

ANNUAL
REPORT | **2019**



Bay Leasing & Investment Limited

SECURE YOUR FUTURE[®]

ANNUAL
REPORT | **2019**



Table of Contents

Letter of transmittal	03
Notice of the 24 th Annual General Meeting	04
Our Vision	05
Our Mission	06
Bay Leasing Story	07
Core Values	08
Corporate Information	09
Company Milestones	11
Products & Services	12
Financial Highlights	13
Key performance Indicators	14
Calendar 2020	15
Board of Directors	18
Organogram	23
Management Committee (MANCOM)	24
Committees	25
Chairman's Message	27
Managing Director's Message	31
Risk Management, AML & CFT Initiatives	36
Director's Report	46
Report of the Audit Committee	63
Status of Compliance on Corporate Governance	65
Compliance on Bangladesh Bank's Guidelines on Corporate Governance	75
Shareholding of Directors	78
Senior Executives Shareholding position	78
Board and Audit Committee Meeting & Attendance	80
Green Banking Initiatives	81
Declaration of the Managing Director and the Chief Financial Officer	82
Auditors' Report (Bay Leasing & Investment Limited)	84
Consolidated Balance Sheet	91
Off Balance Sheet Items (Consolidated)	92
Consolidated Profit & Loss Account	93
Consolidated Cash Flow Statements	95
Consolidated Statement Of Changes in Equity	96
Balance Sheet	97
Off Balance Sheet Items	98
Profit & Loss Account	99
Cash Flow Statement	101
Statement of Changes in Equity	102
Liquidity Statement	103
Notes to the Financial Statements	104
Schedule of Fixed Assets	138
Some Pertinent Highlights	139
Auditor's Report (Bli Capital Limited)	140
Statement of Financial Position	143
Statement of Comprehensive Income	144
Statement of Changes in Equity	145
Statement of Cash Flow	146
Notes to the Financial Statements	147
Schedule of Fixed Assets	150
Proxy Form	

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, 2019.

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, 2019 and Income Statements, Cash Flow Statements and Statement of Changes in Equity for the year ended December 31, 2019.

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 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting (AGM) of Bay Leasing & Investment Limited will be held on **October 29, 2020 (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 2019.
02. To declare 7.5% Cash Dividend and 2.5% Stock Dividend for the year ended 31st December 2019 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 of External Auditor(s) of the Company for the year 2020 and to fix their remuneration.
05. To appoint/ re-appoint Compliance Auditor(s) of the company for the year 2020 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

September 24, 2020

By order of the Board

M. Maniruz Zaman Khan
EVP & Company Secretary

Notes:

01. September 17, 2020 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 in the AGM through digital platform.
02. A shareholder of the company is entitled to participate and vote at this virtual AGM may appoint a Proxy to participate and vote. The Proxy Form duly filled, signed and stamped at 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-2019 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 us with a list of their margin clients who held the BLIL 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 and share@billbd.com
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 48 (forty eight) hours of commencement of the AGM through this link and also during the Annual General Meeting in order to login for the virtual AGM. The shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) Account Number.
06. Shareholders are requested to login to the system well ahead of the meeting at appointed time for the AGM on Thursday, October 29, 2020. 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 24th 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.

Corporate Information

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	: Pinaki & Company AHSANDELL 2/A, Mymanshingh Road (2nd Floor) Shahbag, Dhaka-1000 Tel : 9660944, 9665095 Fax: 88-02-967272
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
22, Bir Uttam M A Rob Sarak, 4th Floor
Dhanmondi R/A, Dhaka-1205

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.

Dhanmondi Extension Office
Rangs Panorama (4th floor),
80 Shatmosjid Road, Dhanmondi, Dhaka-1209.

Subsidiary Company

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

Branch of BLIL

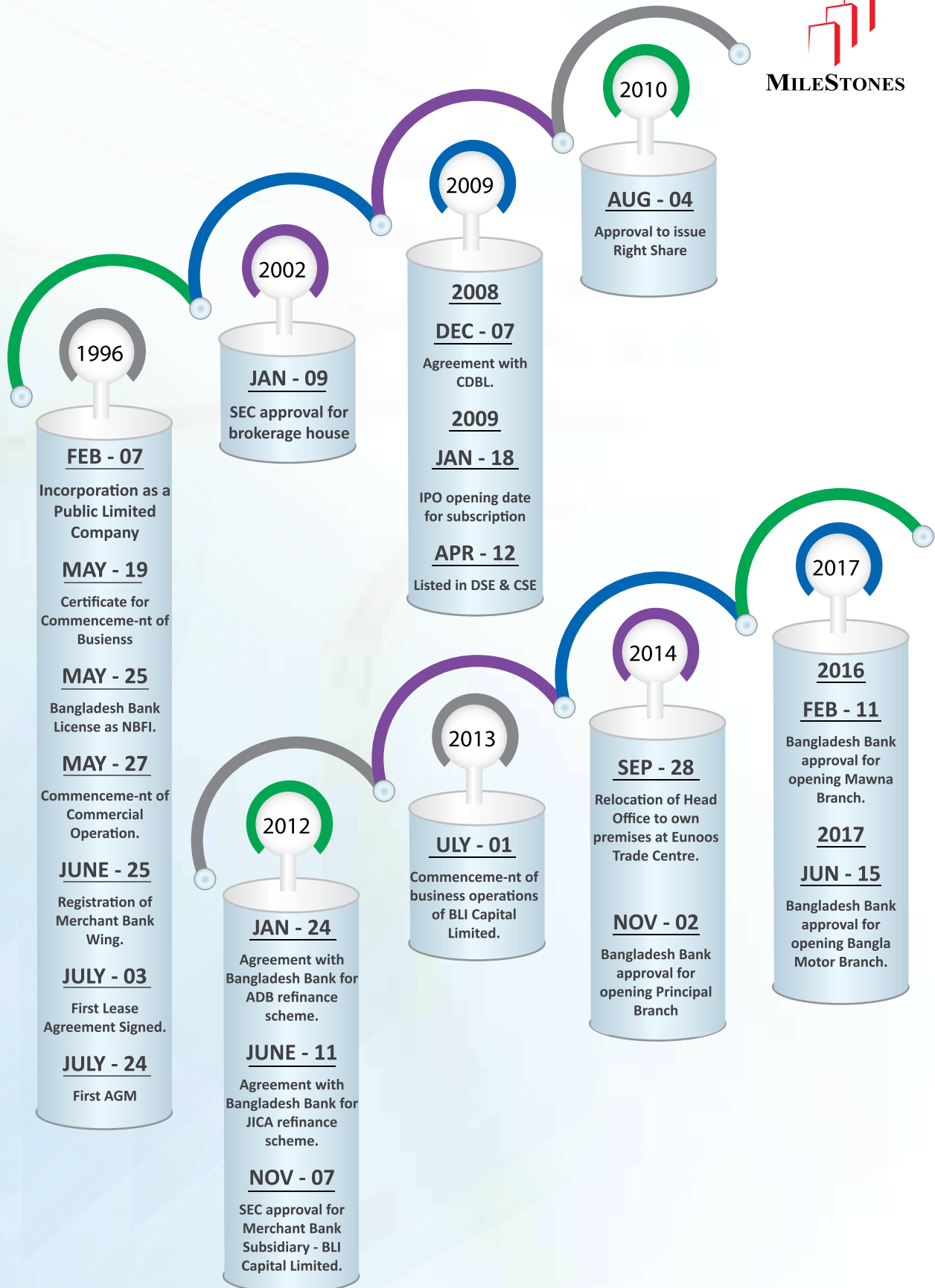
: **Principal Branch**
Taz Marriot, Plot-SW(I)4, 2nd floor
25 Gulshan Avenue, Dhaka-1212

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



MILESTONES



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

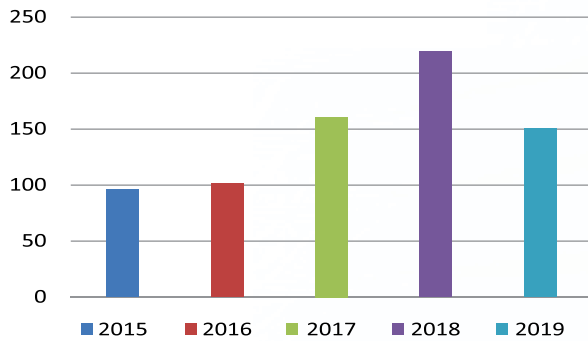
Financial Highlights

Figures in million

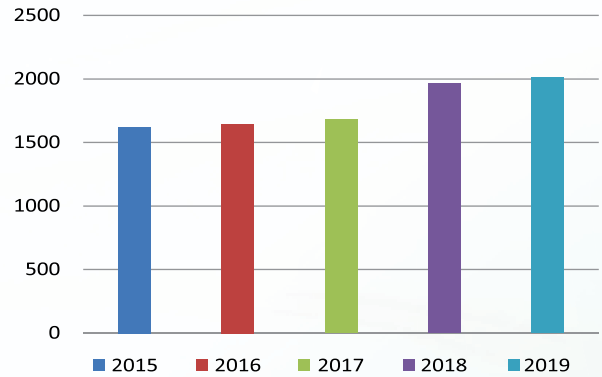
Particulars	2019	2018	2017	2016	2015	
Lease, Term & Other Finance	12,202.48	12,922.74	11,955.53	10,023.09	7,869.13	
Investments	2,009.36	1,961.69	1,681.85	1,646.00	1,620.24	
Fixed Assets	1,218.29	1,213.64	1,261.38	1,246.35	1,043.18	
Other Assets	792.23	635.55	487.89	321.40	347.99	
Total Assets	16,972.07	18,426.49	16,325.10	13,551.49	11,189.73	
Term & Other Deposits	6,181.25	8,003.56	6,424.72	4,938.63	3,695.32	
Long Term Liabilities	7,059.65	6,741.18	6,352.36	5,147.56	3,032.62	
Share Capital	1,374.52	1,374.52	1,309.07	1,309.07	1,309.07	
Shareholders Equity	2,721.99	2,670.00	2,610.90	2,642.58	2,737.63	
Operating Revenue	1,819.01	1,733.86	1,361.98	1,042.86	959.15	
Financial Expenses	1,431.53	1,288.52	963.86	757.58	699.98	
Operating Expenses	143.19	136.43	124.08	95.95	77.76	
Profit before Taxation	184.93	288.43	217.60	167.63	162.77	
Net profit after Tax	150.38	219.29	162.76	101.30	95.93	
Current Ratio (Times)	1.18	1.05	1.03	1.01	1.14	
Debt/Equity Ratio	4.86	5.52	4.89	3.82	2.82	
Return on Equity	5.52%	8.21%	6.23%	3.83%	3.50%	
Return on Assets	1.04%	1.66%	1.33%	1.36%	1.64%	
Dividend	Cash	7.50%	10%	10%	15%	15%
	Stock	2.50%	0%	5%	-	-
Net Asset Value per Share	19.8	19.43	19	20.19	20.91	
EPS	1.09	1.6	1.24	0.77	0.73	

Key Performance Indicators

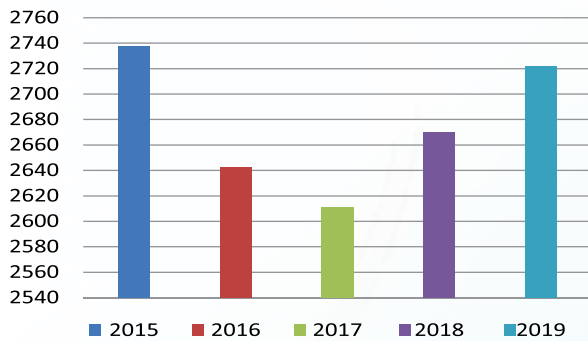
Net Profit After Tax (BDT in million)



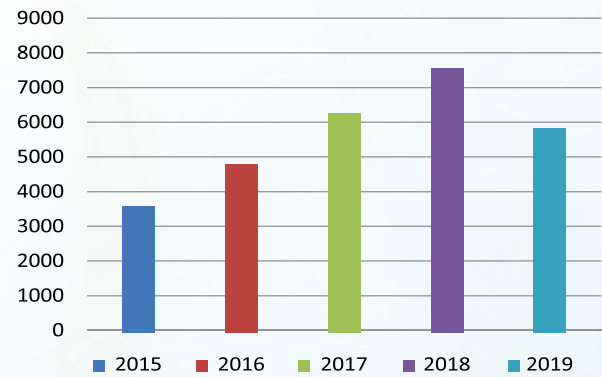
Investment (BDT in million)



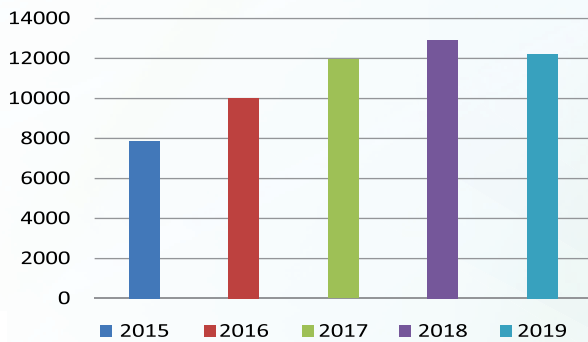
Shareholders' Equity (BDT in million)



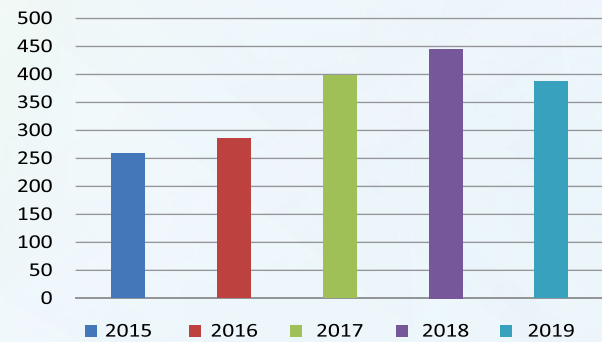
Term Deposits (BDT in million)



Loans and Advances (BDT in million)



Operating Income (BDT in million)




Calendar 2020

12 RENOWNED MUSEUMS OF THE WORLD



THE LOUVRE

 Founded: 1793 AD
Location: FRANCE

The Louvre Museum, Paris is one of the most iconic museums in the world, receiving around an average of 9.3 million visitors per year. The Louvre houses masterpiece artworks like Leonardo Da Vinci's 'Mona Lisa', the 'Venus de Milo' sculpture of Aphrodite, and what is considered to be the finest diamond in the world, the 'Regent'. As one of the world's largest museums, the Louvre houses around 70,000 pieces of art in its 650,000 square feet of gallery space.

January 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
										1	2	3	4
5	6	7	8	9	10	11	12	13	14	15	16	17	18
19	20	21	22	23	24	25	26	27	28	29	30	31	




Bay Leasing & Investment Limited
SECURE YOUR FUTURE

Corporate Office:
Euroto Trade Centre (Level 38), 53-53, Dilkusha CA, Dhaka-1000, Bangladesh
Tel: 9592501, Fax: 88 02 9592500
email: info@bilbd.com, www.bilbd.com

12 RENOWNED MUSEUMS OF THE WORLD



BRITISH MUSEUM

 Founded: 1753 AD
Location: UNITED KINGDOM

The British Museum, in the Bloomsbury area of London, United Kingdom, is a public institution dedicated to human history, art and culture. The Museum was established in 1753, largely based on the collections of the Irish physician and scientist Sir Hans Sloane. It documents the story of human culture from its beginnings to the present. It was the first public national museum in the world.

February 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
							1	2	3	4	5	6	7
9	10	11	12	13	14	15	16	17	18	19	20	21	22
23	24	25	26	27	28	29							




Bay Leasing & Investment Limited
SECURE YOUR FUTURE

Corporate Office:
Euroto Trade Centre (Level 38), 53-53, Dilkusha CA, Dhaka-1000, Bangladesh
Tel: 9592501, Fax: 88 02 9592500
email: info@bilbd.com, www.bilbd.com

12 RENOWNED MUSEUMS OF THE WORLD



HERMITAGE MUSEUM

 Founded: 1764 AD
Location: RUSSIA

The State Hermitage Museum is a museum of art and culture in Saint Petersburg, Russia. The second-largest art museum in the world, it was founded in 1764 when Empress Catherine the Great acquired an impressive collection of paintings from the Berlin merchant Johann Ernst Gotzkowsky.

March 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
							1	2	3	4	5	6	7
15	16	17	18	19	20	21	22	23	24	25	26	27	28
29	30	31											



Bay Leasing & Investment Limited
SECURE YOUR FUTURE

Corporate Office:
Euroto Trade Centre (Level 38), 53-53, Dilkusha CA, Dhaka-1000, Bangladesh
Tel: 9592501, Fax: 88 02 9592500
email: info@bilbd.com, www.bilbd.com

12 RENOWNED MUSEUMS OF THE WORLD



MUSEE D'ORSAY

 Founded: 1986 AD
Location: FRANCE

The Musee d'Orsay is a museum in Paris, France, on the Left Bank of the Seine. It is housed in the former Gare d'Orsay, a Beaux-Arts railway station built between 1898 and 1900. The museum holds mainly French art dating from 1848 to 1914, including paintings, sculptures, furniture, and photography. It houses the largest collection of impressionist and post-impressionist masterpieces in the world, by painters including Monet, Manet, Degas, Renoir, Cézanne, Seurat, Sisley, Gauguin, and Van Gogh.

April 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
												1	2
5	6	7	8	9	10	11	12	13	14	15	16	17	18
19	20	21	22	23	24	25	26	27	28	29	30		



Bay Leasing & Investment Limited
SECURE YOUR FUTURE

Corporate Office:
Euroto Trade Centre (Level 38), 53-53, Dilkusha CA, Dhaka-1000, Bangladesh
Tel: 9592501, Fax: 88 02 9592500
email: info@bilbd.com, www.bilbd.com

Calendar 2020

12 RENOWNED MUSEUMS OF THE WORLD



NATIONAL PALACE MUSEUM
 Founded: 1925AD
 Location: TAIWAN

The National Palace Museum houses the world's largest collection of priceless Chinese art treasures, one which spans China's nearly 5,000-year history. Most of the museum's 620,000 art objects were part of the Chinese imperial collection, which began over 1,000 years ago in the early Song dynasty.

May 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2	3	4	5	6	7	8	9
10	11	12	13	14	15	16	17	18	19	20	21	22	23
24	25	26	27	28	29	30	31						



Corporate Office:
 Euroto Trade Centre (Level 18), 52-53, Dilkusha CA, Dhaka -1000, Bangladesh
 Tel: 9592501, Fax: 88 02 9592500
 email: info@bilbd.com, www.bilbd.com

12 RENOWNED MUSEUMS OF THE WORLD



MUSEO DEL PRADO
 Founded: 1819 AD
 Location: SPAIN

The Prado Museum officially known as Museo Nacional del Prado, is the main Spanish national art museum, located in central Madrid. It is widely considered to have one of the world's finest collections of European art, dating from the 12th century to the early 20th century, based on the former Spanish Royal Collection, and the single best collection of Spanish art. Founded as a museum of paintings and sculpture in 1819, it also contains important collections of other types of works.

June 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2	3	4	5	6	7	8	9
10	11	12	13	14	15	16	17	18	19	20	21	22	23
24	25	26	27	28	29	30							



Corporate Office:
 Euroto Trade Centre (Level 18), 52-53, Dilkusha CA, Dhaka -1000, Bangladesh
 Tel: 9592501, Fax: 88 02 9592500
 email: info@bilbd.com, www.bilbd.com

12 RENOWNED MUSEUMS OF THE WORLD



NATIONAL GALLERY MUSEUM
 Founded: 1824 AD
 Location: UNITED KINGDOM

The National Gallery was founded in 1824, it houses a collection of over 2,300 paintings dating from the mid-13th century to 1900. The National Gallery Collection includes work by Botticelli, Leonardo da Vinci, Rembrandt, Gainsborough, Turner, Renoir, Cezanne and Van Gogh. These pictures belong to the public and entrance to see them is free.

July 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20	21	22	23	24
25	26	27	28	29	30	31							



Corporate Office:
 Euroto Trade Centre (Level 18), 52-53, Dilkusha CA, Dhaka -1000, Bangladesh
 Tel: 9592501, Fax: 88 02 9592500
 email: info@bilbd.com, www.bilbd.com

12 RENOWNED MUSEUMS OF THE WORLD



TOPKAPI PALACE MUSEUM
 Founded: 1924 AD
 Location: TURKEY

The Topkapi Palace is a large museum in Istanbul, Turkey. In the 15th century, it served as the main residence and administrative headquarters of the Ottoman sultans. The museum has the Ottoman Imperial Harem and the treasury, called hazine where the Spoonmaker's Diamond and Topkapi Dagger are on display. The museum collection also includes Ottoman clothing, weapons, armor, miniatures, religious relics, and illuminated manuscripts like the Topkapi.

August 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1	2	3	4	5	6	7	8
9	10	11	12	13	14	15	16	17	18	19	20	21	22
23	24	25	26	27	28	29	30	31					




Corporate Office:
 Euroto Trade Centre (Level 18), 52-53, Dilkusha CA, Dhaka -1000, Bangladesh
 Tel: 9592501, Fax: 88 02 9592500
 email: info@bilbd.com, www.bilbd.com

Calendar 2020

12 RENOWNED MUSEUMS OF THE WORLD



RIJKSMUSEUM

 Founded: **1798 AD**
Location: **NETHERLANDS**

The Rijksmuseum is a Dutch national museum dedicated to arts and history in Amsterdam. The Museum, exists for more two hundred years and today belongs to the most breathtaking museums in the world. The unique position Rijksmuseum in Amsterdam gained in the world throughout the centuries, because of many masterpiece paintings of Dutch and world art. Along the masterworks like Rembrandt's "Night watch", several paintings by Vermeer, van Dyck and Jan Steen, the museum has truly exceptional collection of the antique objects of the material Dutch culture.

September 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
							1	2	3	4	5		
6	7	8	9	10	11	12	13	14	15	16	17	18	19
20	21	22	23	24	25	26	27	28	29	30			




Corporate Office:
Euroco Trade Centre (Level 18), 52-53, Dilkusha CA, Dhaka -1000, Bangladesh
Tel: 99292501, Fax: 88 02 99292500
email: info@bilbd.com, www.bilbd.com

12 RENOWNED MUSEUMS OF THE WORLD



KUNSTHISTORISCHES MUSEUM

 Founded: **1871 AD**
Location: **AUSTRIA**

The Kunsthistorisches Museum is an art museum in Vienna, Austria. It was built by Emperor Franz Joseph to house the imperial collections. It is the largest art museum in the country and one of the most important museums worldwide. Exhibits from five millennia – from ancient Egypt and Greece to the late 18th century – are testament to the Habsburg emperors' and archdukes' passion for collecting. It has unique masterpieces by Dürer, Raphael, Rembrandt, Rubens, Titian, Velázquez and Vermeer as well as the world's largest collection of works by Bruegel.

October 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2	3	4	5	6	7	8	9
10	11	12	13	14	15	16	17	18	19	20	21	22	23
24	25	26	27	28	29	30	31						




Corporate Office:
Euroco Trade Centre (Level 18), 52-53, Dilkusha CA, Dhaka -1000, Bangladesh
Tel: 99292501, Fax: 88 02 99292500
email: info@bilbd.com, www.bilbd.com

12 RENOWNED MUSEUMS OF THE WORLD



EGYPTIAN MUSEUM

 Founded: **1902 AD**
Location: **EGYPT**

The Egyptian Museum, usually just called the "Museum of Egyptian Antiquities", houses the world's biggest collection of ancient Egyptian artifacts. It has 120,000 items, with a representative amount on display. Built in 1901 and design by the French architect Marcel Dourgnon.

