka
Dated: 29-04-2021

Pinaki Das
Pinaki Das, FCA
Senior Partner
ICAB Enrolment No-151
PINAKI & COMPANY
Chartered Accountants
DVC: 2104290151AS824524



BLI CAPITAL LIMITED
Statement of Financial Position
as at 31 December 2020

		Amount in Taka	
		31-12-2020	31-12-2019
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	Note-4	584,171,574	360,740,926
CURRENT ASSETS			
Advance Deposit and Pre-Payments	Note-5	152,794,851	373,311,345
Accounts Receivable	Note-6	24,492,915	16,677,395
Investment In Share	Note-7	1,097,177,864	1,084,275,328
Margin Loan		3,186,450,004	3,089,249,908
Cash and Cash Equivalents	Note-8	18,608,613	2,477,050
TOTAL		5,063,695,821	4,926,731,952
EQUITY AND LIABILITIES			
CAPITAL & RESERVE			
Shareholders Equity	Note-9	1,754,859,428	1,753,836,191
Retained Earnings	Note-10	4,859,428	3,836,191
NON-CURRENT LIABILITIES			
Loan From Bank & Financial Institution	Note-11	873,670,942	871,759,910
CURRENT LIABILITIES			
Short Term Loan		2,435,165,451	2,301,135,851
Margin Deposit		1,863,857,544	1,715,662,509
Other Payable	Note-12	198,243,917	188,457,693
Provision for Tax	Note-13	312,669,342	338,310,221
Provision against Unrealized loss in Margin Loan		41,928,943	40,239,724
		18,465,705	18,465,705
TOTAL		5,063,695,821	4,926,731,952


Managing Director


Director


Director


PINAKI & COMPANY
Chartered Accountants

Dhaka
Dated: 29-04-2021

DVC : 2104290151AS824524

BLI CAPITAL LIMITED
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2020

	Amount in Taka	
	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
Income :		
Issue Management Fees	-	448,043
Brokerage Settlement Charges	18,613,330	19,342,085
Gain on Investment in Share	5,303,769	44,793,215
Dividend Income	15,825,392	13,842,072
Interest Income	220,088,850	225,776,879
Documentation Fee	177,500	138,500
Underwriting Commission	300,000	133,938
IPO Processing Fee	3,710	-
Other Income	16,236,625	5,836,267
Portfolio management Fee	4,987,292	7,803,128
	Note-14	
TOTAL	281,536,468	318,114,127
Expenses :		
Salary & Allowance	15,313,407	17,893,213
Office Rent	4,690,962	4,666,518
Registration & Renewal Fee	228,507	496,838
Printing & Stationary	220,942	332,811
Entertainment	275,344	552,866
Water Bill	62,713	-
Internet & Network Charge	202,800	192,000
CDBL Charges	1,091,828	1,406,554
Credit Rating Fees	53,750	50,000
Repair & Maintenance	484,324	774,899
Software maintenance Fee	294,000	209,450
Conveyance	18,495	21,986
Newspaper	8,280	17,502
Electricity Bill	561,153	697,663
WASA Bill	160,811	142,738
Courier	3,900	2,175
Telephone & Mobile bill	262,028	289,806
Domain & Hosting	11,110	-
Holding Tax	50,605	-
Advertisement Expenses	690,500	342,800
Car maintenance	501,713	227,052
Insurance	14,543	-
Fuel & Lubricants	-	510,455
Service Charge	665,169	603,813
Hand sanitizer	2,455	-
Vat Expenses	1,920	-
Training & Conference	1,058	25,423
Audit Fees	63,250	63,250
Bank Charge	181,604	161,365
Bank Interest	234,963,888	265,367,236
Miscellaneous expenses	21,700	-
Business Development Expenses	418,695	5,037,301
Depreciation	17,302,557	11,913,931
Total Expenses	278,824,012	311,999,645
Net Profit/(Loss) Before Provision	2,712,456	6,114,482
Less: Provision for Tax	1,689,219	4,479,322
Net profit/(Loss) after Provision Transfer to Retained Earnings	1,023,237	1,635,160


Managing Director


Director


Director


PINAKI & COMPANY
Chartered Accountants

Dhaka
Dated: 29-04-2021

DVC: 2104290151AS824524



BLI CAPITAL LIMITED
Statement of Changes in Equity
for the year ended 31 December 2020


Particulars	Share Capital	Retained Earnings	Total
Balance as at January 01, 2020	1,750,000,000	3,836,191	1,753,836,191
Profit During the year	-	1,023,237	1,023,237
Balance as at December 31, 2020	1,750,000,000	4,859,428	1,754,859,428

Statement of Changes in Equity
for the year ended 31 December 2019

Particulars	Share Capital	Retained Earnings	Total
Balance as at January 01, 2019	1,750,000,000	2,201,031	1,752,201,031
Profit During the year	-	1,635,160	1,635,160
Balance as at December 31, 2019	1,750,000,000	3,836,191	1,753,836,191


Managing Director


Director


Director



BLI CAPITAL LIMITED
Statement of Cash Flows
for the year ended 31 December 2020

	Amount in Taka	
	01-01-2020 to 31-12-2020	01-01-2019 to 31-12-2019
A. Cash Flow from operating activities		
Cash receipt from Customer	243,866,972	253,508,635
Cash Received from Others	36,994,736	64,605,492
Cash paid to Suppliers and Others	(26,375,962)	(34,557,113)
Advance Deposit & Pre-Payment	225,398,322	(121,402,944)
Income Tax Paid	(4,881,828)	(5,199,713)
Bank Charge	(181,604)	(161,365)
Accounts Receivable	(7,815,520)	15,642,299
Bank Interest	(234,963,888)	(265,367,236)
Net Cash used by operating activities	232,041,228	(92,931,945)
B. Cash Flow from investment activities		
Acquisition of Asset	(241,028,445)	(6,885,804)
Sales of fixed assets	970,000	-
Investment in Share	(12,902,536)	(110,469,588)
Net Cash flow from investment activities	(252,960,981)	(117,355,392)
C. Cash Flow from financing activities		
Mergin Deposit	9,786,224	(47,269,013)
Other Payable	(25,640,879)	5,307,494
Mergin Loan	(97,200,096)	(71,257,252)
Short Term Loan SEBL	148,195,035	279,138,638
Loan From Bank & Financial Institutes	1,911,032	44,599,678
Net Cash flow from financing activities	37,051,316	210,519,545
D. Net Cash inflow/outflow for the year (A+B+C)	16,131,563	232,208
E. Opening Cash and Bank balance	2,477,050	2,244,843
F. Closing Cash and Bank balance (D+E)	18,608,613	2,477,050


Managing Director


Director


Director



BLI CAPITAL LIMITED
Notes to the Financial Statements
as at 31 December 2020

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 (10th 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 Statement of Compliance

The Financial Statements of BLI CAPITAL LIMITED has 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.

2.2 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).

2.3 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.

2.4 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.
- iii) Statement of Changes in Equity
- iv) Statement of Cash flows and
- v) Notes to the Financial Statements.

3. Principal Accounting Policies:

3.1 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 in stead of financing activities.

3.2 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.

3.3 Others:

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



No.	Particulars	Amount in Taka	
		31-12-2020	31-12-2019
4. Property, Plant and Equipment			
Details of Property, Plant and Equipment and Depreciation as on December 31, 2020 are shown in the annexed Schedule -			
A. This is arrived at as follows:			
Written Down Value (a-b)		584,171,574	360,740,926
Opening Balance - At Cost		406,653,606	399,767,802
Add: Addition during the year (At Cost)		241,028,445	6,885,804
		647,682,051	406,653,606
Less : Adjustment during the year		-	-
		647,682,051	406,653,606
Less : Diaposal during the year		901,000	-
Closing Balance (a)		646,781,051	406,653,606
Accumulated Depreciation			
Opening Balance		45,912,679	33,998,748
Add: Charged during the year		17,302,557	11,913,931
		63,215,236	45,912,679
Less : Adjustment during the year		605,760	-
Closing Balance (b)		62,609,477	45,912,679
5. Advance Deposit and Pre-Payments		152,794,851	373,311,345
Advance Income Tax	Note-5.1	25,593,334	20,711,506
Advance against Office Rent	Note-5.2	-	1,147,500
Floor Space Rupayan Housing	Note-5.3	101,400,000	275,825,920
Other Advance		-	60,000,000
Advance BLI Securities Ltd.		-	7,700,000
House Building Loan		9,762,501	7,400,000
National securities		15,682,163	-
Advance Against Salary		356,853	526,419
5.1 Advance Income Tax		25,593,334	20,711,506
Opening Balance		20,711,506	15,511,793
Add: During the Year		4,881,828	5,199,713
5.2 Advance against Office Rent		-	1,147,500
Opening Balance		1,147,500	3,901,500
Add: During the Year		-	-
		1,147,500	3,901,500
Less: Adjustment During the year		1,147,500	2,754,000
5.3 Floor Space Rupayan Housing		101,400,000	275,825,920
Opening Balance		275,825,920	226,832,000
Add: During the Year		188,036,720	48,993,920
		463,862,640	275,825,920
Less: Adjustment During the year		122,932,000	-
		340,930,640	275,825,920
Less: Adjustment with Fixed Assets		239,530,640	-
6. Accounts Receivable		24,492,915	16,677,395
BLI Securities Ltd.		15,488,343	16,278,625
National Securities Ltd.		-	398,770
City Brokerage Ltd.		9,004,572	-