November 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
							1	2	3	4	5	6	7
8	9	10	11	12	13	14	15	16	17	18	19	20	21
22	23	24	25	26	27	28	29	30					



Corporate Office:
Euroco Trade Centre (Level 18), 52-53, Dilkusha CA, Dhaka -1000, Bangladesh
Tel: 99292501, Fax: 88 02 99292500
email: info@bilbd.com, www.bilbd.com

12 RENOWNED MUSEUMS OF THE WORLD



METROPOLITAN MUSEUM OF ART

 Founded: **1870 AD**
Location: **USA**

The Metropolitan Museum of Art, or most commonly known as The Met, presents over 5,000 years of art from around the world for everyone to experience and enjoy. The Museum lives in three iconic sites in New York City—the Met Fifth Avenue, The Met Breuer, and The Met Cloisters. Millions of people also take part in The Met experience online. Since it was founded in 1870, The Met has always aspired to be more than a treasury of rare and beautiful objects.

December 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2	3	4	5	6	7	8	9
10	11	12	13	14	15	16	17	18	19	20	21	22	23
24	25	26	27	28	29	30	31						



Corporate Office:
Euroco Trade Centre (Level 18), 52-53, Dilkusha CA, Dhaka -1000, Bangladesh
Tel: 99292501, Fax: 88 02 99292500
email: info@bilbd.com, www.bilbd.com

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).



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.



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.



Sheikh Abdul Hafiz, FCA
Independent Director

Mr. Hafiz is a Partner of Rahman Rahman Huq (RRH), a leading firm of Chartered Accountants in Bangladesh. RRH is a Member Firm of KPMG International, one of the “Big 4” Accounting Firms in the World. Mr. Hafiz is a Senior Member of the Institute of Chartered Accountants of Bangladesh (ICAB). He is a Life Member of the Institute of Chartered Accountants in England & Wales (ICAEW).

Mr. Hafiz was a member of the National Gas Utilization Committee. He was a Director of Sonali Bank Limited for over six years. He was also a Director and Chairman of the Audit Committee of Agrani Bank Ltd.

Mr. Hafiz was President at the Institute of Chartered Accountants of Bangladesh. He was also President of South Asian Federation of Accountants (SAFA) with permanent secretariat in New Delhi. SAFA represents all the Institutes of Chartered Accountants as well as the Institutes of Cost and Management Accountants of all the SAARC countries.

Mr. Hafiz is a dedicated social worker and is associated with many social organizations in various capacities. He is the President of the Governing Body of Dhanmondi Rotary Club Girls High School at Savar. He is the President of the Management Committee of Baitul Aman Govt. Mosque at Road – 7, Dhanmondi R/A, Dhaka. He is a Life Member and Executive Council Member of the Bangladesh Medical Studies and Research Institute comprising Bangladesh Medical College, Uttara Adhunik College and Bangladesh Dental College.



Zakir Ahmed Khan
Independent Director

Mr. Zakir Ahmed Khan is a member of Audit Committee of Bay Leasing & Investment Limited. Mr. Khan completed Masters in Economics from University of Dhaka and he later undertook Graduate Study in Development Economics as a Hubert Humphrey North-South Fellow at the Colorado State University, USA, and MBA from Vrije Universiteit Brussels, Belgium. Mr. Khan has had an extensive career as a technocrat and held important assignments at home and abroad; such as Alternate Executive Director, Board of Directors of the World Bank Group, Finance Secretary, Secretary, Internal Resources Division and Chairman, National Board of Revenue of the Government of Bangladesh. Earlier he also served as Economic Minister, Embassy of Bangladesh in Brussels.



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.



Dr. Zaidi Sattar
Independent Director

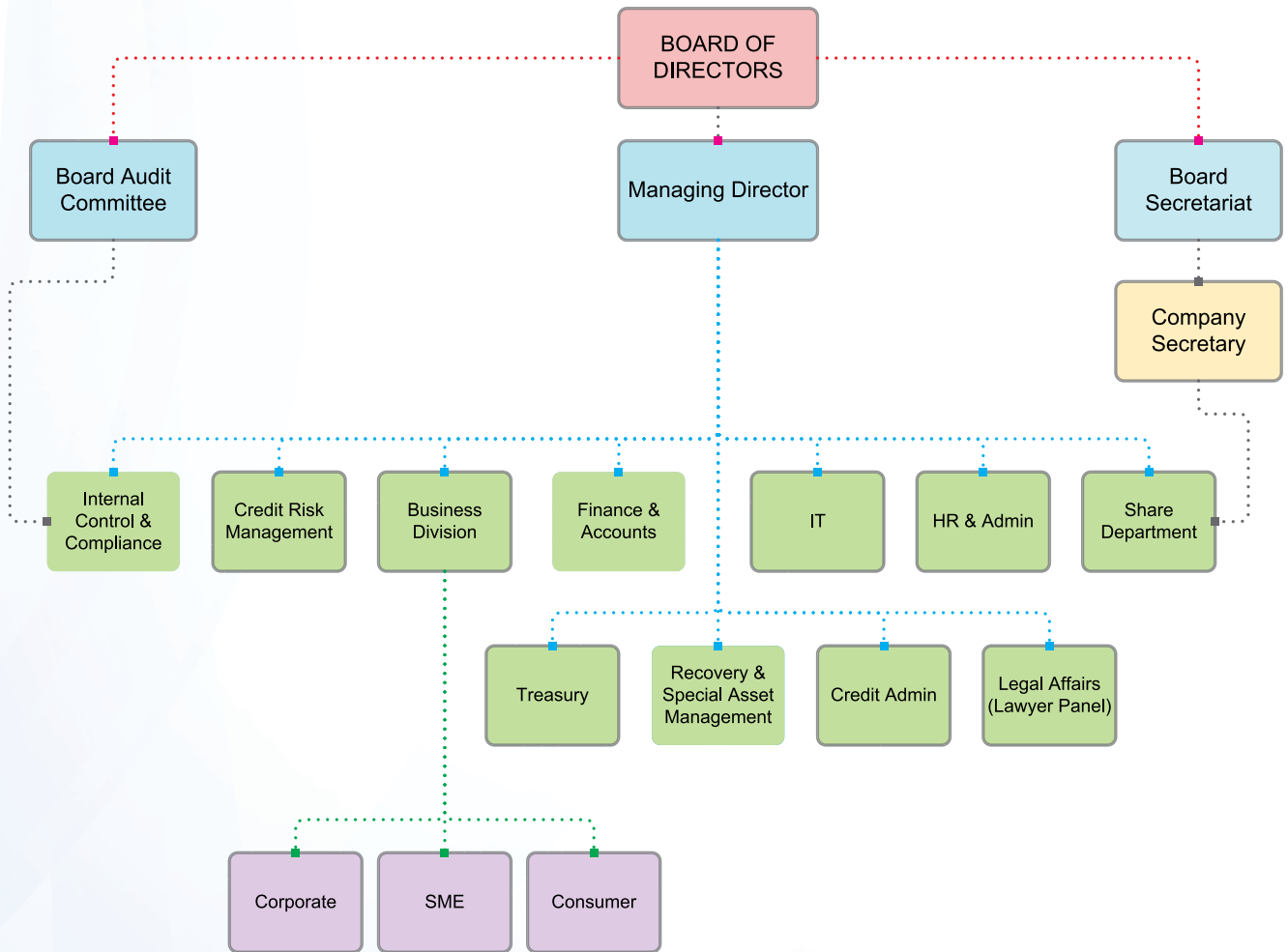
Dr. Zaidi Sattar is an Independent Director of Bay Leasing & Investment Limited. His illustrious career started after completion of B.A. (Hons) in Economics from Dhaka University in 1967 and Masters in Economics from Karachi University in 1968. After a short stint as Lecturer in Economics at Dhaka University, 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 Principal Branch
Member



Mr. Rashed Al Islam
Head of Bangla Motor 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



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

Committees

MANAGEMENT COMMITTEE (MANCOM)

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

CREDIT COMMITTEE (CC)

Mr. Iftekhar Ali Khan	- Chairman
Mr. Md. Lutfur Rahman	- Member
Mr. M. Maniruz Zaman Khan	- Member
Mr. Mohammad Rashedul Islam	- Member
Mr. Rashed Al Islam	- Member
Mr. Faisal Bin Naser Ahmed	- Member
Mr. Md. Mahade Hasan Bhuyan	- Member Secretary

CENTRAL COMPLIANCE UNIT (CCU)

Mr. Md. Lutfur Rahman	- CAMCLO
Mr. Samir Saha	- Member
Mr. Md. Arifur Rahman Badhon	- Member

BASEL IMPLEMENTATION UNIT (BIU)

Mr. Iftekhar Ali Khan	- Head of BIU
Mr. Enayet Kabir	- Member
Mr. Samir Saha	- DCAMCLO

ASSET & LIABILITY MANAGEMENT COMMITTEE (ALCO)

Mr. Iftekhar Ali Khan	- Chairman
Mr. Md. Lutfur Rahman	- Member
Mr. M. Maniruz Zaman Khan	- Member
Mr. Mohammad Rashedul Islam	- Member
Mr. Rashed Al Islam	- Member
Mr. Enayet Kabir	- Member
Mr. Samir Saha	- Member Secretary

RISK MANAGEMENT FORUM (RMF)

Mr. Iftekhar Ali Khan	- Chief Risk Officer
Mr. Md. Lutfur Rahman	- Member
Mr. Mohammad Rashedul Islam	- Member
Mr. Rashed Al Islam	- Member

RISK ANALYSIS UNIT (RAU)

Mr. Samir Saha	- Unit Head
Mr. Shabbir Minhaz Chowdhury	- Member
Mrs. Sharmin Akhter	- Member
Mr. Enayet Kabir	- Member
Mr. Md. Jashim Uddin Rajib	- Member

INTEGRITY COMMITTEE

Mr. Md. Lutfur Rahman	- Committee Head
Mr. M. Maniruz Zaman Khan	- Focal Point
Mr. Md. Shahidul Haque Ahmed	- Member
Mr. Md. Arifur Rahman Badhon	- Member

SUSTAINABLE FINANCE COMMITTEE

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

SUSTAINABLE FINANCE UNIT

Mr. Faisal Bin Naser Ahmed	- Unit Head
Mr. Md. Zabed Miah	- Member
Mr. Md. Arifur Rahman Badhon	- Focal Point
Mr. Nawshad Md. Aziz Arman	- Fallback Person



Dr. Maswooda Ghani
Chairman

Chairman's Message

Dear Shareholders

With blessings of The Almighty, Bay Leasing has passed another successful year holding its ground and ensuring sustainable and accelerated pace in business despite the ongoing challenges faced by the financial sector in 2019. 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 24th Annual General Meeting of Bay Leasing & Investment Limited and would like to take this opportunity to express my sincere gratitude to all of you for the cooperation that you have placed in us over the years. It is your continuous support and kind patronage that have always resulted in the continued success of the company.

Global Economic Conditions

The recurrent slowdown of the global economy that started in 2018 continued into 2019 on the backdrop of the imposition and counter imposition of taxes between the two largest economies of the world (China and USA). That coupled with the initial impact of the COVID-19 pandemic at end of 2019 seriously hampered the prospects of global value chain activities, private consumption and investment.

Increasing financial market volatility and rising risk premiums have contributed to the slowdown of global annualized GDP growth to around 3% compared to 3.6% in the previous calendar year. The emerging economies struggled at 3.8% growth compared to the projected 4.1% and the advanced economies marked a growth of 2% which is 0.1% higher than estimated.

Large emerging and developing economies experienced further intensification of capital outflows and pressure on exchange rate due to the continued strengthening of USD.

National Economic Conditions

The Bangladesh economy experienced a GDP growth rate of 8.13% in FY 2019 supported by rising in exports, mega infrastructural development and due to strong growth in remittance. The inflation rate remained stable throughout the year. Overall inflation stood at 5.47% in FY 2019, below the targeted 5.6%. The per capita national income increased by 11.4% and investment-GDP increased by 1.28% comparing with the preceding fiscal year.

Exports grew by 10.1% in FY 2019 only to slow down to negative 7% during the first six months of FY 2020 due to stiffer global competition faced by RMG manufacturers/exporters. Imports growth also slowed down to 10% in FY 2019 from over 25% in FY 2018. Remittances grew by 9.8% to USD 16.4 billion following improved government incentives.

As the trade and service account deficit fell and remittances increased, the Current Account Deficit and Balance of payment improved significantly. The fiscal deficit has reached to 4.6% of GDP in FY 2019 as expenditure increased and revenue collection remained below target. Total revenue collection in FY 2019 was BDT 2,239 billion which shows 20% lower than the targeted BDT 2,800 billion. Poor revenue mobilization compelled the government to borrow heavily from the financial sector; raising the Public Debt growth to 20% at the end of FY 2019 and resulted downtrend in credit growth to 11.32% comparing from 16.94% in the preceding fiscal year.

Foreign exchange reserves declined slightly to USD 32.5 billion at the end of FY 2019 (6 months of import cover) from USD 32.9 billion. Due to strengthening of US dollar, Bangladesh Bank sold USD 2.3 billion in the foreign exchange market to stabilise the exchange rate. However, rising exports and strong remittances have offset foreign exchange reserve declines.

Financial Sector Conditions

The financial sector has experienced a host of adverse developments in the past year with mounting non-performing loans, slowdown in deposit growths and liquidity constraints resulting in lackluster growth of 11.3% in private credit for FY 2019 for banks. The Central Bank adopted multiple initiatives to support the liquidity position of banks, monitor bank exposure and bank investment in commercial paper. Amongst these, the opportunity for regularization of the non-performing loans by payment of 2% of the outstanding balance at a

single digit rate was significant. These policies were intended to combat the high non-performing loans in the financial sector. However, the banking sector classified loans stood at all time high of 12% at the end of FY 2019 from 10.41% last year while classified loans at NBFIs stood at 10.4% putting pressure on the bottom lines of the FIs due to increasing provisioning requirements. Growth in deposits slowed to 9.9% in the latest fiscal year, putting pressure on Asset to Deposit Ratio.

The spread margin of NBFIs came down to 2.4% in FY 2019 against 2.5% in FY 2018 mainly due to rising cost of fund as a direct consequence of liquidity crisis. The spread of Banks also continued to declining for the same reason. NBFIs are currently suffering from a dent in customer confidence to poor performance of some institutions. However, institutions with good corporate governance continued to perform well in an adverse money market.

The year 2020 promises to be more challenging as the Central Bank plans to introduce tougher restrictions on lending and deposit rates, which once implemented, will require a fundamental shift in lending and deposit taking activities and treasury management strategies by Banks and NBFIs.

Financial Position & Performance

The Company registered 12.99% decline in operating revenue from 2018. This decline has contributed to 31.42% decrease in the net profit due to adverse liquidity conditions which led to significantly lower disbursements of credit facilities.

Earnings per Share (EPS) decreased from BDT 1.60 in 2018 to BDT 1.09 in 2019 and Net Asset Value (NAV) increased from BDT 19.42 in 2018 to BDT 19.80 in 2019.

Deposits portfolio mainly from banks and financial institutions shrank by 22.77% from BDT 8 billion in 2018 to BDT 6.18 billion in 2019. The sourcing and retention of deposits was a major challenge for the financial industry in 2019 as liquidity crisis reached crisis level in 2019.

The lease, loans and advances portfolio of the Company shrank by 5.57% from BDT 12.92 billion to BDT 12.20 billion over 2019. The asset portfolio consists of both short term revolving working capital and long term asset financing facilities.

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. BLIL has lately developed an Environmental Risk Management Manual and regularly updates its core risk management manuals with a view to managing the changing risk types. The company's risk management guidelines are revised and updated inclining with the updated guidelines and circulars of Bangladesh Bank. 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.

Sources of Fund

The primary sources of fund are term deposits from individuals and institutions along with borrowing from commercial banks. However the cost of deposits increased for all banks and financial institutions and sourcing and retention of deposits was a major challenge for all FI's in 2019. The interest expense of the company increased by 11.10% in 2019 whereas net interest income increased by 16.78% in 2019 over the preceding year.

Compliance & Governance

BLIL also considers its social responsibility as one of the primary components to benefit society while benefitting itself. In 2019, BLIL completed several activities in order to support different communities which have been reported in the CSR Report. 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

Technological innovation is reshaping the industry and we want to stay at the forefront of it to take advantage of any market opportunities. In 2019 BLIL started a new core banking system to support the growth trajectory of the company.

Corporate Social Responsibility (CSR) Initiatives

The financial uncertainty has brought about some dramatic consequences for our economy and society and we are still witnessing a fragile recovery. The financial sector has been broadly held at least partly responsible for the financial crisis, albeit in the context of regulatory failure and borrower short-sightedness. The question of sources of responsibility for the crisis has drawn attention to the concept of corporate social responsibility (CSR) and its relationship with the recession. CSR is a contested and cluster concept which in essence refers to the expectations that business is i) responsible for its impacts on society and the environment, ii) accountable for these impacts, iii) conducted in a responsible fashion and iv) managed within the corporation-society interface. CSR is conventionally associated with the responsibility of business for society (in the sense of avoiding, reducing or at best compensating for negative externalities and contributing to social welfare) and to society. CSR is also overlapping with other related concepts such as business ethics, corporate governance, community investment, corporate citizenship and sustainable development.

Bay Leasing & Investment Limited, in keeping the importance of CSR activity in its vision, has been keenly investing in CSR initiatives. This includes donating warm clothes to underprivileged section of the society, investing in development of education of street children etc. Apart from this, recently Bay Leasing also extended financial assistance to an association of disabled and mute people who are involved in producing organic food items. All these initiatives shall continue over the period of time as the company grows further.

Concluding note

Despite different obstacles, it is encouraging to note that Bangladesh economy has continued its trajectory of steady growth, controlled inflation, steady inflow of remittance and resilience in economic performance. Government borrowing through banks is expected to further tighten market liquidity. Moreover, the proposal to impose regulatory ceilings on lending and deposit rates may have an adverse impact on the business of banks and financial institutions.

The key challenge for your Company in 2020 will be to improve its performance in the face of tighter liquidity, global economic slowdown, more stringent regulation and shrinking interest rate margins. Therefore, achieving sustainable business results will be at the core of the strategy of the Company throughout the coming year.

I would like to express my sincere appreciation to the Governor, Deputy Governors, senior officials of Bangladesh Bank and the officials at the Department of Financial Institutions and Markets, for their continued support. I would also like to take this opportunity to thank my fellow members of the Board of Directors for their guidance, support and prudent counsel, all our esteemed shareholders for their unflinching faith on the Board and the Management, and the BSEC, DSE, CSE, CDBL, RJSC for their continuous support. It has always been a privilege to work with the Board, the management team, and all the employees along with the business partners. We look forward to another year with hope and confidence.



Dr. Maswooda Ghani
Chairman



Iftekhar Ali Khan
Managing Director

Managing Director's Message

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 2019. Bay Leasing has successfully completed 24 years since its incorporation in February 1996 and one year short of silver Jubilee year. Every year is a challenge and this year was no different as well. However, despite significant challenges, we have spent another year with sustained earnings and strengthened our relationship. Beside business expansion our concentration in 2019 was to strengthen operations by installing core banking software named “**Bank Ultimius**” and also improve the loan recovery, reduce bank borrowings by increasing core deposit as well as customer diversification which enhanced the organization's scope of operations and achievement throughout the year. In 2019 we have achieved a significant growth in our investment income beside our regular interest income. But due to ongoing challenges faced by the financial sector related to negative image of NBFIs 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 **24th 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 2019.

Economy & Industry Review

Globally, no major setback was suffered by Bangladesh economy during 2019 on a sustained basis, inflicting irreparable damage. This may be attributed to the limited degree of globalization effected by Bangladesh economy till now. But some headwind stemmed from slowed-down export and import growth due to shrinking global economic growth. According to Bangladesh Bureau of Statistics (BBS), exports from Bangladesh declined by 7.6 per cent in the first five months of the current fiscal while imports dropped by 3.20 per cent during the same period.

On the macro-economic front the growth of the economy has maintained its upward trend clocking 8.13 per cent according to projection made by BBS. The increase in GDP by 8.13 per cent 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. This is corroborated by an increase in the rate of public investment at 8.03 per cent during 2018-2019 compared to 7.97 per cent during the previous fiscal. Because of massive public borrowing from banks and liquidity crisis due to huge volume of non-performing loans (NPLs) private sector investment, on the other hand, has increased only by 0.38 per cent, from 23.26 per cent in 2017-18 to 23.54 percent during 2018-19. Public borrowing from banks and non-bank sources has been unavoidable during 2019 because of lower mobilization of taxes, fees, rates than the target fixed for the same. Strong remittance in flow during the period under review has mitigated the fall of export earnings. Inflow of remittance jumped around 23 per cent in the first four months of the current fiscal. Remittance earnings stood at \$18.32 billion at the end of 2019 being boosted by depreciation of Taka and cash incentives given at the rate of 2.0 per cent of remitted amount.

According to BBS, the annual average inflation rate was 5.49 per cent in September, 2019 which rose to 5.56 per cent in November.

The state of the Bangladesh economy during 2019 judged by the performance with reference to global, macro and micro levels presents a mixed picture. The positive aspects of performance have been buffeted by equally strong factors in the macro and micro economic spheres. The review of the performance of Bangladesh economy at the end of 2019 gives the impression of the economy being on a knife's edge, poised between sustained growth and muddling through uncertainly. It will be interesting to see which direction the economy takes during 2020.

Overview of the Financial Sector

The stressful time of financial sector was continued in the year 2019 that was started in early 2018 due to tight liquidity situation followed by the initiative to lower the interest rate on loans and deposits. Bangladesh Bank mulls to tighten credit supply and curb excessive lending due to prospective inflationary pressure on economy. The ADR of all banks has been re-fixed by Bangladesh Bank at 83.50% for conventional banks from June 2018 to check any possible liquidity pressure. This directive has put pressure on banks to

attract more deposits in 2018 and 2019. As the competition in collecting fund rises in the financial industry, borrowing cost has risen gradually in 2018 which was continued in 2019. As a result, Spread of Banks and NBFIS remained under pressure. Additionally, non-performing loans in the financial sector is increasing at an alarming rate, leading to a large provisioning requirement, which adversely impacted the overall profitability of the industry. Most of the Banks and NBFIS have recorded negative or modest profit and balance sheet growth in the first three quarter, on Year over Year (YoY) basis. Public confidence in financial sector has been further shaken up with few financial institutions failing to meet their liability obligations.

Against the backdrop, the Central Bank relaxed its regulation on Asset Deposit (AD) ratio to boost lending capacity and stabilize the liquidity position. However, as the year 2019 approached to an end, both the investment community and financial sector remained very cautious. 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 funds and find ways to reduce the classified loan trend, managing desired margin could be a major hurdle.

Financial Review

Despite the tough situation faced by the entire financial sector during the year 2019 like reducing spread, unstable capital market, liquidity crisis, negative news on NBFIS sector, BLIL managed to sustain business and profitability. In 2019 BLIL attempted to concentrate and focus on loan recovery and deposit marketing rather than taking growth of loan portfolio due to liquidity crisis, increase of NPL, low spread of interest income in the financial sector.

Due to slowdown of disbursements, Loans and Advances decreased to BDT 12,202 million in 2019, by 5.58% from BDT 12,922 million in 2018 and deposits portfolio decreased by 22.76% to BDT 6,181 million in 2019 due to increase encashment of large institutional deposit.

However, total Interest Income increased by 11.31% in 2019 to BDT 1,489.55 million from BDT 1,338.20 million in 2018. On the other hand investment income speared very significantly and manifold in 2019 to BDT 283.77 million against BDT 53.68 million in 2018 mainly from capital market trading.

Operating Profit recorded lower by of 20.9% to BDT 244.29 in 2019 against BDT 308.9 million in 2018 mainly due to decrease other operating income. Overall, Profit after Tax decreased 31.4% to BDT 150.38 million in 2019 from BDT 219.29 million in 2018

Return on Asset stood at 0.89% in 2019 against 1.19% in the previous year. The total assets of BLIL reduced by 7.89% to BDT 16,972 million in 2019 from BDT 18,426 million in 2018 mainly due to repayments of loan portfolio and slowdown of new loan disbursement on account of shortage of liquidity. ROE shows 5.52% in 2019 which was 8.21% in 2018.

An overview of the Company

BDT in Million

Year	Operating Income	Net Profit after Taxes	EPS	Loans and Advances	Shareholders' Equity
2015	259.17	95.93	0.73	7869.13	2737.63
2016	285.28	101.30	0.77	10023.09	2642.58
2017	398.13	162.76	1.18	11955.53	2610.90
2018	445.34	219.29	1.60	12922.74	2670.00
2019	387.48	150.38	1.09	12202.48	2721.99

The entire financial sector has been going through difficult and tumultuous times since 2018 with onset of liquidity crisis, multiple news of loan scams in large volume which has leaked the financial health of a number of Banks and finance company. The Govt. decisions to liquidate one finance company in 2019 followed by on start negative reporting of a few struggling finance companies have published and eroded the trust of the public and the depositors. As a result, the majorly of the depositors stopped placing their savings at finance company and moved into other avenues and prospects of investments. The liquidity situation become even tighter as the government had to keep their installment to pay for ongoing project worth payments for large infrastructure programs and activities. As a result of which

worst finance companies struggled to achieve positive results in their bottom line profit in 2019. However, the situation will suddenly take a positive form although the whole world is suffering from a Pandemic virus since early 2020. The govt. decision to keep leading interest rate at 9% by Banks will eventually help the finance companies procure funds at a lower rate and a higher spread to boost up their profitability in 2020.

Risk Management

Every financial institution, big or small, diverse or focused, assumes risk as part of their essential activity as an enterprise. In fact, the capability of foreseeing risk and taking preventive actions are one of the key terms that brings success to these organizations, and thereby carries a lot of value. 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 areas 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. BLIL management views Money Laundering and Terrorist Financing prevention as an integral part of core risk management strategy and is duty bound to comply with rules and regulations of money laundering prevention and practices.

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. In 2019 BLIL has implemented the core banking software named “**Bank Ultimus**” successfully. This software will enrich our operational capacity, customer services, cost effectiveness and accuracy. This implementation will surely be able to reach BLIL to another height in customer service excellence 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. We are regularly reviewing our “Human Resource” Policy and try to accommodate all the possible HR related aspects to establish a workplace with better corporate governance. The employees of BLIL are well 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 2019, 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 2019 reflecting high employee satisfaction in the company. Moreover, we have recruited some fresh graduates from reputed universities and also recruited efficient employees in 2019 to develop our succession plans for future and to strengthen the overall capacity of our workforce. 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. To note a few, BLIL employees distributed warm clothes to the people living in rural parts of the country to protect them from adverse weather in winter and distributed funds to poor in rural areas as charity in the early part of the current year amid the pandemic situation..

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 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 issues. Considering environmental 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.

Expectation in 2020

Economic outlook in 2019 was very challenging. COVID 19 pandemic has made it more challenging in 2020, since it has put the economy of the whole country in a stressful situation from the 1st quarter of 2020. The impact of this pandemic may continue till 2021 since the whole world has been affected economically, financially and socially.

BLIL has the capacity to cope with changing environment as well as creating new opportunities. In 2019, BLIL tried to focus on ensuring sustainability in business as well as maintaining the quality. In 2020 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 shall also endeavor to increase retail business primarily from home loans for 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. In 2019 we opened a new branch at Gulshan to widen our horizon and expand our client base and business opportunities. We hope our new branch will contribute significantly in our business growth in the days ahead.

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 at all times. 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.

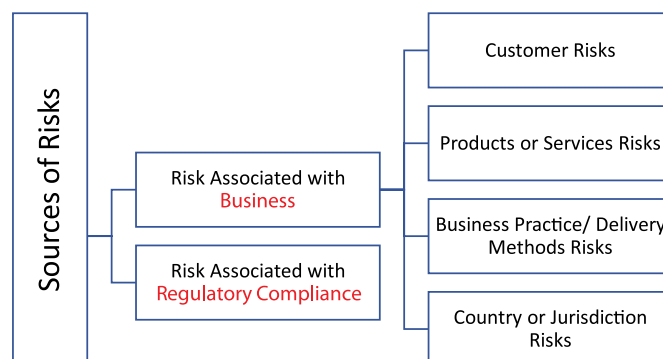
Recommendation 1 of Financial Action Task Force (FATF), the international standard setter on anti money laundering (AML) and combating terrorist financing (CFT) requires financial institutions and designated non-financial businesses and professions (DNFBPs) to identify, assess and take effective action 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.

Risk Register

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

RISK REGISTER						
Srl. No.	Risk Factor	Likelihood	Impact	Risk Score	Risk Appetite	Treatment/ Action
CUSTOMER						
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	Unlikely	Major	Medium	Acceptable Risk	Tier 2 Action Plan
	B) Frequent and unexplained movement of accounts to different institutions	Unlikely	Major	Medium	Acceptable Risk	
	C) Frequent and unexplained movement of funds between institutions in various geographic locations	Unlikely	Major	Medium	Acceptable Risk	
8	A non- resident customer	Likely	Moderate	Medium	Acceptable Risk	Tier 2 Action Plan
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	Tier 2 Action Plan
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	Tier 1 Action Plan
15	A customer generally tries to convince for cash deposit but insists for financial instrument while withdrawing the deposit	Unlikely	Moderate	Low	Acceptable Risk	
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 23rd AGM



Shareholders' attendance at the 23rd AGM

Directors Report

Dear Shareholders

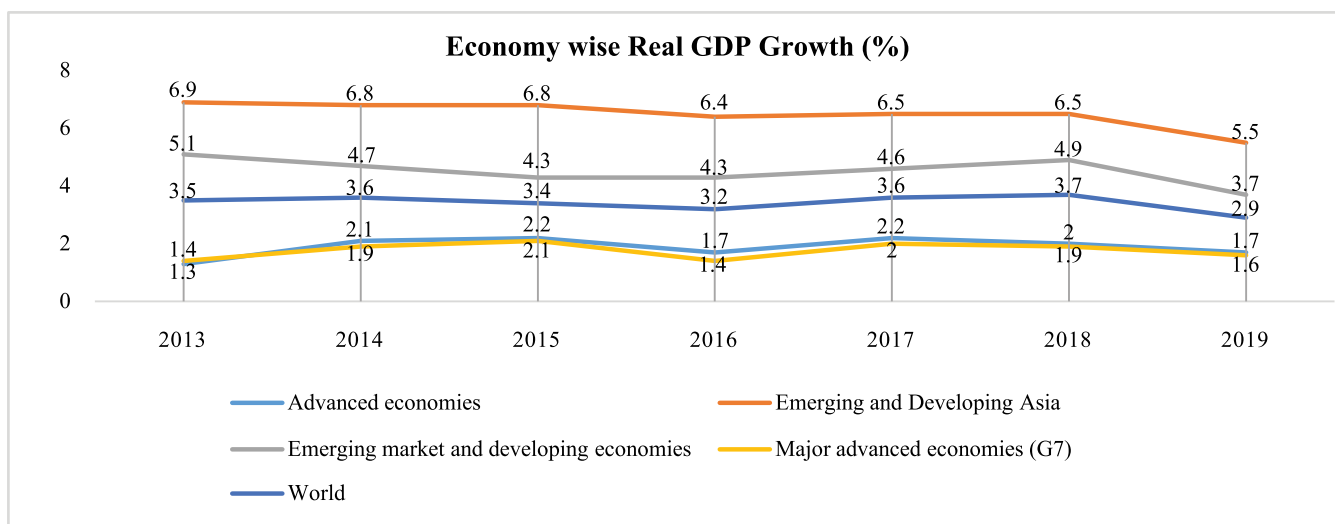
On behalf of the Board of Directors of Bay Leasing & Investment Limited, I am delighted to welcome you to the 24th Annual General Meeting of the Company and take great pleasure in presenting to you all the Annual Report 2019 of the company along with the audited financial statements and auditor's report for the year ended December 2019 for consideration and approval of the valued shareholders. The audited financial statements were approved by the Board of Directors of the company on August 25, 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. Year 2019 was a year of unpredictable historical events started with US & China trade war and again ended with Covid 19 pandemic at the end of the year. The local economy was also influenced by serious liquidity crunches. This year, the Financial Institutes also suffered seriously by the process liquidation of one Finance Company and series of publications on scams of few other Finance Companies. Bay Leasing and Investment Ltd. (BLIL) managed to steer its course doing stable business braving these adverse situations to foster public confidence and secure the shareholders' interest by posting a moderate financial profit this year.

Global Economy

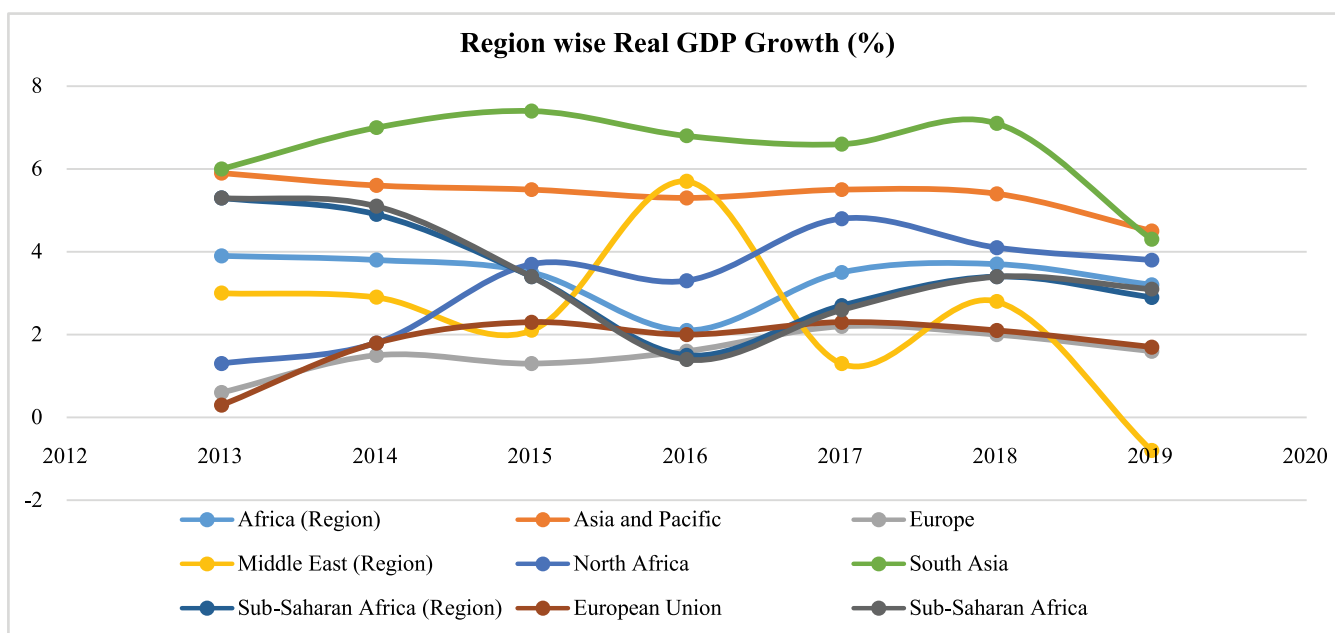
In this era of geopolitical economics, world politics and economy has turned from unipolar to multi-faceted polarization. US and China trade war resulted in negative growth on economy of both the giant economics. Europe continue to be sluggish economy due to UK's Brexit events. Continuing spread of war and violence in the Middle East and other parts of the globe also influence the negativity of the growth rate. And at the end of the year spread of Covid-19 almost stalled the world economy resulting notable fall in 2019.

Real GDP Growth (%)							
Economy/Region	2013	2014	2015	2016	2017	2018	2019
Economy							
Advanced economies	1.3	2.1	2.2	1.7	2.2	2	1.7
Emerging and Developing Asia	6.9	6.8	6.8	6.4	6.5	6.5	5.5
Emerging market and developing economies	5.1	4.7	4.3	4.3	4.6	4.9	3.7
Major advanced economies (G7)	1.4	1.9	2.1	1.4	2	1.9	1.6
World	3.5	3.6	3.4	3.2	3.6	3.7	2.9
Region							
Africa (Region)	3.9	3.8	3.5	2.1	3.5	3.7	3.2
Asia and Pacific	5.9	5.6	5.5	5.3	5.5	5.4	4.5
Europe	0.6	1.5	1.3	1.6	2.2	2	1.6
Middle East (Region)	3	2.9	2.1	5.7	1.3	2.8	-0.8
North Africa	1.3	1.8	3.7	3.3	4.8	4.1	3.8
South Asia	6	7	7.4	6.8	6.6	7.1	4.3
Sub-Saharan Africa (Region)	5.3	4.9	3.4	1.5	2.7	3.4	2.9
European Union	0.3	1.8	2.3	2	2.3	2.1	1.7
Sub-Saharan Africa	5.3	5.1	3.4	1.4	2.6	3.4	3.1

Source: International Monetary Fund (IMF)



Source: International Monetary Fund (IMF)

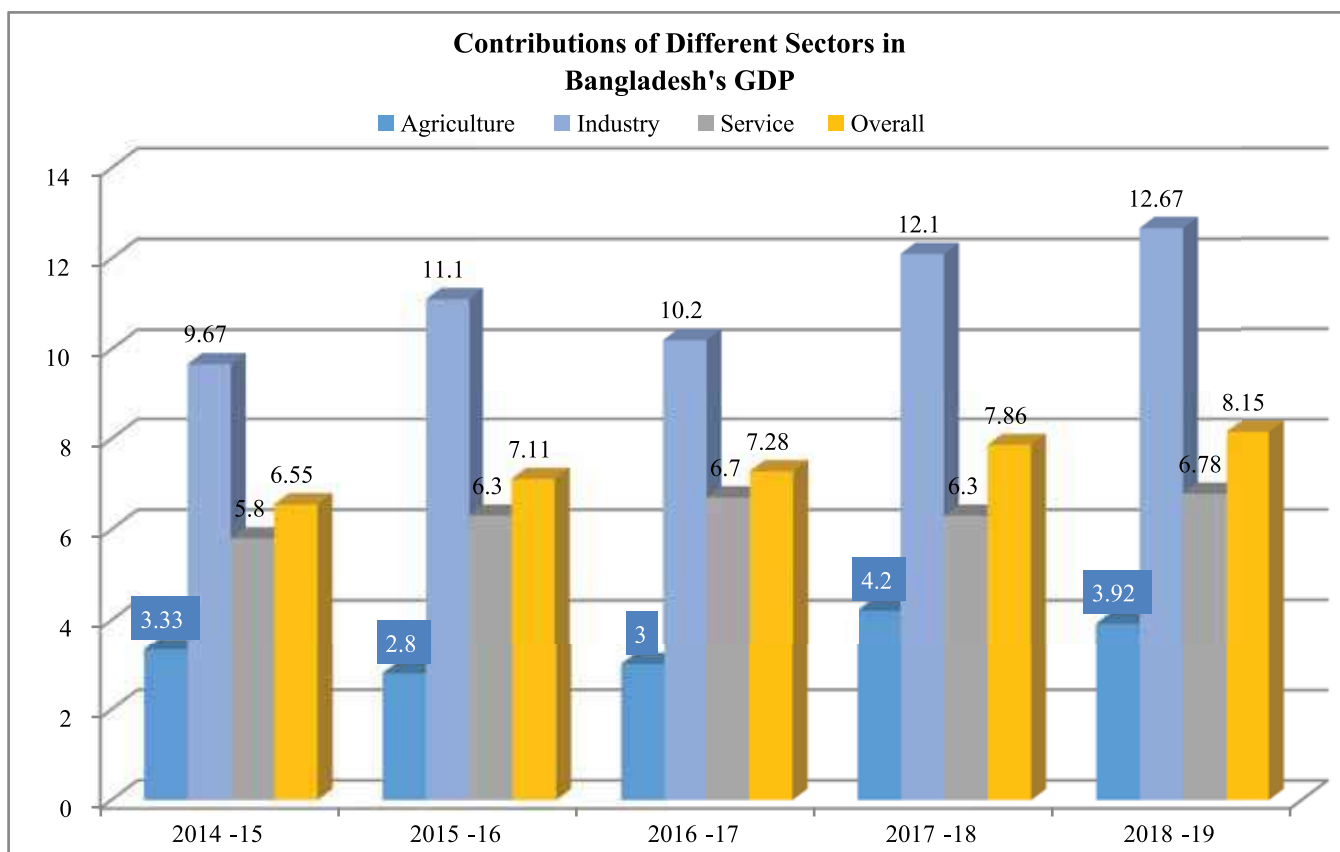


Source: International Monetary Fund (IMF)

Bangladesh Economy

Bangladesh economy has maintained sustainable growth and achieved GDP growth at more than 6 percent on an average during the last decade. We posted record growth rate of 8.15% in the year 2019 as per statistics published by Bangladesh Bureau of Statistics (BBS). But the financial market continue to reflect bearish image due to uprising of classified loan and liquidity crisis.

Selected economic indicators (%)	2015	2016	2017	2018	2019
GDP Growth	6.55	7.11	7.28	7.86	8.15
Inflation	6.41	5.92	5.44	5.78	5.59
Remittance Inflow growth	7.6	-2.52	-14.48	17.32	17.89
Export growth	3.35	9.77	1.72	6.4	9.1
Import growth	11.26	5.94	9.00	25.2	1.8



Source: Bangladesh Bureau of Statistics

Capital Market

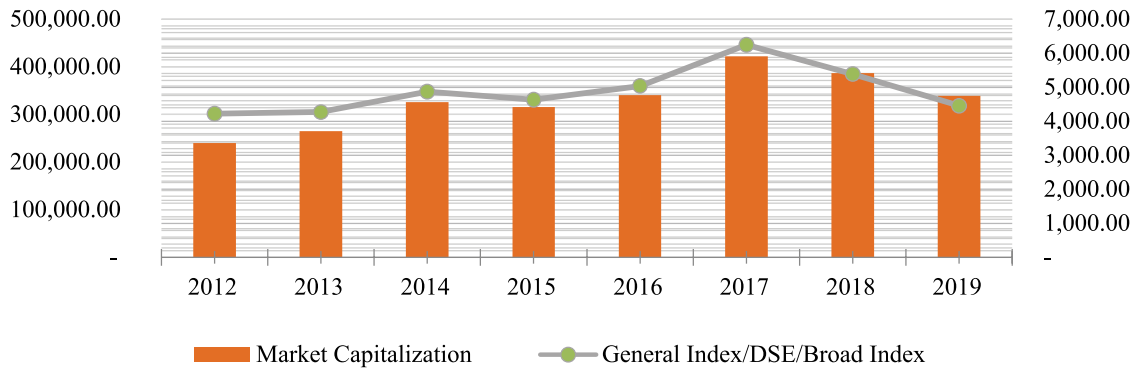
Bangladesh Capital Market continue to post negative growth this year. In the year 2019, the key market index fell 17.3% to 4,452; hitting a 42 month low and the total turnover fell 14.6% to BDT 1.14 trillion.

Macroeconomic issues such as the liquidity crisis in the banking sector, aggressive bank borrowing by the government, and depreciation of the Bangladesh Taka against the US Dollar have contributed to the downfall. Besides, issues such as the clash of Grameenphone with BTRC over default payments, poor payout ratio of listed companies, and reduction in price of large-cap companies have also worsened the situation.

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	

Source : Bangladesh Bank

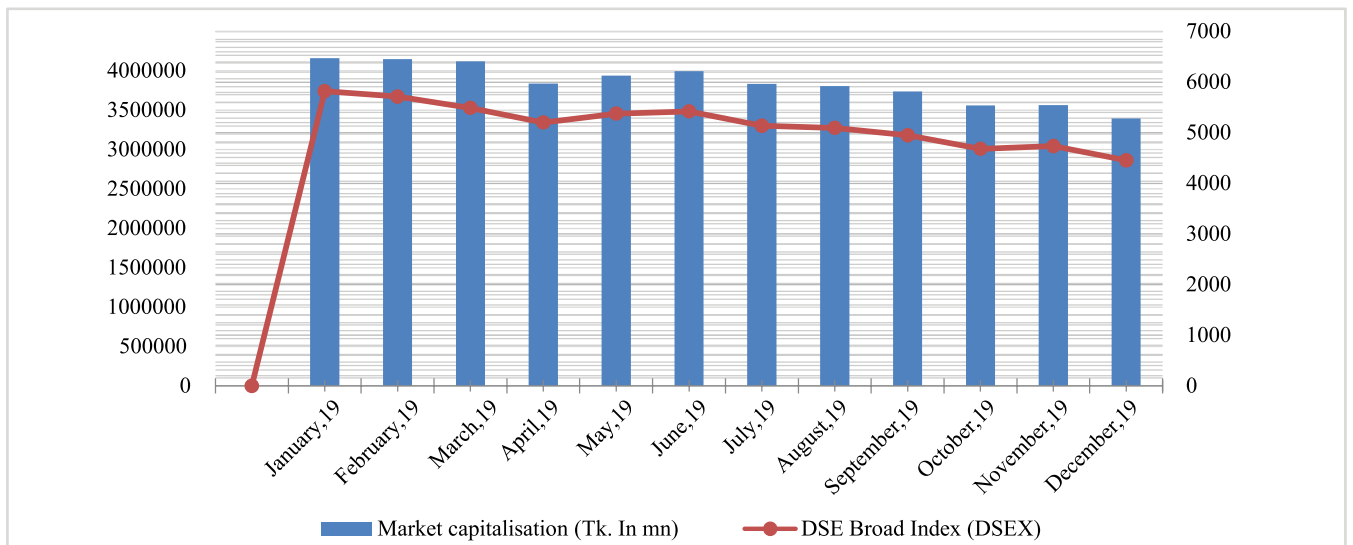
DSE market capitalization and Index



Source : DSE

End Month	Market capitalization (Tk. In mn.)	DSE Broad Index (DSEX)
January, 19	4,163,603.84	5,821.01
February, 19	4,150,737.59	5,711.83
March, 19	4,119,653.37	5,491.90
April, 19	3,839,847.04	5,202.85
May, 19	3,941,642.20	5,377.75
June, 19	3,998,163.76	5,421.62
July, 19	3,834,777.04	5,138.79
August, 19	3,808,457.20	5,095.77
September, 19	3,738,541.75	4,947.64
October, 19	3,559,380.78	4,682.90
November, 19	3,567,038.11	4,737.44
December, 19	3,395,510.64	4,452.94

Source : DSE



Source : DSE

Banking Sector and BLIL's Performance

Year 2019 was a tough year in the banking sector due to rise in classified loans. Government declared special initiative to reschedule the classified loans. Hence, both interest rate on deposit and lending keep rising.

Name of Banks	W. Avg. Interest Rate on Deposits	W. Avg. Interest Rate on Advances	Interest Rate Spread
PRIVATE BANKS	6.38	10.48	4.06
All Banks	5.7	9.68	3.87

Source: **Statistics Department**, Bangladesh Bank, Head Office.

The deposit and lending also gained some growth.