No.	Particulars	Amount in Taka	
		31-12-2020	31-12-2019
7. Investment in shares:		1,097,177,864	1,084,275,328
1	Investment in Shares	883,427,864	868,850,328
2	Investment in Placement Shares	213,750,000	213,750,000
3	Investment for IPO	-	1,675,000
8. Cash and Cash Equivalents		18,608,613	2,477,050
	Cash in Hand	45,184	56,580
	Cash at bank	18,563,429	2,420,470
8.1 Cash at bank		18,563,429	2,420,470
	Southeast Bank Ltd.	18,340,817	2,285,890
	First Security Islami Bank Ltd.	20,210	21,820
	Social Islamic Bank Ltd.	125,055	34,377
	Mercantile Bank Ltd.	77,347	78,383
9. Shareholders equity			
	Authorized Capital		
	20,00,00,000 shares of Tk. 10/-each	2,000,000,000	2,000,000,000
	Issued, Subscribed and Paid Up Capital		
	17,50,00,000 shares of Tk. 10/-each	1,750,000,000	1,750,000,000
10. Retained Earnings		4,859,428	3,836,191
	Opening Balance	3,836,191	2,201,031
	Add: Profit During the year	1,023,237	1,635,160
11. Loan From Bank & Financial Institution		873,670,942	871,759,910
	ICB	56,424,944	92,933,617
	Social Islami Bank Ltd.	577,000,000	538,600,000
	Bay Leasing & Investment Ltd.	240,245,998	240,226,293
12. Other Payable		312,669,342	338,310,221
	Bay Leasing & Investment Ltd.	270,581,397	300,101,397
	Interest Payable SIBL	2,596,500	29,464,886
	Interest Payable ICB	130,617	1,302,192
	Interest Payable Bay Leasing	14,175,263	-
	Payable to BLI Securities Ltd.	-	7,096,134
	Payable to NSCL	13,630,415	80,062
	Dividend payable	700	700
	Audit Fees	63,250	63,250
	Service Charge	403,200	201,600
	Advance Received against Office Rent	11,088,000	-
12.1 Advance Received against Office Rent		11,088,000	-
	Opening Balance	-	2,541,000
	Add: During the year	11,088,000	(2,541,000)
13. Provision for Tax		41,928,943	40,239,724
	Opening Balance	40,239,724	35,760,402
	Add: During the year	1,689,219	4,479,322



No.	Particulars	Amount in Taka	
		31-12-2020	31-12-2019
14. Other Income		16,236,625	5,836,267
Interest Income from House Loan		10,425,265	-
Interest Income from STD A/C		-	292,267
Gain on Car Sale	Note-14.1	674,760	-
Rental Income		5,136,600	5,544,000
14.1 Gain on Car Sale		674,760	-
Sales Price		970,000	-
Less: Book Value		295,240	-
Cost Price		901,000	-
Less: Accumulated Depreciation		605,760	-
Book Value		295,240	-