Items	(Taka in Million)		Percentage Changes
	December, 2019	December, 2018	Dec' 19 over Dec'18
Deposits	9,261,793	8,402,682	10.22%
Bank Credit	12,884,307	12,649,314	13.41%

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

Loans & Advances

The total portfolio of the company stood at BDT 12202.48 Million at the end of year 2019.

Sources of Funds

To achieve of our business growth the company has to increase both core deposits & bank borrowings. Consequently, the total deposit was BDT. 6181.24 million at the end of year 2019 and the total borrowings was BDT. 6867.99 million at the end of year 2019.

Shareholders' Equity

The Authorized Capital of the company was BDT.3000.00 million and paid-up Capital was BDT.1374.52 million as of December 31, 2019. The Capital and Reserve of the Company in 2019 stood at Tk. 2721.99 million. The Capital and Reserve of the Company as on 31st December, 2019 are appended below:

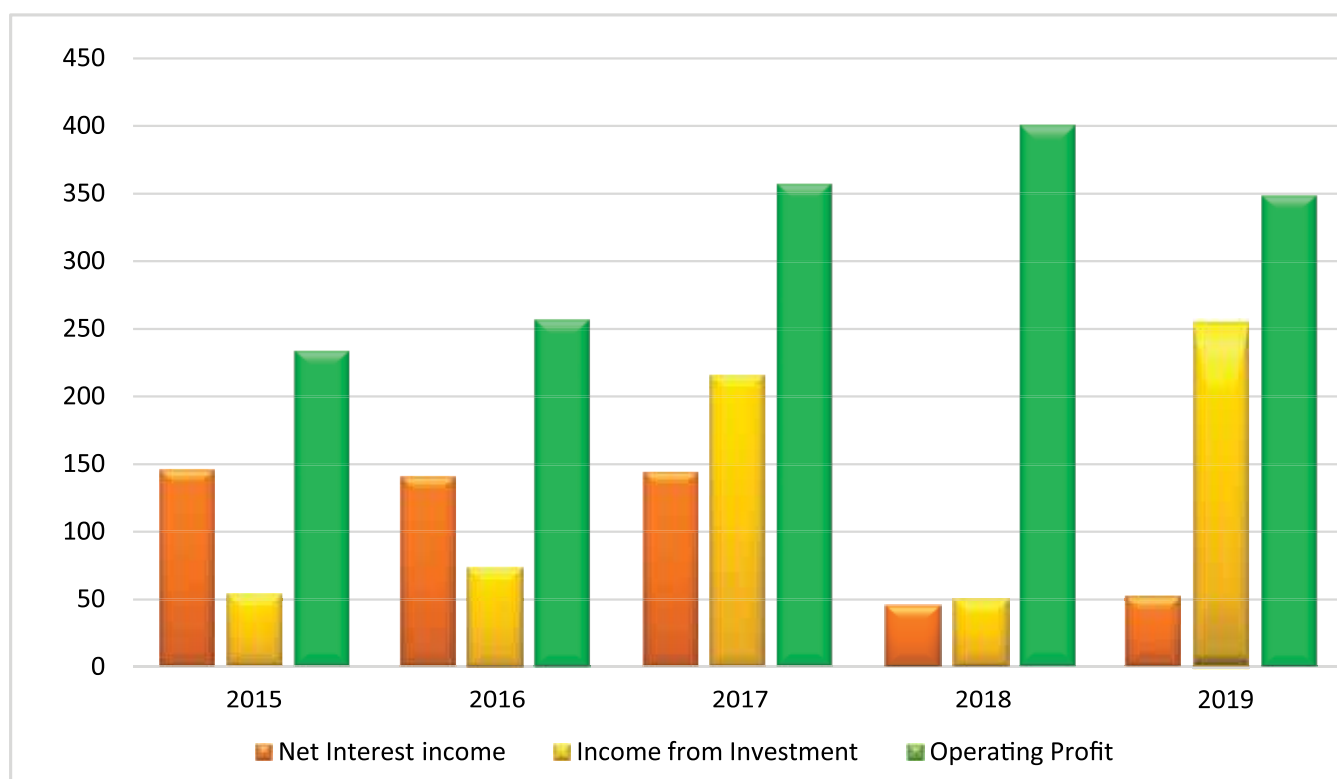
Particulars	BDT in Million	
	2019	2018
a) Core Capital (Tier- (Capital)		
Paid -Up Capital	1374.52	1374.52
Statutory Reserve	592.15	562.40
Share premium	155.48	155.48
General Reserve	99.75	60.45
Retained Earnings	168.66	179.06
Total Core Capital	2390.56	2331.91

b) Supplementary Capital (Tier- II Capital)		
General Provision for Unclassified Loan	107.85	118.54
General Provision on off - Balance Sheet Items	-	-
General Provision on off -Shore Banking Units	-	-
Revaluation gain/loss on investments	-	-
Assets Revolution Reserve	165.71	169.05
Total Supplementary Capital	273.56	287.59
Total	2664.12	2619.50

Operating Revenue & profit

As we have depicted the year 2019 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.

Since our capital market has been bearish over past few years, our profitability has been being impacted by ongoing market behavior. 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.



Years	Net interest Income	Income from Investment	Operation Profit
2015	159.19	54.73	259.17
2016	155.88	79.84	285.28
2017	159.18	179.88	398.13
2018	49.69	53.69	445.34
2019	58.02	283.77	387.49

Earnings Per share (EPS)

Our EPS was 1.09 and 1.60 for the year 2019 and 2018 respectively.

Provision for Tax

Provision for tax at the end of the year 2019 was BDT34.55 million which was BDT69.13 million in December 31, 2018.

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 2019, 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

The board has proposed cash dividend & stock dividend: 7.5% & 2.5% respectably for the year 2019.

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. Dr. Maswooda Ghani
02. Mr. Tarik Sujat

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.

Sl no.	Name	Designation	Entities Where they have interest
01	Dr. Maswooda Ghani	Chairman	Managing Director, Pushpo clinic
02.	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

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 2019

Overview

The Basel-II disclosures presented in these documents are related to BLIL for the year ended December 31, 2019. 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.

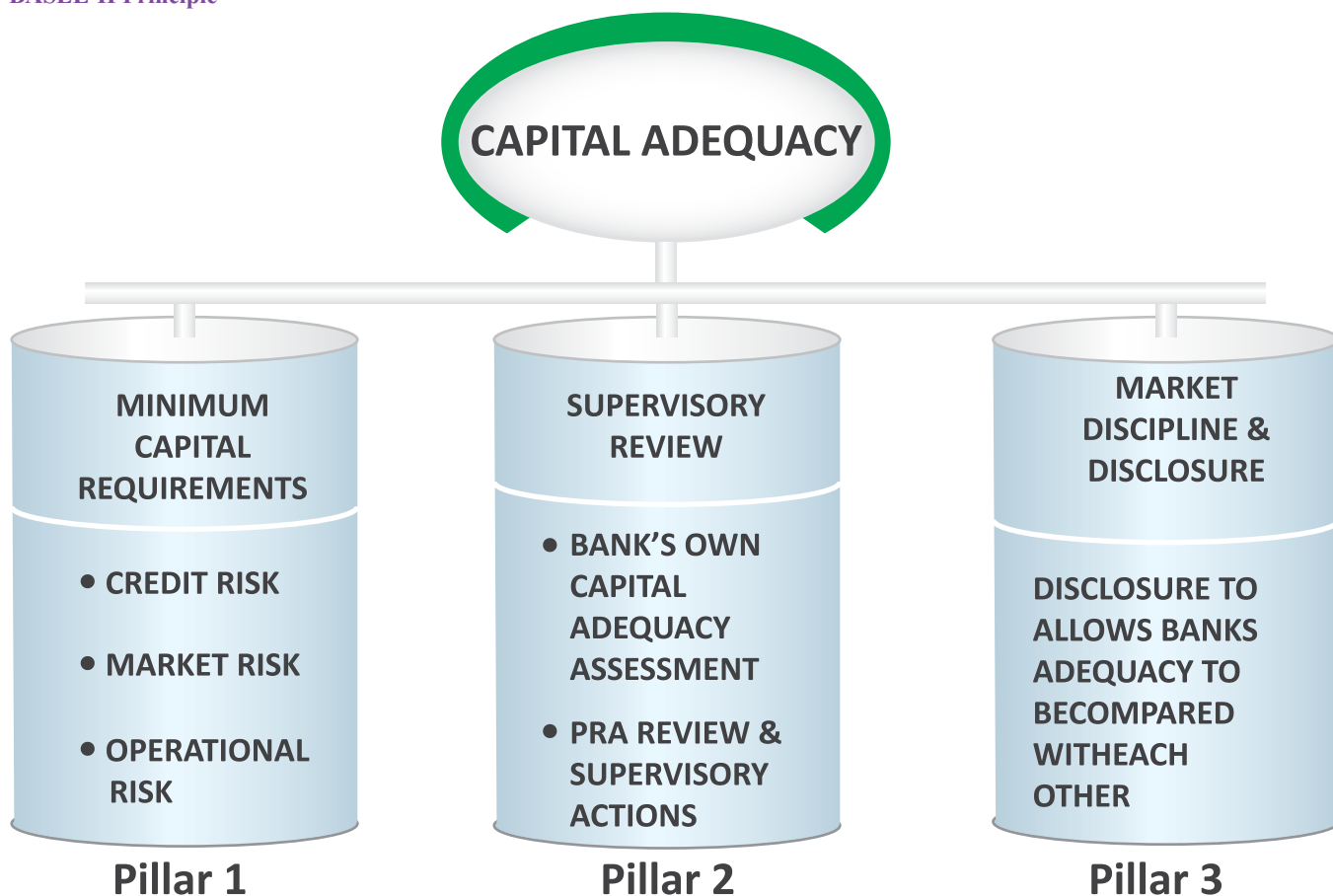
Pillar-II: Supervisory Review Process (SRP)

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, 2019.

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.

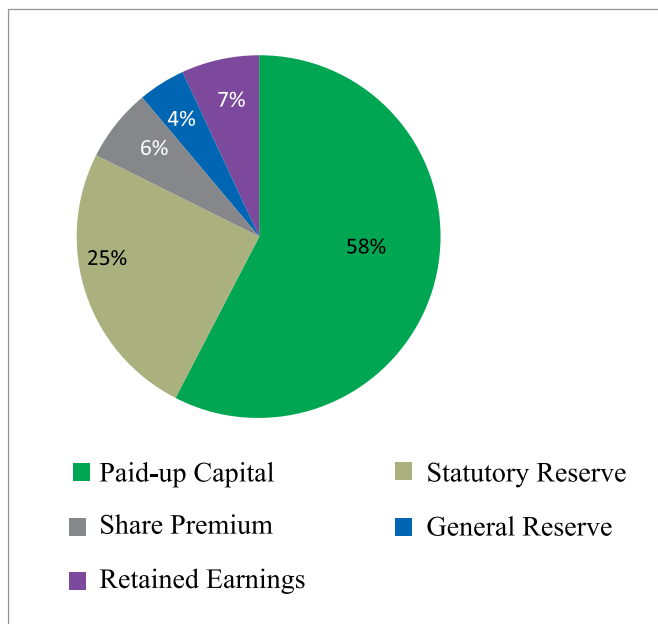
The Basel Implementation Unit (BIU) consisting of three members has been formed at Head office headed by Managing Director. The members of the unit are:

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

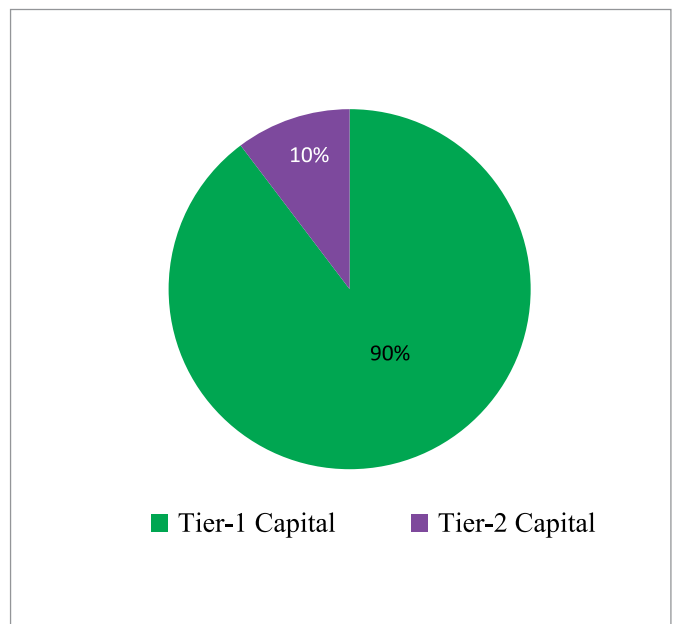
Quantitative Disclosure

Particulars	Amount in Crore
Paid up capital	137.45
Statutory reserve	59.22
Non-repayable share premium account	15.55
General reserve	9.98
Retained earnings	16.48
Minority interest in subsidiaries	-
Non-cumulative irredeemable preference shares	-
Dividend equalization account	-
Total Tier-1 (Core Capital)	238.68
Deductions from Tier-1 Capital	-
Tier-2 (Supplementary Capital)	
General Provision (Unclassified loans up to specified limit+SMA+off Balance Sheet exposure)	10.79
Asset Revaluation Reserves up to 50%	16.57
Tier-2 Capital	27.36
Total Eligible Capital (1+2)	266.04

Tier -1 (Core Capital)



Consolidated Total Capital



Risk Weighted Assets (RWA)

Particulars	2019
A. Credit Risk:	1355.68
On-Balance sheet	1349.68
Off-Balance sheet	6.00
B. Market Risk	386.88
C. Operational Risk	55.00
Total Risk Weighted Assets	1806.66

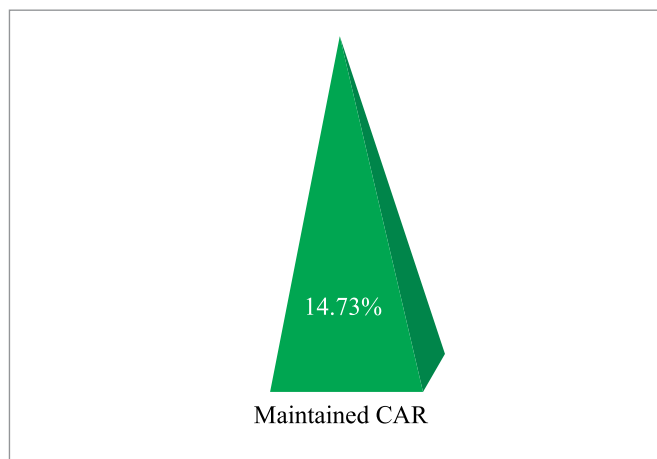
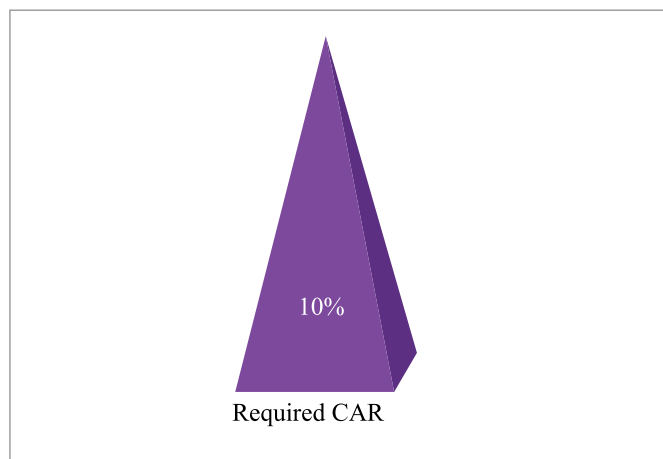
3) Capital Adequacy

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	
	2019	2018
A. Eligible Capital:		
1.Tier-1 Capital	238.68	233.19
2.Tier-2 Capital	27.36	33.12
3.Total Eligible Capital (1+2)	266.04	266.31
B. Total Risk Weighted Assets (RWA)	1806.66	1814.66
C. Capital Adequacy Ratio (CAR) (A3/B)*100	14.73%	14.68%
D. Core Capital to RWA (A1/B)*100	13.21%	12.85%
E. Supplementary Capital to RWA (A2/B)*100	1.51%	1.83%
F. Minimum Capital Requirement (MCR) 10% of RWA	180.67	181.47



CAR as on December 31, 2019

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	23.43
Textile	46.85
Garments	88.02
Jute and jute products	0.32
Food production/processing industry	50.82
Plastic industry	8.36
Ship Manufacturing Industry	3.87
Chemical & Pharmaceutical	26.05
Cement/Concrete and allied industry	68.99
Paper, printing and packaging industry	37.88
Glass and ceramic industry	0.19
Electronics and electrical industry	0.26
Trade and commerce	130.18
Power, Gas, water and sanitary service	28.36
Transport & Communication	74.63
Real Estate & Housing	296.71
Merchant Banking	24.02
Others	26.40
Total	935.35

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

Particulars	Amount in crore
Dhaka Division	917.15
Chittagong Division	7.81
Khulna Division	-
Rajshahi Division	3.87
Rangpur Division	0.71
Barishal Division	-
Sylhet division	-
Mymanshing	5.81
Total	935.35

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	26.90
Over 1 month but not more than 3 months	88.12
Over 3 months but not more than 1 year	275.90
Over 1 year but not more than 5 years	419.88
Over 5 years	124.55
Total	935.35

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.

Particulars	Amount in crore
Ordinary Shares	193.44

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 193.44 crore. Capital Requirement is 10% of the said value which stand to BDT 19.34 crore

General Risk- Market value of investment in equities is BDT 193.44 crore. Capital Requirement is 10% of the said value which stand to BDT 19.34 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	332.34
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	41.49

Report of the Audit Committee

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
Mr. Sheikh Abdul Hafiz FCA	Chairman	Independent Director
Prof. Suraiya Begum	Member	Director
Mr. Tarik Sujat	Member	Director
Mr. Zubayer Kabir	Member	Director
Mr. Zakir Ahmed Khan	Member	Independent 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 during 2019. The Managing Director, CFO and other Division Heads of Bay Leasing attended the meetings on invitation.

Terms of Reference of the Audit Committee

- Mr. Sheikh Abdul Hafiz FCA, 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.
- Monitored the performance of the internal audit function.
- Reviewed the internal audit plan.
- Reviewed the appropriate system and controls in place for effectiveness of internal audit function.
- Monitoring independence of audit work.

Others 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

Pinaki & Company, 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 express their thanks to the Board of Directors and the Management for their cooperation while performing its duties and responsibilities.



Sheikh Abdul Hafiz FCA

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;	✓		--
1 (5) (v)	A discussion on continuity of any Extra-Ordinary activities and implications (gain or loss);			N/A
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party nature of transactions and basis of transactions of all related party transactions;	✓		--

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1 (5) (vii)	A statement of utilization of proceeds from public issues, right issues and/ or through any others instruments;			N/A
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.			N/A
1 (5) (ix)	An explanation if significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1 (5) (x)	Remuneration to the directors including independent directors;	✓		--
1 (5) (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		--
1 (5) (xii)	Proper books of account of the company have been maintained;	✓		--
1 (5) (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		--
1 (5) (xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		--
1 (5) (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	✓		--
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		--
1 (5) (xvii)	There are no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		--
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		--
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		--
1 (5) (xx)	An explanation on the reasons if the company has not declared dividend (cash or stock) for the year, the reasons there of shall be given;			N/A
1 (5) (xxi)	Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend;			N/A
1 (5) (xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed;	✓		--
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	✓		--
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;	✓		--

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		--
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		--
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		--
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	✓		--
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
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;	✓		--

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	✓		--
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	✓		--

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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
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.			N/A
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 on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Bay Leasing & Investment Limited for the year ended on 31 December 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is satisfactory.

**For Syful Shamsul Alam & Co.
Chartered Accountants**

A. Ameen

**Ashraful Ameen, FCA
Partner**

**Place: Dhaka
Dated: 5 October 2020**

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 31 December, 2019

SI No.	Name of Directors	Position	No. of Shares	% of Holding
01.	Dr. Maswooda Ghani	Chairman	86,25,015	6.27
02	Suraiya Begum	Director	29,49,135	2.15
03.	Tarik Sujat	Director	28,68,106	2.09
04.	Zubayer Kabir	Director	27,49,477	2.00
05	Mrs Fatema Zahir Majumder	Director	27,50,391	2.00
06	Mr.Sheikh Abdul Hafiz	Independent Director	0	0
07	Mr.Zakir Ahmed Khan	Independent Director	0	0
08	Prof. Shahid Uddin Ahmed	Independent Director	0	0
09	Dr.Zaidi Sattar	Independent Director	0	0
10	Mr.A.K.M Azizur Rahman	Sponsor Shareholder	10,51,104	0.76
11	Mrs Hamida Hossain	Sponsor Shareholder	7,29,933	0.53
12	Abdul Matlub Ahmad	Sponsor Shareholder	1,70,07,447	12.37
13	Raiyan Kabir	Sponsor Shareholder	12,93,667	0.94
14	Quamrunnessa Ratna	Sponsor Shareholder	50,232	0.04
15	Farhana Kabir	Sponsor Shareholder	6,70,162	0.49
16.	Iftekhar Ali Khan	Managing Director	0	0
		Total	4,07,44,669	29.64

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 31 December, 2019

SL. No	Particulars	No of shares	% of holdings
1	Dr. Maswooda Ghani, Chairman	8,625,015	6.27
2	Prof. Suraiya Begum, Director	2,949,135	2.15
3	Mr. Tarik Sujat , Director	2,868,106	2.09
4	Mr. Zubayer Kabir , Director	2,749,477	2.00
5	Mrs. Fatema Zahir Majumder, Director	2,750,391	2.00
6	Mr.Zakir Ahmed khan	Independent Director	Nil
7	Mr. Sheikh Abdul Hafiz	Independent Director	Nil
8	Dr. Zaidi Sattar	Independent Director	Nil
9	Prof Shahid Hossain	Independent Director	Nil

b) Shareholders holding 10% or more

Abdul Matlub Ahmad	17,007,447	12.37
--------------------	------------	-------

c) Shareholders holding 5% or more

Southeast Bank limited	13,670,640	9.93
Southeast Bank Capital Services limited	13,665,209	9.94

Shareholding Composition as on 31 December 2019 as under

SI No.	Shareholder's Group	No. of shares held	% of total shares	No. of shareholders
1	Sponsors & Directors	4,07,44,669	29.64	11
2	Corporate Bodies	5,15,32,041	37.49	101
3	General Investor	4,51,75,430	32.87	6578
	Total	13,74,52,140	100	6,690

Attendance by the Directors at the Board Meetings during the year-2019

SL No	Name of Sponsor Directors/ Shareholders	Status	Total Meeting	Attended	Attended Fee (Tk)	Remarks
1	Dr. Maswooda Ghani	Chairman	10	10	80000	The Directors who could not attend any meeting were granted leave of absence
2	Prof. Suraiya Begum	Director	10	9	72000	
3	Mr. Tarik Sujat	Director	10	10	80000	
4	Mr. Zubayer Kabir	Director	10	5	40000	
5	Mrs. Fatema Zahir Majumder	Director	10	8	64000	
6	Mr. Zakir Ahmed Khan	Independent Director	10	9	72000	
7	Mr. Sheikh Abdul Hafiz	Independent Director	10	10	80000	
8	Dr. Zaidi Sattar	Independent Director	10	8	64000	
9	Prof. Shahid Hossain	Independent Director	10	4	32000	

Audit Committee Meeting and attendance of Directors during the year 2019

SL No	Name of Sponsor Directors/ Shareholders	Status	Total Meeting	Attended	Attended Fee (Tk)	Remarks
1	Mr. Sheikh Abdul Hafiz	Chairman	4	4	32000	The Directors who could not attend any meeting were granted leave of absence
2	Prof. Suraiya Begum	Director	4	3	24000	
3	Mr. Tarik Sujat	Director	4	4	32000	
4	Mr. Zubayer Kabir	Director	4	3	24000	
5	Mr. Zakir Ahmed Khan	Director	4	4	32000	

Transactions with Senior Executives

SL No	Name of Sr. Executives	Designation	Remuneration/Salary	Loan Outstanding
01.	Mr. Iftekhar Ali Khan	Managing Director	60,13,597	-
02.	Mr. Mohammad Lutfur Rahman	Senior Executive Vice President	31,32,120	56,28,089
03.	Mr. M. Maniruz Zaman Khan	Executive Vice President	20,27,880	48,42,783
04.	Mr. Mohammad Rashedul Islam	Vice President	19,75,380	72,17,911
05.	Mr. Rashed Al Islam	Vice President	19,24,650	15,47,415
06.	Mr. Shabbir Minhaz Chowdury	Senior Assistant Vice President	15,15,750	-
07.	Ms. Sharmin Akhter	Senior Assistant Vice President	14,44,800	5,61,362

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 its 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: August 23, 2020

The Board of Directors

Bay Leasing & Investment Limited

Subject: Declaration on Financial Statements for the year ended on 31st December, 2019

Dear Sirs,

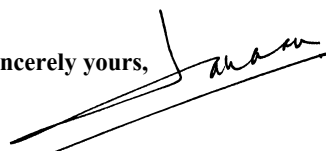
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No SEC/CMRRCD/2006-158/207/Admin/80, Dated 3 June 2018, under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Bay Leasing & Investment Limited for the year ended on 31st December, 2019 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, 2019 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 2019 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 2019 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.

Key audit matters:

(i) Provision for loans and advances:

As of the reporting date, the Group reports loans & advances/investments BDT 1,220.24 crore is representing 71.90 % of total assets and provisions regarding loan & advances of BDT 5.93 crore representing of 15.32% total operating income.

→ Refer to note no 7.00 & 33.00 to the financial statements.

Risks:

The financial statement risk arises particularly from estimation uncertainties in the calculation of individually assessed provision on loan which are, especially in these industries, based upon judgmental assumptions and scenarios i.e. probability of default, ability to repossess collateral, recovery scenario, going concern scenario etc.

As part of our risk assessment, we identified the following significant judgments and estimates which could give rise to material misstatement or management bias:

- Completeness and timing of recognition of provision of loans in accordance with criteria set out in FID circular no. 08.
- 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.

Our responses:

We established our audit approach over the individual provision including control and substantive testing:

- the accuracy of data input into the system used for credit grading and the approval of credit facilities
- the ongoing monitoring and identification of loans displaying indicators of provision and whether they are migrating, on a timely basis including generation of days past due reports.

We tested the design and operating effectiveness of key controls focusing on the following:

- Tested the 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);

Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:

- Reviewed the adequacy of the company's 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;

Our Results: Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

Key Audit Matters

(ii) Carrying value of investments in subsidiary by the Company:

The Company has invested in equity shares of its subsidiary BLI Capital Limited (in Bangladesh) is BDT 174.99 crore which represents 10.31% of the Company's total assets.

→ Refer to note no 9.01 to the consolidated financial statements.

Risk:

Recoverability of the investment is not considered a high risk of significant misstatement or subject to significant judgment. However, due to the materiality of the investment in the context of the parent company financial statements, this is considered to be the area that had the greatest focus of our overall parent company audit.

Management has conducted impairment assessment and calculated recoverable value of its subsidiary BLI Capital Limited in accordance with IAS 36.

Our response:

Comparing the carrying amount of the total investment balance with the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making.

In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.

Our results: We considered the Company's assessment of the recoverability of the investment in subsidiaries to be acceptable.

Key Audit Matters:

iii. Measurement of deferred tax liabilities:

The deferred tax liabilities amounting to BDT 0.58 crore were shown in the financial statements as at 31 December 2019.

For significant accounting policies and critical accounting estimates for the recognition and measurement of deferred tax liabilities, we refer to note 2.26 of the consolidated financial statements "Significant Accounting Policies" (Section "Tax Expenses")

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

Risk:

Recognition and measurement of deferred tax liabilities contain judgment and objective estimates regarding future taxable profit and the usability of unused tax losses and tax credits.

The significant risk arises from the estimation of future usability of the benefits. Such estimation required in relation to deferred tax liabilities as their recoverability is dependent on the forecasts of profitability available in near future.

Our response:

We have conducted a risk assessment to obtain an understanding of the relevant tax laws and regulations considering the following:

- Evaluation of the policies used for recognition and measurement of deferred tax liabilities in accordance with IAS 12,
- Test of design, implementation and operating effectiveness of internal controls with respect to recognition of deferred tax liabilities,
- The computation of deferred tax liabilities by applying appropriate provisions of tax law to schedule reversals particularly the potential tax rates applicable at the time of expected reversals,
- The strategy's compliance with the tax laws.

Our results: We considered recognition and measurement of deferred tax liabilities in particular regarding the assumptions and parameters to develop the taxable profit and usability of tax losses and credits to be reasonable.

Key Audit Matters:

(iv) Implementation of IFRS 16 Leases: Bay Leasing & Investment Limited and its subsidiaries have decided to adopt the standard IFRS16 lease replacing the existing standard IAS17 leases effective for annual reporting on & after 01 January 2019.

This adaptation has resulted recognition from 01 January 2019 for opening balance sheet of right of use asset at group level BDT 11,221,940 and at separate level BDT 11,221,940 along with lease liabilities at group level BDT 8,761,940 and separate level BDT 8,761,940.

With reference to note 2.4.1 the financial statements.

Risk:

We obtained an understanding of the management's process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently.

As part of our risk assessment, we apply several judgments and estimate such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summarize the lease data for input into their lease calculation model.

Our response:

We tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:

- Obtained and read the accounting policy for compliance with IFRS 16;
- Obtained listing of all contracts from the management and tested the contracts on a sample basis for impact under IFRS 16. In respect of the contracts selected for testing;
 - Obtained and assess the borrowing rates;
 - Tested the assumptions used in the calculation model for the sample contracts selected for testing;
 - Performed test of details on a sample basis on different categories of leases for valuation of the right of use assets and leases liability;
 - Assessed the disclosures within the financial statements.

Our results: We considered recognition and measurement of lease in particular regarding the assumptions and parameters to be reasonable.

Other Information:

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

Our opinion on the consolidated and separate financial statements does not cover the other information and thereby we do not express any observation to that effect.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances,
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 38 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) 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;
- (x) 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;
- (xi) 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;
- (xii) 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;
- (xiii) 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;
- (xiv) We have reviewed over 80% of the risk weighted assets of the Company and we have spent around 915 person hours for the audit of the books and accounts of the Company;
- (xv) The Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvi) The Company has complied with the 'First Schedule' of Bank Companies Act, 1991 in preparing these financial statements; and
- (xvii) All other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Pinaki Das

Pinaki Das, FCA

Senior Partner

Pinaki & Company

Chartered Accountants

Dhaka, Date: 27/08/2020

Bay Leasing & Investment Limited
Consolidated Balance Sheet
as at 31 December 2019

Particulars	Notes	Amount in Taka	
		31-12-2019	31-12-2018
PROPERTY AND ASSETS			
Cash		91,994,041	84,001,860
In hand (including foreign currencies)	3 a	766,962	468,398
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.02	91,227,079	83,533,462
Balance with banks and other financial institutions	4 a	657,718,380	1,608,858,969
In Bangladesh		657,718,380	1,608,858,969
Outside Bangladesh		-	-
Money at call and short notice	5.00	-	-
Investments	6 a	2,009,364,245	1,961,694,855
Government		-	-
Others		2,009,364,245	1,961,694,855
Lease, loans and advances	7 a	12,202,477,865	12,922,742,624
Lease, loans and advances		12,202,477,865	12,922,742,624
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	8 a	1,218,290,095	1,213,643,075
Other assets	9 a	792,225,949	635,545,720
Non - financial institutional assets		-	-
Total Assets		16,972,070,575	18,426,487,104
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks, other financial institutions and agents	10.01 a	6,867,986,862	6,741,176,887
Deposits and other accounts	11 a	6,181,245,207	8,003,558,148
Current Accounts & Other Accounts etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		5,972,345,840	7,741,773,638
Bearer Certificates of Deposits		-	-
Other Deposits		208,899,367	261,784,510
Other liabilities	12 a	1,200,833,511	1,011,738,242
Total Liabilities		14,250,065,580	15,756,473,277
Capital / Shareholders' equity			
Paid- up capital	13.02	1,374,521,400	1,374,521,400
Statutory Reserve	14.00	592,151,000	562,401,000
Share premium	15.00	155,478,600	155,478,600
General reserve		99,751,013	60,449,854
Assets Revaluation reserve	16.00	331,429,942	338,089,740
Retained surplus	17 a)	168,663,018	179,063,220
Total equity attributable to the equity holders of the company		2,721,994,973	2,670,003,814
Non-Controlling Interest	18.00	10,022	10,013
Total Liabilities and Shareholders' Equity		16,972,070,575	18,426,487,104

Bay Leasing & Investment Limited
Off-Balance Sheet Items
as at 31 December 2019

Particulars	Notes	Amount in Taka	
		31-12-2019	31-12-2018
Contingent Liabilities	38.00	182,900,000	300,000,000
Acceptances and endorsements		-	-
Corporate guarantee		182,900,000	300,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other Commitments		-	-
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Total Off-Balance Sheet items including Contingent Liabilities		182,900,000	300,000,000
Net asset value per share		19.80	19.42

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

Place: Dhaka
Dated: 27/08/2020


Pinaki & Company
Chartered Accountants

Bay Leasing & Investment Limited
Consolidated Profit & Loss Account
For the year ended 31 December 2019

Particulars	Notes	Amount in Taka	
		31-12-2019	31-12-2018
Interest Income	20 a)	1,489,551,225	1,338,201,964
Interest paid on Deposit, Borrowing etc.	21 a)	(1,431,529,066)	(1,288,516,256)
Net Interest Income		58,022,159	49,685,708
Investment Income	22 a)	283,772,216	53,686,035
Commission, Exchange and Brokerage Income	23 a)	28,827,194	23,621,687
Other Operating Income	24 a)	16,864,085	318,351,048
Total Operating Income		387,485,654	445,344,478
Salary and allowances	25.00	69,787,723	69,138,367
Rent, taxes, insurance, electricity, etc	26 a)	10,661,527	9,811,207
Legal expenses		3,572,925	403,147
Postage, stamp, telecommunication, etc	27 a)	1,679,954	1,421,942
Stationery, Printing, advertisement, etc.	28 a)	3,189,185	3,271,917
Managing Director's salary and benefits		6,013,597	6,355,437
Directors' fees	29.00	837,200	800,400
Auditor's fees	30.00	299,000	299,000
Charges on Loan Losses		-	-
Depreciation and repairs of assets	31 a)	31,544,671	30,795,304
Other expenses	32 a)	15,606,180	14,132,650
Total operating expenses		143,191,962	136,429,371
Profit before provision		244,293,692	308,915,107
Provision against lease, loans, advances	33 a)	59,361,000	56,380,338
Provision against diminution in value of Investment	34 a)	-	(35,891,822)
Other Provision		-	-
Total Provision		59,361,000	20,488,516
Total Profit before taxes		184,932,692	288,426,591
Provision For Tax	35 a)	34,548,437	69,134,678
Net Profit after taxation		150,384,255	219,291,913
Net profit after tax attributable to:			
Equity holders of the Company		150,384,246	219,291,904
Non Controlling Interest		9	9
		150,384,255	219,291,913

Bay Leasing & Investment Limited
Consolidated Profit & Loss Accounts
For the year ended 31 December 2019

Particulars	Notes	Amount in Taka	
		31-12-2019	31-12-2018
Appropriations			
Statutory reserve	14	29,750,000	43,558,000
General reserve		-	-
Non-Controlling Interest		9	9
		29,750,009	43,558,009
Retained Surplus		120,634,246	175,733,904
Earning Per Share (EPS)	36 a)	1.09	1.60

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

Place: Dhaka
Dated: 27/08/2020


Pinaki & Company
Chartered Accountants

Bay Leasing & Investment Limited
Consolidated Cash Flow Statement
For the year ended 31 December 2019

Particulars	Amount in Taka	
	31-12-2019	31-12-2018
A) Cash flows from operating activities		
Interest receipts	1,529,258,877	1,361,932,737
Interest payments	(1,486,585,034)	(1,249,269,319)
Dividend receipts	25,122,172	23,206,784
Fees and commission receipts	1,100,000	23,621,687
Payments to employees	(75,801,320)	(75,493,804)
Payments to suppliers	(3,189,185)	(3,271,917)
Receipts from other operating activities	74,699,210	23,892,096
Payments for other operating activities	(34,269,887)	(61,524,940)
Cash generated from operating activities before changes in operating assets and liabilities	30,334,833	43,093,324
Increase / decrease in operating assets and liabilities		
Other assets	(272,663,221)	(332,003,695)
Lease, loans and advances to customers	916,659,570	(560,572,150)
Margin Loan	128,742,748	(324,683,331)
Margin Deposit	(47,269,013)	(20,582,350)
Deposits from other banks / borrowings	(1,277,243,173)	999,267,542
Deposits from customers	7,815,375	601,800,648
Payment as Call Loan	(179,804,500,000)	(174,200,000,000)
Receipt as Call Loan	180,374,500,000	174,410,000,000
Other liabilities account of customers	40,211,628	(808,762)
	66,253,914	572,417,902
Net cash from operating activities	96,588,747	615,511,226
B) Cash flows from investing activities		
Proceeds from sale of securities	337,814,955	33,863,233
Payments for purchases of securities	(110,469,588)	(283,232,414)
Proceeds from sale of Fixed Assets	-	337,502,900
Receive from BLI Capital against advance	29,520,000	31,980,000
Purchase of property, plant and equipment	(22,406,107)	(41,561,113)
Net cash from investing activities	234,459,260	78,552,606
C) Cash flows from financing activities		
Receipts of long term loan	258,945,208	729,183,411
Repayment of long term loan	(1,054,777,332)	(1,875,303,960)
Share Money Deposit	17,213	358
Net draw down/(payment) of short term loan	(369,857,900)	1,323,679,744
Dividend paid	(108,523,603)	(117,219,407)
Net Cash from financing activities	(1,274,196,415)	60,340,146
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	(943,148,408)	754,403,978
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	1,692,860,829	938,456,851
G) Cash and cash equivalents at end of the year	749,712,422	1,692,860,829
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	766,962	468,398
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	91,227,079	83,533,462
Balance with banks and other financial institutions (notes 4 (b))	657,718,380	1,608,858,969
Total	749,712,421	1,692,860,829

Bay Leasing & Investment Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2019

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, 2019 (Note-39)	1,374,521,400	155,478,600	562,401,000	60,449,854	338,089,740	179,063,220	2,670,003,814	10,013	2,670,013,827
Prior period error adjustment	-	-	-	-	-	-	-	-	-
Short provision of Tax	-	-	-	-	-	-	-	-	-
Restated balance as at January 01, 2019	1,374,521,400	155,478,600	562,401,000	60,449,854	338,089,740	179,063,220	2,670,003,814	10,013	2,670,013,827
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-
Transferred during the year (Note-2.36)	-	-	-	-	(6,659,798)	6,659,798	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	150,384,246	150,384,246	9	150,384,255
Transfer (Sale Of Assets)	-	-	-	-	-	-	-	-	-
Dividends (Bonus shares)	-	-	-	-	-	(137,694,246)	(137,694,246)	-	(137,694,246)
Cash Dividend	-	-	-	-	-	(29,750,000)	39,301,159	-	39,301,159
Appropriation made during the year	-	-	29,750,000	39,301,159	-	-	-	-	-
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
Balance as at December 31, 2018	1,374,521,400	155,478,600	562,401,000	60,449,854	338,089,740	179,063,220	2,670,003,814	10,013	2,670,013,827

Bay Leasing & Investment Limited

Balance Sheet as at 31 December 2019

Particulars	Notes	Amount in Taka	
		31-12-2019	31-12-2018
PROPERTY AND ASSETS			
Cash	3.00	91,937,461	83,851,443
In hand (including foreign currencies)		710,382	317,981
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		91,227,079	83,533,462
Balance with banks and other financial institutions	4.00	655,297,910	1,606,764,543
In Bangladesh		655,297,910	1,606,764,543
Outside Bangladesh		-	-
Money at call and short notice	5.00	-	-
Investments	6.00	925,088,917	987,889,115
Government		-	-
Others		925,088,917	987,889,115
Lease, loans and advances	7.00	9,353,454,250	10,167,476,261
Lease, loans and advances		9,353,454,250	10,167,476,261
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	8.00	857,549,169	847,874,022
Other assets	9.00	2,452,328,608	2,436,128,737
Non - financial institutional assets		-	-
Total Assets		14,335,656,315	16,129,984,122
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks, other financial institutions and agents	10.00	4,520,790,736	4,740,219,077
Deposits and other accounts	11.00	5,992,787,514	7,767,831,442
Current Accounts & Other Accounts etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		5,972,345,840	7,741,773,638
Bearer Certificates of Deposits		-	-
Other Deposits		20,441,674	26,057,804
Other liabilities	12.00	1,103,919,261	954,130,807
Total Liabilities		11,617,497,511	13,462,181,326
Capital / Shareholders' equity			
Paid- up capital	13.02	1,374,521,400	1,374,521,400
Statutory reserve	14.00	592,151,000	562,401,000
Share premium	15.00	155,478,600	155,478,600
General reserve		99,751,013	60,449,854
Assets Revaluation reserve	16.00	331,429,942	338,089,740
Retained surplus	17.00	164,826,849	176,862,202
Total Liabilities and Shareholders' Equity		14,335,656,315	16,129,984,122

Bay Leasing & Investment Limited
Off-Balance Sheet Items
as at 31 December 2019

Particulars	Notes	Amount in Taka	
		31-12-2019	31-12-2018
Contingent Liabilities	38.00	182,900,000	300,000,000
Acceptances and endorsements		-	-
Letters of guarantee		182,900,000	300,000,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other Commitments		-	-
Documentary credits and short term trade -related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities , credit lines and other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		182,900,000	300,000,000
Net asset value per share		19.78	19.41

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

Place: Dhaka
Dated: 27/08/2020


Pinaki & Company
Chartered Accountants

Bay Leasing & Investment Limited

Profit & Loss Account

For the year ended 31 December 2019

Particulars	Notes	Amount in Taka	
		31-12-2019	31-12-2018
Interest Income	20	1,291,420,936	1,212,204,614
Interest paid on Deposit, Borrowing etc.	21	(1,193,808,420)	(1,121,342,068)
Net Interest Income		97,612,516	90,862,546
Investment Income	22	225,136,929	15,711,798
Commission, Exchange and Brokerage Income	23	1,100,000	1,000,000
Other Operating Income	24	10,889,318	312,611,727
Total Operating Income		334,738,763	420,186,071
Salary and allowances	25	51,894,510	51,739,980
Rent, taxes, insurance, electricity, etc	26	4,550,795	3,910,887
Legal & Professional fees		192,925	403,147
Postage, stamp, telecommunication, etc	27	489,685	354,559
Stationery, Printing, advertisement, etc.	28	2,513,574	2,539,359
Managing Director's salary and benefits		6,013,597	6,355,437
Directors' fees	29	837,200	800,400
Auditor's fees	30	235,750	235,750
Charges on Loan Losses		-	-
Depreciation and repairs of assets	31	18,118,334	17,364,313
Other expenses	32	11,713,183	10,988,456
Total operating expenses		96,559,553	94,692,288
Profit before provision		238,179,210	325,493,783
Provision against lease, loans, advances	33	59,361,000	56,380,338
Provision against diminution in value of Investment	34	-	(11,741,338)
Other Provision		-	-
Total Provision		59,361,000	44,639,000
Total Profit before taxes		178,818,210	280,854,783
Provision For Tax	35	30,069,115	63,065,057
Net Profit after taxation		148,749,095	217,789,726

Bay Leasing & Investment Limited

Profit & Loss Accounts

For the year ended 31 December 2019

Particulars	Note	Amount in Taka	
		31-12-2019	31-12-2018
Appropriations			
Statutory reserve	14	29,750,000	43,558,000
General reserve		-	-
Dividends		-	-
		29,750,000	43,558,000
Retained Surplus		118,999,095	174,231,726
Earning Per Share (EPS)	36	1.08	1.58

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

M. Ghani

Chairman



Director



Managing Director



Company Secretary

Signed in terms of our separate report of even date

Place: Dhaka

Dated: 27/08/2020

Pinaki & Co

Pinaki & Company

Chartered Accountants

Bay Leasing & Investment Limited

Cash Flow Statement

For the year ended 31 December 2019

Particulars	Amount in Taka	
	31-12-2019	31-12-2018
A) Cash flows from operating activities		
Interest receipts	1,275,750,242	1,107,431,411
Interest payments	(1,221,217,798)	(1,055,084,581)
Dividend receipts	25,122,172	15,580,653
Fees and commission receipts	1,100,000	1,000,000
Payments to employees	(57,908,107)	(58,095,417)
Payments to suppliers	(2,513,574)	(2,539,359)
Receipts from other operating activities	10,093,718	18,152,775
Payments for other operating activities	(18,120,233)	(14,732,035)
Cash generated from operating activities before changes in operating assets and liabilities	12,306,420	11,713,447
Increase / decrease in operating assets and liabilities		
Other assets	(161,702,863)	(111,197,387)
Lease, loans and advances to customers	916,659,570	(560,572,150)
Deposits from other banks / borrowings	(1,277,243,173)	999,267,542
Deposits from customers	7,815,375	601,800,648
Payment as Call Loan	(179,804,500,000)	(174,200,000,000)
Receipt as Call Loan	180,374,500,000	174,410,000,000
Other liabilities account of customers	34,904,134	(808,762)
	90,433,043	1,138,489,891
Net cash flows from operating activities	102,739,463	1,150,203,338
B) Cash flows from investing activities		
Proceeds from sale of securities	337,814,955	3,515,127
Proceeds from sale of Fixed Assets	-	337,502,900
Purchase of property, plant and equipment	(15,520,303)	(30,627,283)
Receive from BLI Capital against advance	29,520,000	31,980,000
Net cash from investing activities	351,814,652	342,370,744
C) Cash flows from financing activities		
Receipts of long term loan	258,945,208	729,183,411
Repayment of long term loan	(1,054,777,332)	(1,875,303,960)
Share Money Deposit	17,213	358
Net draw down/(payment) of short term loan	(493,596,216)	523,929,619
Dividend paid	(108,523,603)	(117,219,407)
Net Cash from financing activities	(1,397,934,730)	(739,409,979)
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	(943,380,615)	753,164,103
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	1,690,615,986	937,451,883
G) Cash and cash equivalents at end of the year	747,235,371	1,690,615,986
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	710,382	317,981
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	91,227,079	83,533,462
Balance with banks and other financial institutions (notes 4 (b))	655,297,910	1,606,764,543
Total	747,235,371	1,690,615,986

Bay Leasing & Investment Limited

Statement of Changes in Equity

For the year ended 31 December 2019

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, 2019	1,374,521,400	155,478,600	562,401,000	60,449,854	338,089,740	176,862,202	2,667,802,796
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-
Prior period error adjustment (Note- 2.36)	-	-	-	-	(6,659,798)	6,659,798	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	148,749,095	148,749,095
Transfer (Sale Of Assets)	65,453,400	(65,453,400)	-	-	-	-	-
Bonus Share	-	-	-	-	-	(137,694,246)	(137,694,246)
Cash Dividend	-	-	29,750,000	39,301,159	-	(29,750,000)	39,301,159
Appropriation made during the year	1,439,974,800	90,025,200	592,151,000	99,751,013	331,429,942	164,826,849	2,718,158,804
Balance as at December 31, 2019	1,374,521,400	155,478,600	562,401,000	60,449,854	338,089,740	176,862,202	2,667,802,795

Bay Leasing & Investment Limited

Liquidity Statement

(Analysis of Maturity of Assets & Liabilities)

For the year ended 31 December 2019

(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	710,382	-	-	-	-	710,382
Balance with Bangladesh Bank and its agent	91,227,079	-	-	-	-	91,227,079
Balance with banks and other financial institutions	48,322,166	11,707,489	595,268,255	-	-	655,297,910
Money at call and short notice	-	-	-	-	-	-
Investments	52,314,722	189,232,100	233,302,146	149,087,444	301,152,505	925,088,917
Leases, loans and advances	269,012,843	881,173,628	2,759,014,200	4,198,749,685	1,245,503,894	9,353,454,250
Fixed assets including premises, furniture and fixtures	-	-	-	-	857,549,169	857,549,169
Other assets	-	-	247,211,625	903,892,183	1,301,224,800	2,452,328,608
Non banking assets	-	-	-	-	-	-
Total assets (A):	461,587,192	1,082,113,217	3,834,796,226	5,251,729,312	3,705,430,368	14,335,656,315
Liabilities:						
Borrowings from banks, other financial institutions and agents	100,795,439	231,148,757	695,320,371	2,548,363,261	945,162,908	4,520,790,736
Deposits & Other Accounts	312,842,555	762,140,803	2,267,129,492	2,332,237,165	318,437,499	5,992,787,514
Provision and other liabilities	15,288,155	52,199,727	120,987,100	198,416,333	717,027,946	1,103,919,261
Total liabilities (B):	428,926,149	1,045,489,287	3,083,436,963	5,079,016,759	1,980,628,353	11,617,497,511
Net liquidity gap (A - B):	32,661,043	36,623,930	751,359,263	172,712,553	1,724,802,015	2,718,158,804

Bay Leasing & Investment Limited

Notes to the Financial Statements

as at and for the year ended 31 December 2019

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

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

-Securities and Exchange Rules, 1987;

-Securities and Exchange Commission Act, 1993;

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

-Income Tax Ordinance, 1984;

-Income Tax Rules, 1984;

-Negotiable Instruments Act, 1881; and

Other applicable laws and regulations.