BLI CAPITAL LIMITED
Notes to the Financial Statements
as on December 31, 2020

Schedule - A

Particulars	Category	C O S T				D E P R E C I A T I O N				W.D.V	
		Bal.as.on		Disposals		Bal.as.on		Adjust.		Bal.as.on	
		01.01.2020	31.12.2020	dur. the	dur. the	01.01.2020	31.12.2020	dur. the	dur. the	31.12.2020	31.12.2020
Taka	Taka	Year	Year	Taka	Taka	Year	Year	Taka	Taka		
Computer	Equipment	1,923,750	2,109,950	186,200	-	15.00	813,456	173,527	-	986,983	1,122,967
UPS	Equipment	29,100	29,100	-	-	15.00	8,768	3,050	-	11,818	17,282
Monitor	Equipment	6,300	6,300	-	-	15.00	2,431	580	-	3,011	3,289
Fax Machine	Equipment	26,000	26,000	-	-	15.00	21,466	680	-	22,146	3,854
Chair	Furniture	73,201	73,201	-	-	10.00	45,323	2,788	-	48,111	25,090
Cookeries	Equipment	39,380	50,110	10,730	-	15.00	11,191	5,838	-	17,029	33,081
Telephone Set	Equipment	56,500	56,500	-	-	15.00	29,577	4,038	-	33,615	22,885
Internet Modem	Equipment	44,755	44,755	-	-	15.00	32,162	1,889	-	34,051	10,704
Vacuum Cleaner	Equipment	17,320	17,320	-	-	15.00	12,788	680	-	13,468	3,852
Software	Equipment	2,319,903	2,319,903	-	-	15.00	1,056,964	189,441	-	1,246,405	1,073,498
Website	Equipment	74,060	74,060	-	-	15.00	36,025	5,705	-	41,730	32,330
Micro Oven	Equipment	17,100	29,700	12,600	-	15.00	8,459	1,769	-	10,228	19,472
Refrigerator	Equipment	83,320	128,720	45,400	-	15.00	27,452	10,083	-	37,535	91,185
File Cabinet	Furniture	95,465	95,465	-	-	10.00	49,717	4,575	-	54,292	41,173
Fan	Equipment	30,050	38,550	8,500	-	10.00	16,238	1,665	-	17,903	20,647
Printer	Equipment	146,700	146,700	-	-	15.00	52,859	14,076	-	66,935	79,765
Networking Switch	Equipment	41,100	41,100	-	-	15.00	21,098	3,000	-	24,098	17,002
Photocopier	Equipment	145,000	145,000	-	-	15.00	75,503	10,425	-	85,928	59,072
Scanner	Equipment	13,800	13,800	-	-	15.00	4,868	1,340	-	6,208	7,592
Office Decoration	Furniture	20,409,111	21,221,786	812,675	-	10.00	4,314,946	1,677,139	-	5,992,085	15,229,701
Access Control	Equipment	41,700	61,900	20,200	-	15.00	15,983	4,868	-	20,851	41,049
Water Cooler	Equipment	21,700	25,200	3,500	-	15.00	8,728	2,033	-	10,761	14,439
PABX System	Equipment	91,060	209,060	118,000	-	15.00	33,214	23,427	-	56,641	152,419
Furniture & Fixtures	Furniture	153,520	308,520	155,000	-	10.00	52,796	13,947	-	66,743	241,777
Server Cabinet	Furniture	14,000	14,000	-	-	10.00	4,815	919	-	5,734	8,267
Krone Rack & Network Con Plate	Equipment	121,610	121,610	-	-	15.00	42,477	11,870	-	54,347	67,263
Television	Equipment	394,170	519,170	125,000	-	15.00	109,382	61,468	-	170,850	348,320
Tea Maker	Equipment	2,900	2,900	-	-	15.00	1,386	230	-	1,616	1,284
Car DM-GA-25-0900	Vehicle	901,000	-	-	901,000	20.00	605,760	-	605,760	-	-
Car DM-GA-27-1411	Vehicle	902,000	902,000	-	-	20.00	606,433	59,113	-	665,546	236,454
Car DM-GA-26-6541	Vehicle	2,403,600	2,403,600	-	-	20.00	1,172,957	246,129	-	1,419,085	984,515
Car DM-GA-34-6784	Vehicle	2,616,750	2,616,750	-	-	20.00	942,030	334,944	-	1,276,974	1,339,776
Floor Space Rupayan Housing	Property	190,597,176	190,597,176	-	-	2.50	13,940,397	4,416,419	-	18,356,816	172,240,360
Floor Space Eunon Trade Centre	Property	182,800,505	182,800,505	-	-	2.50	21,735,033	4,026,637	-	25,761,669	157,038,836
Floor Space Rupayan Housing (2nd)	Property	-	239,530,640	239,530,640	-	2.50	-	5,988,266	-	5,988,266	233,542,374
Total		406,653,606	646,781,051	241,028,445	901,000		45,912,679	17,302,557	605,760	62,609,477	584,171,574



Bay Leasing & Investment Limited

SECURE YOUR FUTURE[©]

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

Authorized Officer Signature

PROXY FORM

I/We.....

Registered BO ID :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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 **25th Annual General Meeting** of the Company to be held on by **November 04, 2021(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 2020.....

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 25th 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 not later than 48 hours before commencement of the AGM.



Bay Leasing & Investment Limited

SECURE YOUR FUTURE[©]

ATTENDANCE SLIP

Name of Shareholder/Proxy.....

Registered BO ID :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I hereby record my attendance at the **25th Annual General Meeting** of the Company to be held on by **November 04, 2021(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