2.2 Basis of measurement

This financial statement have 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 Significant accounting policies

Same disclosed accounting policies and methods of computation have been followed in these Financial Statements as were applied in the preparation of the financial statements of Bay Leasing & Investment Limited as at and for the year ended 31 December 2018, except for those related to IFRS 16: "Leases", which is effective from 1 January 2019.

2.4.1 Changes in Significant Accounting Policies – IFRS 16 Leases

2.4.1.1 Definition of lease

Previously, BLIL determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 (if any). Under IFRS 16, BLIL assesses whether a contract is or contains a lease based on the definition of a lease, as explained in below. On transition to IFRS 16, BLIL evaluated all types of contracts to assess whether a contract is or contains, a lease at the date of initial application.

As a Lessee

As a lessee, BLIL previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to BLIL. Under IFRS 16, BLIL recognizes right-of-use assets and lease liabilities for all leases.

(i) Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at BLIL's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments (if any).

(ii) Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17 (if any), the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17.

2.4.1.2 Impacts on financial statements

BLIL has lease contracts related to the rental agreement of various branches. The table below show the impacts arising from IFRS 16 in the beginning of 2019:

BLIL Consolidated	A	B	C
Leases	Liabilities	Advance for Rent	Right of Use Asset
Office Rent	Tk. 8,761,940.00	Tk. 2,460,000.00	Tk. 11,221,940.00
Bay Leasing & Investment	A	B	C
Leases	Liabilities	Advance for Rent	Right of Use Asset
Office Rent	Tk. 8,761,940.00	Tk. 2,460,000.00	Tk. 11,221,940.00

As at January 2019:

Right of-use-asset:

Right-of-use assets of BDT 11,221,940.00 was recognized and presented separately in Annexure A and also included in fixed assets schedule. This includes the lease liabilities & prepayments for office rent.

Leases Liabilities:

Lease liabilities derived from present value of all rental payments for various branches amounted to BDT 8,761,940.00 has been incorporated in Bay Leasing & Investment Limited's balance sheet (under other liabilities head).

Advance for rent:

As at January 01, 2019 advance for rent was BDT 2,460,000.00 and it has been incorporated in Bay Leasing & Investment Limited's balance sheet (under other assets head).

When measuring lease liabilities, BLIL discounted lease payments using its incremental borrowing rate (10.23%) at 1 January 2019.

The following summarizes the impacts of adopting IFRS 16 on the BLIL's consolidated & solo balance sheet, profit & loss account and statement of cash flows for the period then ended 31 December 2019, for each of the line items affected. Derivation of amounts without adoption of IFRS 16 = as reported + Adjustments.

2.4.1.3 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 this financial statements on .August 25, 2020 in the 176th 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 2019 to 31st December 2019.

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 176th meeting, held on August 25, 2020 has recommended 7.50% cash dividend and 2.50% stock dividend for the year 2019. The above is subject to approval of the shareholders in the 24th Annual General Meeting, scheduled to be held on 29th October 2020 at 11:00 a.m. at Digital Platform as per BSEC order.

2.34 Compliance of International Financial Reporting Standards (IFRS)

SI #	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 Equipments	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):

- a) Consolidated and Separate Balance Sheet as at 31 December 2019;
- b) Consolidated and Separate Profit and Loss Account for the year ended 31 December 2019;
- c) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2019;
- d) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2019;
- e) Liquidity Statement for the year ended 31 December 2019 and
- f) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2019.

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 31-12-2019 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	31-12-2019	31-12-2018
Cash in hand	710,382	317,981
Balance with Bangladesh Bank and its agent bank(s)	91,227,079	83,533,462
Total:	91,937,461	83,851,443

3.01 Cash in hand:

Particulars	31-12-2019	31-12-2018
In local currency	710,382	317,981
In foreign currency	-	-
Total:	710,382	317,981

3 a) Consolidated Cash in Hand

Bay Leasing & Investment Ltd.	710,382	317,981
BLI Capital Ltd.	56,580	150,417
Total:	766,962	468,398

3.02 Balance with Bangladesh Bank and its agent bank(s):

Particulars	31-12-2019	31-12-2018
In local currency with Bangladesh Bank	91,227,079	83,533,462
In foreign currency	-	-
Total:	91,227,079	83,533,462

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	83,167,568	71,820,965
Actual reserve maintained	91,227,079	83,533,462
Surplus/(deficit)	8,059,511	11,712,497

b) Statutory Liquidity Reserve:

Particulars	31-12-2019	31-12-2018
Required reserve (including CRR)	176,899,188	155,141,674
Actual reserve maintained including CRR (note-3.04)	747,235,371	1,690,615,986
Surplus/(deficit)	570,336,183	1,535,474,312

3.04 Actual reserve maintained (including CRR):

Particulars	31-12-2019	31-12-2018
Cash in hand	710,382	317,981
Balance with Bangladesh Bank and its agent bank(s)	91,227,079	83,533,462
Balance with Banks and other financial institutions (note-4)	655,297,910	1,606,764,543
Total:	747,235,371	1,690,615,986

4.00 Balance with banks and other financial institutions:

Particulars	31-12-2019	31-12-2018
In Bangladesh (4.01)	655,297,910	1,606,764,543
Outside Bangladesh	-	-
Total:	655,297,910	1,606,764,543

4.01 In Bangladesh: Current Deposits:

Particulars	31-12-2019	31-12-2018
Bank Alfalah Limited	269,326	269,326
BASIC Bank Limited	802	1
United Commercial Bank Ltd	-	17,291,092
Dutch Bangla Bank Ltd.	285,571	27,754
EXIM Bank Limited	18,525	19,446
First Security Bank Ltd.	211,431	10,396
Janata Bank Ltd.	8,012	8,932
Modhomoti Bank Limited	943	943
NCC Bank Limited	2,573	666
Prime Bank Ltd	157,380	23,935
Southeast Bank Limited	9,364,741	39,504,961
Standard Bank Ltd	506,209	507,860
The City Bank Limited	27,916	28,606
Trust Bank Limited	6,830	6,830
Uttara Bank Limited	66	66
Sub Total:	10,860,325	57,700,814

Short-term deposits/SND:

In Local Currency:

Jamuna Bank Limited	30,530	30,530
Southeast Bank Limited	135,558,822	35,997,180
	135,589,352	36,027,710

In Foreign Currency:

Southeast Bank Limited	1,348,233	1,331,019
Sub Total:	136,937,585	37,358,729

Particulars	Amount	Exchange rate	Taka
Dollar	\$13,326.70	83.95	1,118,776
Euro	€ 1,432.90	93.27	133,645
Pound	£873.98	109.63	95,811
			1,348,233

Fixed deposits:

Dhaka Bank Ltd.	-	500,000,000
Mercantile Bank Ltd.	168,750,000	168,750,000
National Credit & Commerce Bank Ltd.	20,000,000	21,080,000
Jamuna Bank Limited	-	400,000,000
Southeast Bank Limited	268,750,000	268,750,000
Modhomoti Bank Limited	-	100,000,000
Midland Bank Ltd	50,000,000	53,125,000
Sub Total:	507,500,000	1,511,705,000
Grand Total:	655,297,910	1,606,764,543

4 a) Consolidated Balance with banks and other financial institutions:

Bay Leasing & Investment Ltd.	655,297,910	1,606,764,543
BLI Capital Ltd.	2,420,470	2,094,426
	657,718,380	1,608,858,969

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

Particulars	31-12-2019	31-12-2018
On demand	-	-
Up to 1 month	48,322,166	60,315,254
Over 1 month but not more than 3 months	11,707,489	157,792,463
Over 3 months but not more than 1 year	595,268,255	1,388,656,826
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
Total:	655,297,910	1,606,764,543

5.00 Money at call and short notice:

i) Investments are as follows:

	-	-
Total:	-	-

6.00 Investments for BLIL:

Particulars	31-12-2019	31-12-2018
Government securities	-	-
Treasury Bills	-	-
National Investment Bonds	-	-
Bangladesh Bank Bill	-	-
Govt. notes/bonds	-	-
Prize Bonds	-	-
Others	-	-
Other investment	925,088,917	987,889,115
Investment in non marketable ordinary shares (note-6.01)	76,569,450	1,569,450
Investment in Preference Shares	-	-
Investment in debenture and bond	-	-
Investment in marketable Securities (note-6.03)	848,519,467	986,319,665
Total:	925,088,917	987,889,115

6.01 Investment in non marketable ordinary shares

Particulars	31-12-2019	31-12-2018
Central Depository Bangladesh	1,569,450	1,569,450
EM Power Ltd	75,000,000	-
Total:	76,569,450	1,569,450

6.02 Investment in marketable securities:

Listed Securities

Name of the Company	Qty.	Cost Price	Market price per share on 31-12-2019	Market Price	Provision
Appollo Ispat Ltd	169,950	3,345,066	3.90	662,805	(2,682,261)
Asia Insurance Ltd	156,898	5,842,596	25.10	3,938,140	(1,904,456)
Exim Bank Ltd.	2,228,029	53,914,233	10.10	22,503,093	(31,411,140)
BSRM Ltd	27,500	2,556,394	39.20	1,078,000	(1,478,394)
National Life Insurance Co. Ltd.	3,010,559	227,715,299	279.30	840,849,129	613,133,830
Power Grid Ltd	63,250	5,797,598	46.60	2,947,450	(2,850,148)
Southeast Bank Ltd.	10,097,615	282,224,281	13.40	135,308,041	(146,916,240)
Titas Gas	525,000	53,789,915	30.90	16,222,500	(37,567,415)
Prime Bank Ltd	2,901,386	116,458,302	18.20	52,805,225	(63,653,077)
Pragati General Insurance	85,200	8,388,555	38.50	3,280,200	(5,108,355)
Pragati Life Insurance	71,638	14,586,250	126.30	9,047,879	(5,538,371)
United Air	935,396	19,743,664	1.40	1,309,554	(18,434,110)
Popular Life 1st Mutual Fund	339,116	2,344,340	4.10	1,390,376	(953,964)
Delta Life Insurance	171,550	34,471,898	78.50	13,466,675	(21,005,223)
Lafarge Surma	153,090	17,341,076	33.60	5,143,824	(12,197,252)
Total		848,519,467		1,109,952,891	261,433,424

6 a) Consolidated Investment:

Bay Leasing & Investment Ltd.
BLI Capital Ltd.

	31-12-2019	31-12-2018
	925,088,917	987,889,115
	1,084,275,328	973,805,740
Total	2,009,364,245	1,961,694,855

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

	31-12-2019	31-12-2018
On demand	-	-
Up to 1 month	52,314,722	59,254,633
Over 1 month but not more than 3 months	189,232,100	168,071,190
Over 3 months but not more than 1 year	233,302,146	248,474,262
Over 1 year but not more than 5 years	149,087,444	182,283,430
Over 5 years	301,152,505	329,805,600
Total	925,088,917	987,889,115

7.00 Lease, loans and advances

Broad category-wise break up:

Particulars

	31-12-2019	31-12-2018
Inside Bangladesh		
Lease Finance (note-7.01)	1,801,808,474	2,104,097,555
Term Finance (note-7.02)	5,639,966,514	6,109,072,339
Housing Finance (note-7.03)	1,911,679,262	1,954,306,367
	9,353,454,250	10,167,476,261
Outside Bangladesh	-	-
Total:	9,353,454,250	10,167,476,261

7 a) Consolidated Lease, Loans & advances

Bay Leasing & Investment Ltd.
BLI Capital Ltd.

Less: Inter company balance eliminated

	31-12-2019	31-12-2018
	9,353,454,250	10,167,476,261
	3,089,249,908	3,017,992,656
	12,442,704,158	13,185,468,917
	240,226,293	262,726,293
Total:	12,202,477,865	12,922,742,624

7.01 Lease Finance:

Particulars	31-12-2019	31-12-2018
Balance Principal	1,493,075,588	1,790,616,126
Rental Receivable	308,732,886	313,481,429
Total:	1,801,808,474	2,104,097,555

Details are given below:

Particulars	31-12-2019	31-12-2018
Opening Balance	2,104,097,555	2,057,048,387
Add: Disbursement during the year	135,604,198	491,836,562
Add: Interest and other charges during the year	198,775,286	216,560,659
	2,438,477,039	2,765,445,608
Less: Write-off during the year	-	-
Realization during the year	(636,668,565)	(661,348,053)
Total:	1,801,808,474	2,104,097,555

Movement of Balance Principal:

Particulars	31-12-2019	31-12-2018
Gross lease receivable	3,641,852,651	3,973,599,051
Less: Unearned finance income	2,148,777,063	2,182,982,925
Balance Principal	1,493,075,588	1,790,616,126

7.02 Term Finance:

Particulars	31-12-2019	31-12-2018
Principal Outstanding	5,277,816,948	5,782,125,591
Interest Receivable	362,149,566	326,946,748
Total:	5,639,966,514	6,109,072,339

Details are given below:

Movement of Outstanding Balance

Particulars	31-12-2019	31-12-2018
Opening Balance	6,109,072,339	5,574,229,317
Add: Disbursement during the year	417,698,086	1,458,558,713
Add: Interest and other charges during the year	713,213,711	686,521,663
	7,239,984,136	7,719,309,693
Less: Write-off during the year	-	-
Realization during the year	(1,600,017,622)	(1,610,237,354)
Total:	5,639,966,514	6,109,072,339

7.03 Housing Finance:

Particulars	31-12-2019	31-12-2018
Principal Outstanding	1,734,170,053	1,848,980,442
Interest Receivable	177,509,209	105,325,925
Total:	1,911,679,262	1,954,306,367

Movement of Outstanding Balance

Particulars	31-12-2019	31-12-2018
Balance at January 01	1,954,306,367	1,895,790,319
Add: Disbursement during the year	170,942,854	248,617,047
Add: Interest and other charges during the year	212,900,000	194,976,323
	2,338,149,221	2,339,383,689
Realization during the year	(426,469,959)	(385,077,322)
Balance at December 31	1,911,679,262	1,954,306,367

7.04 Classification wise Lease, Loans & Advances

Particulars	31-12-2019	31-12-2018
Unclassified:		
Standard	7,782,368,736	8,464,986,448
SME	108,274,077	187,474,169
Other than SME	7,674,094,659	8,277,512,279
Special Mention Account (SMA)	638,528,985	740,526,691
	8,420,897,721	9,205,513,139
Classified:		
Sub-Standard	162,434,901	9,565,201
Doubtful	28,275,290	54,988,572
Bad/Loss	741,846,338	897,409,349
	932,556,529	961,963,122
Total:	9,353,454,250	10,167,476,261
	0.100	0.095

7.05 Maturity grouping of lease, loans and advances:

Particulars	31-12-2019	31-12-2018
On demand	-	-
Up to 1 month	269,012,843	277,328,422
Over 1 month but not more than 3 months	881,173,628	869,011,043
Over 3 months but not more than 1 year	2,759,014,200	2,704,966,312
Over 1 year but not more than 5 years	4,198,749,685	4,237,622,444
Over 5 years	1,245,503,894	2,078,548,040
Total:	9,353,454,250	10,167,476,261

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	28,968,113	31,445,856
Customers groups	9,324,486,137	10,136,030,405
	9,353,454,250	10,167,476,261

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 2,718.16 million as at December 31, 2019 & Tk 2,667.80 million in 2018) of the Company is as follows:

Number of clients	3	5
Amount of outstanding advances	1,361,907,099	2,260,235,167
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

	31-12-2019	31-12-2018
1. Agricultural sector	234,273,675	278,145,055
2. Industrial sector:		
a) Textile	468,481,908	370,070,488
b) Garments	880,161,571	857,278,780
c) Jute and jute products	3,174,106	4,506,650
d) Food production/processing industry	508,168,302	547,563,802
e) Plastic industry	83,595,685	95,994,226
f) Leather & leather products	-	-
g) Ship manufacturing Industry	38,736,229	38,482,868
h) Chemical & Pharmaceutical	260,528,554	469,927,558
i) Cement/Concrete and allied industry	689,948,128	1,357,150,477
j) Service industry	-	-
k) Paper, Printing and packaging industry	378,798,139	328,607,226
l) Telecommunication/information Technology	-	-
m) Glass and ceramic industry	1,964,051	3,943,912
n) Electronics and electrical industry	2,644,374	13,778,952
3. Trade & Commerce	1,301,761,307	1,995,347,111
4. Power, Gas, Water and sanitary service	283,611,130	4,997,734
5. Transport & Communication	746,325,537	421,192,467
6. Real Estate & Housing	2,967,052,931	2,708,523,058
7. Merchant Banking	240,226,293	262,726,293
8. Others	264,002,330	409,239,604
Total:	9,353,454,250	10,167,476,261

7.10 Geographical location-wise lease, loans and advances:

Particulars	31-12-2019	31-12-2018
Inside Bangladesh		
Urban		
Dhaka Division	9,171,466,244	9,999,063,019
Chittagong Division	78,073,155	70,772,477
Khulna Division	-	-
Rajshahi Division	38,675,594	52,768,689
Rangpur Division	7,095,788	9,364,331
Barisal Division	-	-
Mymensingh Division	58,143,469	35,507,745
Sylhet Division	-	-
	9,353,454,250	10,167,476,261
Outside Bangladesh	-	-
Total:	9,353,454,250	10,167,476,261

7.11 Particulars of Lease, Loans and Advances

	31-12-2019	31-12-2018
i) Lease, loans and advances considered good in respect of the FI is fully secured	4,846,999,327	4,236,812,632
ii) Lease, loans and advances considered good in respect of the FI holds no security other than the debtors personal guarantee	1,049,074,124	1,547,740,551
iii) Lease, loans and advances considered good secured by the personal undertakings of one or more parties in addition to the debtors personal guarantee	3,457,380,799	4,382,923,078
	9,353,454,250	10,167,476,261

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	28,968,113	31,445,856
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	-	752,860
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	907,396	2,023,612
x)	Classified loans, advances and leases		
a)	Classified loans, advances and leases on which interest has not been charged	932,556,529	961,963,122
b)	Provision on doubtful loans, advances and leases	20,620,496	3,228,499
	Provision on bad loans, advances and leases	231,526,189	176,228,059
	Total provisions charged during the year	252,146,685	179,456,558
c)	Amount of written off loans, advances and leases	137,010,447	137,010,447
	Total amount realized against loans and leases previously written off	10,271,365	8,795,000
d)	Provision kept against loans and advances classified as bad debts	231,526,189	176,228,059
e)	Interest credited to Interest Suspense Account	181,470,005	133,376,132
xi)	Cumulative amount of written off loans, advances and leases		
	Opening Balance	137,010,447	137,010,447
	Amount written off the year		
		137,010,447	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	-	-
The amount of written off loans, advances and leases	137,010,447	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	
			31-12-2019	31-12-2018
Unclassified- General Provision				
Standard	7,782,368,736		77,011,632	83,243,808
SME	108,274,077	0.25%	270,685	468,685
Other than SME	7,674,094,659	1.00%	76,740,947	82,775,123
Special Mention Account (SMA)	596,357,004	5.00%	29,817,850	34,897,853
			106,829,482	118,141,661
Classified- Specific provision				
Sub-Standard	83,454,168	20.00%	16,690,834	165,190
Doubtful	7,859,324	50.00%	3,929,662	3,063,309
Bad/Loss	231,526,189	100.00%	231,526,189	176,228,059
			252,146,685	179,456,558
Required provision for lease, loans & advances			358,976,167	297,598,219
Total provision maintained for lease, loans & advances			360,000,000	298,000,000
Excess provision for lease, loans & advances			1,023,833	401,781

8.00 Fixed assets including premises, furniture and fixtures:

Particulars	31-12-2019	31-12-2018
Cost & Revaluation		
Furniture and fixtures	22,544,558	20,115,262
Office equipment	18,325,887	14,410,938
Office Decoration	31,718,199	24,724,726
Right of Use Assets	11,221,940	-
Motor Vehicles	18,794,956	18,794,956
Electrical Goods	616,796	616,796
Building	461,107,440	461,107,440
Construction WIP	80,079,800	80,079,800
Land	345,064,515	342,881,930
	989,474,091	962,731,848
Less: Accumulated depreciation	131,924,922	114,857,826
Net book value at the end of the year (Schedule-1)	857,549,169	847,874,022
8 a) Consolidated Fixed Assets		
Bay Leasing & Investment Ltd.	857,549,169	847,874,022
BLI Capital Ltd.	360,740,926	365,769,053
	1,218,290,095	1,213,643,075

9.00 Other Assets:

Particulars	Notes	31-12-2019	31-12-2018
Income generating:			
Investment in associate & Subsidiaries	9.01	1,787,115,000	1,787,115,000
Interest receivable		24,203,062	63,076,054
Receivable from BLI Capital Ltd		300,101,399	329,621,399
Other receivable		93,926,542	629,000
Non-income generating:			
Advance, deposit and Prepaid expenses		14,290,190	84,356,594
Advance corporate tax	9.02	232,597,023	171,243,738
Advance Office Rent		-	-
Stationery & Stamp in hand		54,682	52,692
Security Deposit		40,710	34,260
Advance against Decoration, Preliminary Exp, Development		-	-
Branch Adjustment		-	-
Suspense Account		-	-
		2,452,328,608	2,436,128,737
Outside Bangladesh		-	-
Total:		2,452,328,608	2,436,128,737

9 a) Consolidated Other Assets :

Particulars	31-12-2019	31-12-2018
Bay Leasing & Investment Limited	2,452,328,608	2,436,128,737
BLI Capital Limited	389,988,740	279,028,382
Adjustment for dealing with Subsidiary	(2,050,091,399)	(2,079,611,399)
Total:	792,225,949	635,545,720
	1,787,115,000	1,787,115,000

9.01 Investment in Associate / Subsidiaries:

Investment in Associate	31-12-2019	31-12-2018
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:	31-12-2019	31-12-2018
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	31-12-2019	31-12-2018
Balance as on January 01	171,243,738	259,128,992
Addition during the year	61,353,285	51,755,360
Adjustment of previous years' tax liabilities	-	(139,640,614)
Balance as on December 31	232,597,023	171,243,738
Consolidated Advance income tax	31-12-2019	31-12-2018
Bay Leasing & Investment Ltd.	232,597,023	171,243,738
BLI Capital Ltd.	20,711,506	13,651,380
	253,308,529	184,895,118

10.00 Borrowing from banks, other financial institutions and agents:

Particulars	Note	31-12-2019	31-12-2018
In Bangladesh	10.01	4,520,790,736	4,740,219,077
Outside Bangladesh		-	
	Total:	4,520,790,736	4,740,219,077

10.01 In Bangladesh:

The above balance is made up as follows:

Particulars		31-12-2019	31-12-2018
Bank overdraft			
National Credit & Commerce Bank Ltd.		17,212,069	19,044,862
Mercantile Bank Ltd.		156,065,527	154,393,397
Mutual Trust Bank Ltd.		102,219,651	162,091,449
Eastern Bank Ltd		9,082,054	21,122,946
United Commercial Bank Ltd		106,508,389	97,174,620
Midland Bank Ltd		103,592,952	90,874,612
Basic Bank Ltd		154,016,790	149,700,561
First Security Bank Ltd.		369,081,571	317,894,256
Woori Bank Ltd		163,978,031	164,333,386
Uttara Bank Limited		82,798,776	81,521,937
	Sub Total (a)	1,264,555,810	1,258,152,026
Short term loan/Call Money			
Agrani Bank Ltd		-	70,000,000
Sonali Bank Ltd- Call Money		80,000,000	180,000,000
Southeast Bank Ltd- Call Money		750,000,000	410,000,000
Modhomoti Bank Limited- STL		260,000,000	-
South Bangla Agriculture & Commerce Bank Ltd- STL		-	40,000,000
Southeast Bank Ltd- STL		380,000,000	200,000,000
	Sub Total (b)	1,470,000,000	900,000,000
Long term loan			
Mutual Trust Bank Ltd		187,492,707	256,330,981
United Commercial Bank Ltd		117,571,685	142,900,601
Basic Bank Ltd		141,114,068	184,106,272
Dutch Bangla Bank Limited		27,111,606	148,244,357
Modhumoti Bank Limited		118,814,256	147,742,634
Midland Bank Ltd		172,740,595	206,223,828
Bank Asia Ltd		121,526,138	144,775,863
Jamuna Bank Ltd		105,316,762	139,987,459
Mercantile Bank Ltd		404,417,046	476,164,657
Pubali Bank Limited		81,487,285	117,381,554
Prime Bank Ltd		134,880,351	225,044,544
NCC Bank Ltd		65,765,417	110,731,144
Uttara Bank Limited		5,607,245	69,294,947
Shahjalal Islami Bank Ltd		81,685,324	137,868,036
Eastern Bank Ltd		-	43,089,381
	Sub Total (c)	1,765,530,485	2,549,886,258
Bangladesh Bank refinancing			
Bangladesh Bank		20,704,441	32,180,793
	Sub Total (d)	20,704,441	32,180,793
	Total (a+b+c+d)	4,520,790,736	4,740,219,077
10.01 a Consolidated Borrowing from Banks & Other FI's			
Bay Leasing & Investment Ltd.		4,520,790,736	4,740,219,077
BLI Capital Ltd.		2,587,422,419	2,263,684,103
		7,108,213,155	7,003,903,180
Less: Inter company balance eliminated		240,226,293	262,726,293
	Total:	6,867,986,862	6,741,176,887

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

Particulars	31-12-2019	31-12-2018
Secured (assets pledged as security for liabilities)	337,255,627	173,438,259
Unsecured	4,183,535,109	4,566,780,818
Total:	4,520,790,736	4,740,219,077

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	31-12-2019	31-12-2018
On demand	-	-
Up to 1 month	100,795,439	100,922,364
Over 1 month but within 3 months	231,148,757	257,648,052
Over 3 months but within 1 year	695,320,371	831,799,834
Over 1 year but within 5 years	2,548,363,261	2,648,778,822
Over 5 years	945,162,908	901,070,005
Total:	4,520,790,736	4,740,219,077

11.00 Deposits and other accounts:

Particulars	Note	31-12-2019	31-12-2018
Current Accounts & Other Accounts etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits	11.01	5,972,345,840	7,741,773,638
Bearer Certificates of Deposits		-	-
Other deposits	11.02	20,441,674	26,057,804
Total:		5,992,787,514	7,767,831,442

11 a) Consolidated Deposits and other accounts:

Bay Leasing & Investment Ltd.	5,992,787,514	7,767,831,442
BLI Capital Ltd.	188,457,693	235,726,706
Total:	6,181,245,207	8,003,558,148

11.01 Term deposits:

Particulars	Note	31-12-2019	31-12-2018
Plain Term Deposits	11.1.2	5,923,055,384	7,697,030,638
Flexi Savings		259,000	414,000
Super DPS		36,489,000	28,024,000
BLIL Wealth Plan		102,456	-
Double Money Plan		12,440,000	16,305,000
Total:		5,972,345,840	7,741,773,638

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

Deposits from banks and financial institutions	2,797,979,857	4,575,223,030
Deposits from other than banks and financial institutions	3,174,365,983	3,166,550,608
Total:	5,972,345,840	7,741,773,638

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

Particulars	31-12-2019	31-12-2018
Government	-	-
Banks and financial institutions	2,797,979,857	4,575,223,030
Individual	978,432,941	913,810,969
Other Institutions	2,146,642,586	2,207,996,639
Total:	5,923,055,384	7,697,030,638

11.1.2 Maturity analysis of term deposits:

Particulars	31-12-2019	31-12-2018
a) Maturity analysis of deposits from Banks & Financial Institutions		
Payable on demand	-	-
Up to 1 month	189,262,105	204,512,000
Over 1 month but within 3 months	413,932,405	482,921,400
Over 3 months but within 1 year	907,688,947	1,837,671,600
Over 1 year but within 5 years	1,024,972,100	1,765,046,000
Over 5 years but within 10 years	262,124,300	285,072,030
Over 10 years	-	-
Sub Total:	2,797,979,857	4,575,223,030
b) Maturity Analysis of Deposits from other than Banks and Financial Institutions		
Payable on demand	-	-
Up to 1 month	123,580,450	96,840,132
Over 1 month but within 3 months	348,208,398	307,946,035
Over 3 months but within 1 year	1,359,440,545	1,141,520,302
Over 1 year but within 5 years	1,286,823,391	1,559,103,122
Over 5 years but within 10 years	56,313,199	61,141,017
Over 10 years	-	-
Sub Total:	3,174,365,983	3,166,550,608
Grand Total:	5,972,345,840	7,741,773,638

11.02 Other deposits:

Particulars	31-12-2019	31-12-2018
Security deposit	1,922,700	2,718,300
Lease Advance & Others	18,518,974	23,339,504
Total:	20,441,674	26,057,804

12.00 Other liabilities:

Particulars	Notes	31-12-2019	31-12-2018
Interest suspense account	12.01	181,470,005	133,376,132
Accrued expenses and payables	12.02	289,633,993	279,211,144
Provision for lease, loans and advances	12.03	360,000,000	300,639,000
Provision for income tax	12.04	214,070,439	182,070,439
Deferred Tax Liability	12.05	5,805,227	7,736,112
Lease Liability		7,716,170	-
Dividend payable		45,223,427	51,097,980
Total:		1,103,919,261	954,130,807

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.	1,103,919,261	954,130,807
BLI Capital Ltd.	96,914,250	57,607,435
Total:	1,200,833,511	1,011,738,242

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	31-12-2019	31-12-2018
Balance on January 01	133,376,132	101,528,223
Add: Amount trans. to “interest suspense” account during the year	48,093,873	31,847,909
Less: Amount recovered from “interest suspense” account during the year	-	-
Less: Amount written-off during the year	-	-
Balance as on December 31	181,470,005	133,376,132

12.02 Accrued expenses and payables:

The above balance is made up as follows:

Particulars	Note	31-12-2019	31-12-2018
Liabilities For Financial expenses	12.02.1	222,564,047	250,082,454
Liabilities for accrued expenses	12.02.2	591,733	795,643
Liabilities for Gratuity Fund		23,452,583	20,793,330
Others Payable		43,025,630	7,539,717
Total:		289,633,993	279,211,144

12.02.1 Liabilities For Financial expenses:

Particulars	31-12-2019	31-12-2018
Interest Payable on Term Deposits	209,207,461	235,875,052
Interest Payable on Other Deposit	13,356,586	14,207,402
Total:	222,564,047	250,082,454

12.02.2 Liabilities for accrued expenses:

Particulars	31-12-2019	31-12-2018
Audit Fee	201,250	201,250
Telephone bill	20,790	20,554
Utility Bill	28,082	157,683
Office Maintenance	14,000	30,944
Credit Rating Fee	287,500	287,500
Salary	40,111	39,752
Office Rent	-	57,960
Total:	591,733	795,643

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	31-12-2019	31-12-2018
General provision on unclassified lease, loans and advances	107,853,315	118,543,442
Specific provision on classified lease, loans and advances	252,146,685	182,095,558
Provision against Investment in Shares	-	-
Provision as on 31 December	360,000,000	300,639,000

Movement of General provision;	31-12-2019	31-12-2018
Balance on January 01	118,543,442	113,017,520
Add: Provision made during the year	(10,690,127)	5,525,922
Less: Provision released during the year	-	-
Provision as on 31 December	107,853,315	118,543,442

Movement of Specific provision ;	31-12-2019	31-12-2018
Balance on January 01	182,095,558	131,241,142
Add: Provision made during the year	70,051,127	48,215,416
Add: Provision made on other assets	-	2,639,000
Less: Provision released during the year	-	-
Provision as on 31 December	252,146,685	182,095,558

12.04 Provision for Income Tax:

Particulars	31-12-2019	31-12-2018
Balance on January 01	182,070,439	252,000,000
Add: Provision made for the year 2019	32,000,000	-
Provision made for the year 2018	-	59,070,439
Short provision for the year 2015	-	6,433,261
Short provision for the year 2016	-	4,207,353
Less: Settlement of previous years' tax liabilities (f/y- 2015 & 2016)	-	(139,640,614)
	214,070,439	182,070,439

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 Amount at Balance Sheet	Tax Base	Taxable/ deductible temporary difference
Gratuity	23,452,583	-	23,452,583
Fixed Assets	513,668,670	474,735,482	(38,933,188)
Total	537,121,253	474,735,482	(15,480,605)
Applicable Tax Rate			37.50%
Deferred Tax Asset as on December 31, 2019			(5,805,227)
Deferred Tax Asset as on December 31, 2018			(7,736,112)
Deferred tax Expense for the year 2018			(1,930,885)
Total Liability against Deferred Tax			5,805,227

	31-12-2019	31-12-2018
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		
137,452,140 ordinary shares of Taka 10 each	1,374,521,400	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, 2019 was Taka 1,457,420,000 as against available Core Capital (Tier-I) of Taka 2,386,728,862 and Supplementary Capital (Tier-II) of Taka 273,568,286 making a Total Eligible Capital of Taka 2,660,297,148 thereby showing a Surplus capital/equity of Taka 1,202,877,148 at that date. Details are shown below:

Core capital (Tier-I)

Fully paid-up Capital	1,374,521,400	1,374,521,400
Statutory Reserve	592,151,000	562,401,000
Non-repayable Share premium account	155,478,600	155,478,600
General Reserve	99,751,013	60,449,854
Retained Earnings	164,826,849	176,862,202
	2,386,728,862	2,329,713,056

Supplementary capital (Tier-II)

General provision maintained against Unclassified loan	107,853,315	118,543,442
General provision on off-balance sheet items	-	-
General provision on off-shore Banking Units	-	-
Revaluation gain / loss on investments	-	-
Assets revaluation reserve	165,714,971	169,044,870
	273,568,286	287,588,312

A. Eligible Capital:

	Amount	
1. Tier-1 Capital	2,386,728,862	2,329,713,056
2. Tier-2 Capital	273,568,286	287,588,312

3. Total eligible Capital (1+2)

3. Total eligible Capital (1+2)	2,660,297,148	2,617,301,368
B. Total Risk Weighted Assets (RWA)	14,574,200,000	16,381,700,000
C. Capital Adequacy Ratio	18.25%	15.98%
D. Core Capital to RWA (A1/B)*100	16.38%	14.22%
E. Supplementary Capital to RWA (A2/B)*100	1.88%	1.76%
F. Minimum Capital Requirement (MCR) 10% of RWA =Bx10%	1,457,420,000	1,638,170,000

G) Surplus (A-F)

G) Surplus (A-F)	1,202,877,148	979,131,368
-------------------------	----------------------	--------------------

13.04 Percentage of shareholding at the closing date:

	No. of shares		Percentage	
	2019	2018	2019	2018
(i) Sponsors & Director				
Foreign	-	-	-	-
Domestic	40,744,669	38,846,842	29.64	28.26
	40,744,669	38,846,842	29.64	28.26
(ii) Corporate Bodies				
Foreign	291,103	291,103	0.21	0.21
Domestic	51,240,938	51,339,918	37.28	37.35
	51,532,041	51,631,021	37.49	37.56
(iii) General public				
Foreign	-	-	-	-
NRB	179,106	205,156	0.13	0.15
Domestic	44,996,324	46,769,121	32.74	34.03
	45,175,430	46,974,277	32.87	34.18
Total:	137,452,140	137,452,140	100.00	100.00

13.05 Shareholding range on the basis of shareholding as at December 31, 2019

No. of shares	Number of Shareholders	Total number of shares	Percentage of total holdings
Less than 5000	5506	8,067,628	5.87%
5,001 to 10,000	569	3,996,878	2.91%
10,001 to 20,000	313	4,178,716	3.04%
20,001 to 30,000	105	2,510,705	1.83%
30,001 to 40,000	43	1,483,917	1.08%
40,001 to 50,000	20	914,362	0.67%
50,001 to 100,000	53	3,532,462	2.57%
100,001 to 1,000,000	58	14,672,407	10.67%
1,000,001 to 10,000,000	23	98,095,065	71.37%
	6,690	137,452,140	100.00%

14.00 Statutory Reserve:

Particulars	31-12-2019	31-12-2018
Balance as at January 01	562,401,000	518,843,000
Addition during the year	29,750,000	43,558,000
Balance as at December 31	592,151,000	562,401,000

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. 29,750,000 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	31-12-2019	31-12-2018
Balance as at January 01	155,478,600	220,932,000
Addition during the year	-	-
Less: Premium use against stock dividend	-	(65,453,400)
Balance as at December 31	155,478,600	155,478,600

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 which is adjusting against share premium.

16.00 Assets Revaluation Reserve:

Particulars	31-12-2019	31-12-2018
Balance as at January 01	338,089,740	362,302,776
Sale of Assets	-	(17,382,473)
Transferred to Retained Earnings (Note- 2.36)	(6,659,798)	(6,830,563)
Balance as at December 31	331,429,942	338,089,740

17.00 Adjusted Retained Earnings Balance

Particulars	31-12-2019	31-12-2018
Balance as at January 01	176,862,202	138,608,308
Dividend for last year	(137,452,140)	(130,906,800)
Short provision of Tax	-	(10,640,614)
Previous year adjustment	(242,106)	(1,260,982)
Transfer from Revaluation reserve (Note- 2.36)	6,659,798	6,830,563
	45,827,754	2,630,475
Net profit after taxation for the year	148,749,095	217,789,726
Appropriation from current years profit:		
Transfer to statutory reserve	(29,750,000)	(43,558,000)
Transfer to General Reserve	-	-
	118,999,095	174,231,726
Balance as at December 31	164,826,849	176,862,202
	Grand total (a + b)	
17 a) Consolidated Retained Earnings	31-12-2019	31-12-2018
Bay Leasing & Investment Ltd.	164,826,849	176,862,202
BLI Capital Ltd.	3,836,169	2,201,018
Last year adjustment Non-controlling interest	-	-
Balance as at December 31	168,663,018	179,063,220

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	31-12-2019	31-12-2018
Opening balance	10,013	10,004
Less: Interim Dividend	-	-
Add: addition during the year	9	9
Closing balance	10,022	10,013
Share Capital	10,000	10,000
Retained Earnings	22	13
	10,022	10,013

19.00 Net asset value per share

Particulars	31-12-2019	31-12-2018
Total asset	14,335,656,315	16,129,984,122
Total liabilities	11,617,497,511	13,462,181,326
	2,718,158,804	2,667,802,796
Number of share outstanding	137,452,140	137,452,140
Net asset value per share	19.78	19.41
19 a) Consolidated Net asset value per share		
Total asset	16,972,070,575	18,426,487,104
Total liabilities	14,250,065,580	15,756,473,277
	2,722,004,995	2,670,013,827
Number of share outstanding	137,452,140	137,452,140
Consolidated Net asset value per share	19.80	19.43

20.00 Interest Income:

Particulars	31-12-2019	31-12-2018
Interest from Lease	198,775,286	216,560,659
Interest from Term Finance	926,113,711	881,497,986
Interest on Fixed Deposits with Banks and Other FI's	87,614,604	84,940,709
Interest on balance with Banks	1,180,452	500,147
Interest on Overdue	77,736,883	28,705,113
Total:	1,291,420,936	1,212,204,614

20 a) Consolidated Interest Income		
Bay Leasing & Investment Ltd.	1,291,420,936	1,212,204,614
BLI Capital Ltd.	225,776,879	153,007,900
	1,517,197,815	1,365,212,514
Less: Inter company balance eliminated	27,646,590	27,010,550
Total:	1,489,551,225	1,338,201,964

21.00 Interest paid on Deposit, Borrowing etc.:

Particulars	31-12-2019	31-12-2018
Interest on Call Loan & STL	95,461,104	65,420,103
Interest on Over Draft	150,249,928	99,251,149
Interest on Term Deposits	682,573,448	612,109,901
Interest on Other Deposits	5,218,252	933,207
Interest on Term Loan	260,196,659	343,627,708
Interest on Lease Rent	109,029	-
Total:	1,193,808,420	1,121,342,068

21 a) Consolidated Interest paid on Deposit, Borrowing etc.

Bay Leasing & Investment Ltd.	1,193,808,420	1,121,342,068
BLI Capital Ltd.	265,367,236	194,184,738
	1,459,175,656	1,315,526,806
Less: Inter company balance eliminated	27,646,590	27,010,550
Total:	1,431,529,066	1,288,516,256

22.00 Investment Income:

Particulars	31-12-2019	31-12-2018
Dividend Income	25,122,172	15,580,653
Gain on Investment on Share	200,014,757	131,145
Total:	225,136,929	15,711,798

22 a) Consolidated Investment Income

Bay Leasing & Investment Ltd.	225,136,929	15,711,798
BLI Capital Ltd.	58,635,287	37,974,237
Total:	283,772,216	53,686,035

23.00 Commission, Exchange and Brokerage Income:

Particulars	31-12-2019	31-12-2018
Income from Commission	1,100,000	1,000,000
Total:	1,100,000	1,000,000

23 a) Consolidated Commission, Exchange and Brokerage Income:

Bay Leasing & Investment Ltd.	1,100,000	1,000,000
BLI Capital Ltd.	27,727,194	22,621,687
Total:	28,827,194	23,621,687

24.00 Other Operating Income:

Particulars	31-12-2019	31-12-2018
Service Fees	1,449,212	3,579,816
Gain on sale of Fixed Assets	-	293,663,352
Early settlement charge	1,854,786	2,302,718
Documentation Fee	428,030	1,180,638
Rental Income	6,084,000	5,928,000
Recovery from Write Off	505,000	5,850,000
Income from Transfer Fee	527,470	-
Miscellaneous Income	40,820	107,203
Total:	10,889,318	312,611,727

24 a) Consolidated Other Operating Income

Bay Leasing & Investment Ltd.	10,889,318	312,611,727
BLI Capital Ltd.	5,974,767	5,739,321
Total:	16,864,085	318,351,048

25.00 Consolidated Salary and allowances

Particulars	31-12-2019	31-12-2018
Bay Leasing & Investment Ltd.	51,894,510	51,739,980
BLI Capital Ltd.	17,893,213	17,398,387
Total:	69,787,723	69,138,367

Salaries and allowances

Salaries and allowances of Bay Leasing & Investment Limited include annual contribution of BDT 1,588,204/- to Provident Fund and BDT 3,452,513/- to Gratuity Fund. consolidated Salaries and allowances include annual contribution of BDT 11,17,200/- to Provident Fund and BDT 39,38,512/- 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	31-12-2019	31-12-2018
Office Rent	225,720	695,520
Rates & Taxes	1,714,626	428,355
Utility	2,511,058	2,686,335
Insurance Premium	99,391	100,677
Total:	4,550,795	3,910,887

26 a) Consolidated Rent, Taxes, Insurance & Electricity

Bay Leasing & Investment Ltd.	4,550,795	3,910,887
BLI Capital Ltd.	6,110,732	5,900,320
Total:	10,661,527	9,811,207

27.00 Postage, stamp, telecommunication, etc.

Particulars	31-12-2019	31-12-2018
Postage & stamp	109,230	57,307
Telecommunication	380,455	297,252
Total:	489,685	354,559

27 a) Consolidated Postage, stamp, telecommunication, etc.

Bay Leasing & Investment Ltd.	489,685	354,559
BLI Capital Ltd.	1,190,269	1,067,383
Total:	1,679,954	1,421,942

28.00 Stationery, Printing, advertisement, etc.

Particulars	31-12-2019	31-12-2018
Stationery & Printing	948,999	982,331
Advertisement	1,564,575	1,557,028
Total:	2,513,574	2,539,359

28 a) Consolidated Stationery, Printing, advertisement, etc.

Bay Leasing & Investment Ltd.	2,513,574	2,539,359
BLI Capital Ltd.	675,611	732,558
Total:	3,189,185	3,271,917

29.00 Directors Fee:

Particulars	31-12-2019	31-12-2018
Directors Fee	837,200	800,400
Total:	837,200	800,400

Each Director is paid TK. 8,000/- per meeting per attendance.

30.00 Consolidated Auditor's Fees

Particulars	31-12-2019	31-12-2018
Bay Leasing & Investment Ltd.	235,750	235,750
BLI Capital Ltd.	63,250	63,250
Total:	299,000	299,000

31.00 Depreciation and repairs of assets

Particulars	31-12-2019	31-12-2018
Depreciation	17,067,096	16,055,125
Fuel & Repair of assets	1,051,238	1,309,188
Total:	18,118,334	17,364,313

31 a) Consolidated Depreciation and repairs of assets

Bay Leasing & Investment Ltd.	18,118,334	17,364,313
BLI Capital Ltd.	13,426,337	13,430,991
Total:	31,544,671	30,795,304

32.00 Other Expenses

Particulars	31-12-2019	31-12-2018
Bank Charges	659,478	885,890
Conveyances & Travelling	157,049	408,950
Credit Rating Fees	267,500	287,500
Office Maintenance	7,027,245	4,818,870
Entertainment Expenses	1,148,056	900,312
Listing & Other Regulatory Fees	1,255,808	2,018,181
AGM & EGM Expenses	720,727	714,408
Subscription & Donation	380,000	793,200
Surveyors fee	62,500	116,825
Newspaper & Periodicals	14,820	12,070
Training Fee	20,000	32,250
Total:	11,713,183	10,988,456

32 a) Consolidated Other Expenses

Bay Leasing & Investment Ltd.	11,713,183	10,988,456
BLI Capital Ltd.	3,892,997	3,144,194
Total:	15,606,180	14,132,650

33.00 Provision against lease, loans and advances:

Particulars	31-12-2019	31-12-2018
On classified loans and other advances (Note-12.03)	70,051,127	50,854,416
On un-classified loans (Note-12.03)	(10,690,127)	5,525,922
Total:	59,361,000	56,380,338

33 a) Consolidated Provision against lease, loans and advances:

Bay Leasing & Investment Ltd.	59,361,000	56,380,338
BLI Capital Ltd.	-	-
Total:	59,361,000	56,380,338

34.00 Provision for Diminution in Value of Investment in Shares:

Particulars	31-12-2019	31-12-2018
Balance 01-01-2018	-	11,741,338
(Adjustment)/Addition during the year	-	-
Total:	-	(11,741,338)

34 a) Consolidated Provision for Diminution in Value of Investment in Shares:

Bay Leasing & Investment Ltd.	-	(11,741,338)
BLI Capital Ltd.	-	(24,150,484)
Total:	-	(35,891,822)

35.00 Provision for Tax:

Particulars	31-12-2019	31-12-2018
Current Year Tax	32,000,000	59,070,439
Deferred Tax	(1,930,885)	3,994,618
Total:	30,069,115	63,065,057

35 a) Consolidated Provision for Tax:

Bay Leasing & Investment Ltd.	30,069,115	63,065,057
BLI Capital Ltd.	4,479,322	6,069,621
Total:	34,548,437	69,134,678

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, 2019 as per International Accounting Standard (IAS) -33.

Particulars	31-12-2019	31-12-2018
Net profit after tax	148,749,095	217,789,726
Number of ordinary shares outstanding	137,452,140	137,452,140
Earnings per share	1.08	1.58

36 a) Consolidated Earnings per share (EPS):

Net profit after tax	150,384,255	219,291,913
Number of ordinary shares outstanding	137,452,140	137,452,140
Earnings per share	1.09	1.60

37.00 Net Operating Cash Flows Per Share (NOCFPS)

Net cash flows from operating activities	102,739,463	1,150,203,338
No. of Shares outstanding	137,452,140	137,452,140
	0.75	8.37

37.01 Reconciliation of Net Profit with Cash Flows from Operating Activities

Total Profit before taxes	177,422,439	280,854,783
Adjustments:		
Depreciation	17,067,096	16,055,125
Gain on sale of Fixed Assets	-	(293,663,352)
Gain on Investment on Share	(200,014,757)	(131,145)
Provision for lease, loans, advances & Investments:	59,361,000	44,639,000
	53,835,778	47,754,411
Increase / decrease in operating assets and liabilities		
Other assets	(61,476,586)	(116,227,051)
Lease, loans and advances to customers	814,022,011	(640,408,238)
Deposits from customers	(1,269,427,798)	1,601,068,190
Payment as Call Loan	(179,804,500,000)	(174,200,000,000)
Receipt as Call Loan	180,374,500,000	174,410,000,000
Other liabilities account of customers	57,139,343	99,771,386
Income Tax paid	(61,353,285)	(51,755,360)
Net cash flows from operating activities	102,739,463	1,150,203,338

38.00 Contingent liabilities

	31-12-2019	31-12-2018
Corporate Guarantee	182,900,000	300,000,000
Total Off-Balance Sheet items including contingent liabilities	182,900,000	300,000,000

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	100,000,000	300,000,000
ICB- BLI Capital Ltd	82,900,000	-
Total	182,900,000	300,000,000

39.00 Related Party Disclosures

39.01 Particulars of Directors of the Company as on December 31, 2019

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	Mr. Zakir Ahmed Khan	Independent Director	0.00%
7	Mr. Sheikh Abdul Hafiz	Independent Director	0.00%
8	Prof. Shahid Uddin Ahmed	Independent Director	0.00%
9	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, 2019

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
6	Mr. Zakir Ahmed Khan	Independent Director	Advisor: Southeast Bank Ltd.
7	Mr. Sheikh Abdul Hafiz	Independent Director	Member Governing Body: a) Bangladesh Medical College b) Bangladesh Dental College c) Uttara Adhunik Medical College d) Past President, ICAB and South Asian Federation of Accountants (SAFA)
8	Prof. Shahid Uddin Ahmed (Ph.D)	Independent Director	Independent Director: Argon Denim Fabrics Ltd.
9	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, 2019 were as follows:

Name of the related party	Relationship	Nature of transaction	Transaction amount /Outstanding receivable/(Payable)	
			2019	2018
BLI Capital Ltd	Subsidiary Company	Receivable	300,101,399	329,621,399
		Loan	240,226,293	262,726,293
		Contingent Liability	82,900,000	-
BLI Securities Ltd	Associate Company	Term Deposit	52,464,051	48,340,825
		Contingent Liability	100,000,000	300,000,000
Lucky Feed Ltd	Associate Company	Term Deposit	-	7,654,310
		Term Finance	82,263,856	73,139,131

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

As on 31 December 2019 no such contract exists.

Bay Leasing & Investment Limited

Schedule of Fixed Assets

as at December 31, 2019

Schedule-1

Particulars	Cost as on 01.01.2019	Revaluation as on 01-01-2019	Addition during the year	Disposals/ Adjustments during the year	Balance as on 31.12.2019			Depreciation							W.D.V. as on 31.12.2019			
					Cost	Revaluation	Total	Rate of Depreciation	Balance as on 01.01.2019		Charged during the Year		Adjustment for Disposals	Balance as on 31.12.2019				
									Cost	Revaluation	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	20,115,262	-	2,429,296	-	22,544,558	-	22,544,558	10%	6,506,791	-	1,361,557	-	-	-	7,868,348	-	7,868,348	14,676,210
Office Equipment	14,410,938	-	3,914,949	-	18,325,887	-	18,325,887	15%	9,219,483	-	1,201,678	-	-	-	10,421,161	-	10,421,161	7,904,726
Office Decoration	24,724,726	-	6,993,473	-	31,718,199	-	31,718,199	20%	14,385,022	-	2,067,941	-	-	-	16,452,963	-	16,452,963	15,265,236
Right of Use Assets	-	-	11,221,940	-	11,221,940	-	11,221,940	20%	-	-	1,395,771	-	-	-	1,395,771	-	1,395,771	9,826,169
Motor Vehicles	18,794,956	-	-	-	18,794,956	-	18,794,956	20%	12,268,823	-	1,305,227	-	-	-	13,574,050	-	13,574,050	5,220,906
Electrical Goods	616,796	-	-	-	616,796	-	616,796	20%	595,312	-	4,297	-	-	-	599,609	-	599,609	17,187
Building	140,437,900	320,669,540	-	-	140,437,900	320,669,540	461,107,440	2.50%	17,604,802	54,277,592	3,070,827	6,659,798	-	-	20,675,629	60,937,391	81,613,020	379,494,420
Construction WIP	80,079,800	-	-	-	80,079,800	-	80,079,800	0%	-	-	-	-	-	-	-	-	-	80,079,800
Land	268,559,751	74,322,179	2,182,585	-	270,742,336	74,322,179	345,064,515	0%	-	-	-	-	-	-	-	-	-	345,064,515
Total	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
2018	581,317,421	412,374,192	30,627,283	61,587,048	567,740,129	394,991,719	962,731,848		51,565,322	47,447,030	9,224,562	6,830,563	209,651	-	60,580,233	54,277,593	114,857,826	847,874,022

Bay Leasing & Investment Limited

Highlights on the overall Activities

as on 31 December 2019

Sl No.	Particulars	Currency	31-12-2019	31-12-2018
1	Paid-up capital	Taka	1,374,521,400	1,374,521,400
2	Total Shareholder's Equity	Taka	2,718,158,804	2,667,802,795
3	Capital Surplus/(deficit)	Taka	1,202,877,148	979,131,368
4	Total Assets	Taka	14,335,656,315	16,129,984,122
5	Total Deposits	Taka	5,992,787,514	7,767,831,442
6	Total Loans and advances	Taka	9,353,454,250	10,167,476,261
7	Total Contingent Liabilities and Commitment	Taka	182,900,000	300,000,000
8	Investment Deposit Ratio		1.56	1.31
9	Percentage of Classified Investment against Total Investments		9.97	9.46
10	Net Profit after Tax	Taka	148,749,095	217,789,726
11	Total Classified Investments	Taka	932,556,529	961,963,122
12	Provision Kept against classified Investments	Taka	252,146,685	182,095,558
13	Provision Surplus/(deficit)	Taka	1,023,833	401,781
14	Cost of Fund		10.41%	10.23%
15	Interest earning Assets	Taka	10,008,752,160	11,774,240,804
16	Non-Interest earning Assets	Taka	4,326,904,155	4,355,743,318
17	Return on equity		5.47%	8.16%
18	Return on Average Assets		1.17%	1.82%
19	Income from Investment	Taka	225,136,929	15,711,798
20	Income Per Share		1.08	1.58
21	Earning Per Share		1.08	1.58
22	Price earning Ratio (P/E Ratio)	Times	12.78	12.97

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 2019

Opinion:

We have audited the financial statements of “**BLI CAPITAL LIMITED.**”, (“the Company”) which comprise the statement of financial position as at 31 December 2019, 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 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the 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.

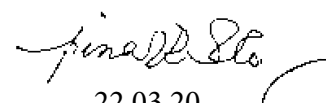
Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, 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: 22 March, 2020



22.03.20

PINAKI & COMPANY

Chartered Accountants


BLI CAPITAL LIMITED
Statement of Financial Position
as at 31 December 2019

		Taka	
		31-12-2019	31-12-2018
PROPERTY AND ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	Note-4	360,740,926	365,769,053
CURRENT ASSETS			
Advance Deposit and Pre-Payments	Note-5	373,311,345	246,708,688
Accounts Receivable	Note-6	16,677,395	32,319,694
Investment In Share	Note-7	1,084,275,328	973,805,740
Margin Loan		3,089,249,908	3,017,992,656
Cash and cash equivalent	Note-8	2,477,050	2,244,843
TOTAL		4,926,731,952	4,638,840,674
EQUITY AND LIABILITIES			
CAPITAL & RESERVE			
Shareholders equity	Note-9	1,750,000,000	1,750,000,000
Retained Earnings	Note-10	3,836,191	2,201,031
NON-CURRENT LIABILITIES			
Loan From Bank & Financial Institution	Note-11	871,759,910	827,160,232
CURRENT LIABILITIES			
Short Term Loan SEBL		1,715,662,509	1,436,523,871
Margin Deposit		188,457,693	235,726,706
Other Payable	Note-12	338,310,221	333,002,727
Provision for Tax	Note-13	40,239,724	35,760,402
Provision against Unrealized loss in Investment in Share		-	-
Provision against Unrealized loss in Margin Loan		18,465,705	18,465,705
TOTAL		4,926,731,952	4,638,840,674


Managing Director


Director


Director


PINAKI & COMPANY
Chartered Accountants

BLI CAPITAL LIMITED
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2019

	TAKA	
	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
Income :		
Issue Management Fees	448,043	560,000
Brokerage Settlement Charges	19,342,085	15,589,711
Gain on Investment in Share	44,793,215	30,348,106
Dividend Income	13,842,072	7,626,131
Interest Income	225,776,879	153,007,900
Documentation Fee	138,500	163,500
Underwriting Commission	133,938	-
Other Income	5,836,267	5,575,821
Portfolio management Fee	7,803,128	6,471,976
	Note-14	
TOTAL	318,114,127	219,343,145
Expenses :		
Salary & Allowance	17,893,213	17,398,387
Office Rent	4,666,518	4,469,130
Registration & Renewal Fee	496,838	364,970
Printing & Stationary	332,811	555,908
Entertainment	552,866	645,221
Internet & Network Charge	192,000	154,500
CDBL Charges	1,406,554	1,114,398
Credit Rating Fees	50,000	38,000
Repair & Maintenance	774,899	661,269
Software maintenance Fee	209,450	230,000
Conveyance	21,986	28,952
Newspaper	17,502	15,340
Electricity Bill	697,663	663,240
WASA Bill	142,738	203,992
Courier	2,175	2,925
Telephone & Mobile bill	289,806	314,988
Advertisement Expenses	342,800	176,650
Car maintenance	227,052	416,573
Fuel & Lubricants	510,455	488,364
Service Charge	603,813	563,958
Training & Conference	25,423	-
Audit Fees	63,250	63,250
Bank Charge	161,365	192,800
Bank Interest	265,367,236	194,184,738
Business Development Expenses	5,037,301	1,109,483
Depreciation	11,913,931	11,864,785
Total Expenses	311,999,645	235,921,821
Net Profit/loss Before Provision	6,114,482	(16,578,676)
Provision for Investment In Share	-	24,150,484
	6,114,482	7,571,808
Provision for Tax	4,479,322	6,069,621
Net profit Transfer to Retained Earnings	1,635,160	1,502,187



Managing Director



Director



Director



PINAKI & COMPANY
Chartered Accountants

BLI CAPITAL LIMITED

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

Statement of Changes in Equity

for the year ended 31 December 2018

Particulars	Share Capital	Retained Earnings	Total
Balance as at January 01, 2018	1,750,000,000	698,844	1,750,698,844
During the year	-	1,502,187	1,502,187
Balance as at December 31, 2018	1,750,000,000	2,201,031	1,752,201,031



Managing Director



Director



Director

BLI CAPITAL LIMITED
Statement of Cash Flows
for the year ended 31 December 2019

	TAKA	
	01-01-2019 to 31-12-2019	01-01-2018 to 31-12-2018
A. Cash Flow from operating activities		
Cash receipt from Customer	253,508,635	254,501,326
Cash Received from Others	64,605,492	66,335,245
Cash paid to Suppliers and Others	(34,557,113)	(64,731,050)
Advance Deposit & Pre-Payment	(121,402,944)	(218,945,895)
Income Tax Paid	(5,199,713)	(1,860,413)
Bank Charge	(161,365)	(192,800)
Accounts Receivable	15,642,299	-
Bank Interest	(265,367,236)	(194,184,738)
Net Cash flow from operating activities	(92,931,945)	(159,078,325)
B. Cash Flow from investment activities		
Acquisition of Asset	(6,885,804)	(10,933,830)
Investment in Share	(110,469,588)	(283,232,414)
Net Cash flow from investment activities	(117,355,392)	(294,166,244)
C. Cash Flow from financing activities		
Mergin Deposit	(47,269,013)	(20,582,350)
Other Payable	5,307,494	-
Mergin Loan	(71,257,252)	(324,683,331)
Short Term Loan SEBL	279,138,638	-
Loan From Bank & Financial Institutes	44,599,678	799,750,125
Net Cash flow from financing activities	210,519,545	454,484,444
D. Net Cash inflow/outflow for the year (A+B+C)	232,208	1,239,875
E. Opening Cash and Bank balance	2,244,843	1,004,968
F. Closing Cash and Bank balance (D+E)	2,477,050	2,244,843

BLI CAPITAL LIMITED

Notes to the Financial Statements

as at 31 December 2019

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 have been prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable laws and regulations.

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 instead 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	Taka	
		31-12-2019	31-12-2018
4.	Property, Plant and Equipment		
	Details of Property, Plant and Equipment and Depreciation as on December 31, 2019 are shown in the annexed Schedule - A.		
	This is arrived at as follows:		
	Written Down Value (a-b)	360,740,926	365,769,053
	Opening Balance - At Cost	399,767,802	388,833,972
	Add: Addition during the year (At Cost)	6,885,804	10,933,830
		406,653,606	399,767,802
	Less : Adjustment during the year	-	-
	Closing Balance (a)	406,653,606	399,767,802
	Accumulated Depreciation		
	Opening Balance	33,998,748	22,133,964
	Add: Charged during the year	11,913,931	11,864,785
		45,912,679	33,998,748
	Less : Adjustment during the year	-	-
	Closing Balance (b)	45,912,679	33,998,748
5.	Advance Deposit and Pre-Payments	373,311,345	246,708,688
	Advance Income Tax	20,711,506	15,511,793
	Advance against Office Rent	1,147,500	3,901,500
	Floor Space Rupayan Housing	275,825,920	226,832,000
	Other Advance	60,000,000	183,600
	Advance BLI Securities Ltd.	7,700,000	-
	House Building Loan	7,400,000	-
	Advance Against Salary	526,419	279,795
5.1	Advance Income Tax	20,711,506	15,511,793
	As per Last Account	15,511,793	13,651,380
	Add: During the Year	5,199,713	1,860,413
5.2	Advance against Office Rent	1,147,500	3,901,500
	As per Last Account	3,901,500	6,273,000
	Add: During the Year	-	-
	Less: Adjustment During the year	(2,754,000)	(2,371,500)
6.	Accounts Receivable	16,677,395	32,319,694
	BLI Securities Ltd.	16,278,625	29,793,196
	National Securities Ltd.	398,770	2,526,498
7.	Investment in shares:	1,084,275,328	973,805,740
	1 Investment in Shares	868,850,328	772,103,590
	2 Investment in Placement Shares	213,750,000	198,000,000
	3 Investment for IPO	1,675,000	3,702,150
8.	Cash and Cash Equivalent	2,477,050	2,244,843
	Cash in Hand	56,580	150,417
	Cash at bank :	2,420,470	2,094,426

No.	Particulars	Taka	
		31-12-2019	31-12-2018
8.1	Cash at bank :	2,420,470	2,094,426
	Southeast Bank Ltd.	2,285,890	1,973,829
	First Security Islami Bank Ltd.	21,820	23,314
	Social Islamic Bank Ltd.	34,377	17,750
	Mercantile Bank Ltd.	78,383	79,533
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	3,836,191	2,201,031
	As per last account	2,201,031	698,844
	Add: Profit During the year	1,635,160	1,502,187
11.	Loan From Bank & Financial Institution	871,759,910	827,160,232
	ICB	92,933,617	82,908,262
	Social Islamic Bank Ltd.	538,600,000	481,525,677
	Bay Leasing & Investment Ltd.	240,226,293	262,726,293
12.	Other Payable	338,310,221	333,002,727
	Bay Leasing & Investment Ltd.	300,101,397	329,621,397
	Interest Payable SIBL	29,464,886	-
	Interest Payable ICB	1,302,192	744,250
	Payable to BLI Securities Ltd.	7,096,134	-
	Payable to NSCL	80,062	-
	Dividend payable	700	700
	Creditor for Expenses	63,250	95,380
	Service Charge	201,600	-
	Advance Received against Office Rent	-	2,541,000
			Note-12.1
12.1	Advance Received against Office Rent	-	2,541,000
	As per Last Account	2,541,000	5,313,000
	Less: Adjustment During the year	(2,541,000)	(2,772,000)
13.	Provision for Tax	40,239,724	35,760,402
	As per Last Account	35,760,402	29,690,781
	Add: During the year	4,479,322	6,069,621
14.	Other Income	5,836,267	5,575,821
	Interest Income From STD A/C	292,267	31,821
	Rental Income	5,544,000	5,544,000

BLI CAPITAL LIMITED
Notes to the Financial Statements
as on December 31, 2019

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	Addition	Bal.as.on	Rate	Bal.as.on	Charged	Bal.as.on	Bal.as.on
		01.01.19		31.12.2019		01.01.19		31.12.2019	31.12.2019
		Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
Computer	Equipment	1,604,090	319,660	1,923,750	15.00	617,522	195,934	813,456	1,110,294
UPS	Equipment	26,200	2,900	29,100	15.00	5,180	3,588	8,768	20,332
Monitor	Equipment	6,300	-	6,300	15.00	1,748	683	2,431	3,869
Fax Machine	Equipment	26,000	-	26,000	15.00	20,665	800	21,466	4,534
Chair	Furniture	73,201	-	73,201	10.00	42,225	3,098	45,323	27,878
Cookeries	Equipment	29,380	10,000	39,380	15.00	6,216	4,975	11,191	28,189
Telephone Set	Equipment	56,500	-	56,500	15.00	24,826	4,751	29,577	26,923
Internet Modem	Equipment	44,755	-	44,755	15.00	29,940	2,222	32,162	12,593
Vacuum Cleaner	Equipment	17,320	-	17,320	15.00	11,988	800	12,788	4,532
Software	Equipment	2,319,903	-	2,319,903	15.00	834,092	222,872	1,056,964	1,262,939
Website	Equipment	64,880	9,180	74,060	15.00	29,313	6,712	36,025	38,035
Micro Oven	Equipment	17,100	-	17,100	15.00	6,934	1,525	8,459	8,641
Refrigerator	Equipment	83,320	-	83,320	15.00	17,593	9,859	27,452	55,868
File Cabinet	Furniture	95,465	-	95,465	10.00	44,633	5,083	49,717	45,748
Fan	Equipment	30,050	-	30,050	10.00	14,703	1,535	16,238	13,812
Printer	Equipment	89,800	56,900	146,700	15.00	36,298	16,560	52,859	93,841
Networking Switch	Equipment	41,100	-	41,100	15.00	17,568	3,530	21,098	20,002
Photocopier	Equipment	145,000	-	145,000	15.00	63,239	12,264	75,503	69,497
Scanner	Equipment	9,200	4,600	13,800	15.00	3,292	1,576	4,868	8,932
Office Decoration	Furniture	13,926,547	6,482,564	20,409,111	10.00	2,526,705	1,788,241	4,314,946	16,094,165
Access Control	Equipment	41,700	-	41,700	15.00	11,444	4,538	15,983	25,717
Water Cooler	Equipment	21,700	-	21,700	15.00	6,439	2,289	8,728	12,972
PABX System	Equipment	91,060	-	91,060	15.00	23,006	10,208	33,214	57,846
Furniture & Fixtures	Furniture	153,520	-	153,520	10.00	41,604	11,192	52,796	100,724
Server Cabinet	Furniture	14,000	-	14,000	10.00	3,794	1,021	4,815	9,185
Krone Rack & Network Con Plate	Equipment	121,610	-	121,610	15.00	28,513	13,965	42,477	79,133
Television	Equipment	394,170	-	394,170	15.00	59,125.50	50,257	109,382	284,788
Tea Maker	Equipment	2,900	-	2,900	15.00	1,119	267	1,386	1,514
Car DM-GA-25-0900	Vehicle	901,000	-	901,000	20.00	531,950	73,810	605,760	295,240
Car DM-GA-27-1411	Vehicle	902,000	-	902,000	20.00	532,541	73,892	606,433	295,567
Car DM-GA-26-6541	Vehicle	2,403,600	-	2,403,600	20.00	865,296	307,661	1,172,957	1,230,643
Car DM-GA-34-6784	Vehicle	2,616,750	-	2,616,750	20.00	523,350.00	418,680	942,030	1,674,720
Floor Space Rupayan Housing	Property	190,597,176	-	190,597,176	2.50	9,410,736	4,529,661	13,940,397	176,656,779
Floor Space Eunos Trade Centre	Property	182,800,505	-	182,800,505	2.50	17,605,149	4,129,884	21,735,033	161,065,472
		399,767,802	6,885,804	406,653,606		33,998,748	11,913,931	45,912,679	360,740,926



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 **24th Annual General Meeting** of the Company to be held on by **October 29, 2020 (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 24th 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 **24th Annual General Meeting** of the Company to be held on by **October 29, 2020 (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

