

ANNUAL REPORT 2019

Growth & Sustainability

FAS Finance & Investment Limited



FAS Finance & Investment Limited



Growth & Sustainability

FAS Finance & Investment Limited has been working together to bring its growth & sustainability for more than a decade to make powerful the industry and national economy. During the last decade, we have observed a remarkable upsurge of concern about the sustainability of economic development over the long run. As a result considerable effort has been invested in the design of an analytical framework that can be used to think about policies that promote sustainable growth. Sustainable growth is the realistically attainable growth that a company could maintain without running into problems. A business that grows too quickly may find it difficult to fund the growth. FFIL built a strong dynamic leadership to face the challenges and ensuring growth & sustainability by the way of profit maximization and moving together to achieve the company's vision.

Passage of FAS Finance & Investment Limited

FAS Finance & Investment Limited (FFIL) is a registered Public Limited Company established in 1997 under the Companies Act, 1994. Primarily, the company received license from Bangladesh Securities & Exchange Commission (BSEC) to act as a Merchant Bank in 1998. Subsequently the FFIL obtained license from Bangladesh Bank in 2001 as a first generation Non-Banking Financial Institution (NBFI) under the Financial Institutions Act, 1993 with the belief of innovation, integration in financial services and creation of best value to the Shareholders. FFIL is sponsored by a group of renowned & dedicated Bangladeshi industrialists and businessmen with the initial paid up capital of Tk. 21.34 million against Authorized Capital of Tk. 500 million. At present the paid up capital stands at Tk. 1490.77 million against Authorized Capital of Tk. 2100 million.

FFIL has been progressively growing over 18 years by providing prompt and high quality services to diverse group of customers within its territory. FFIL is dedicated to broaden the depth and width of its services while maintaining high asset quality. Incessant development and providing financial solutions in Industrial Finance, Transport Finance, Home Loan, SME Finance, Corporate Finance, and other potential sectors are the significant concern of FFIL since its inception. As a part of endeavors to capitalize the competitive advantages through widening the financial services, FFIL also offers factoring loan against receivables, finance to women entrepreneurs, green financing as well as lucrative deposit schemes.

FFIL is a publicly traded Company listed with Dhaka & Chittagong Stock Exchanges, and regulated by Bangladesh Securities and Exchange Commission FFIL maintains the Investor Relations Department to meet up the shareholders' complaints (if any) regarding any inconvenience. In addition to part of Money Market, FFIL is also involved with capital market through its subsidiary as "FAS Capital Management Limited" of the Country. FAS Capital Management Limited, a wholly owned subsidiary Company of FAS Finance & Investment Limited, was incorporated as Private Limited Company in Bangladesh in 2010 under the Companies Act, 1994 and received license from Bangladesh Securities and Exchange Commission in 2012. FAS Capital Management Limited provides issue management, portfolio management, and other allied services with advisory support to the investors as and when required, even any uncalled situation.

Letter of Transmittal

All Shareholders

Bangladesh Bank

Registrar of Joint Stock Companies & Firms

Bangladesh Securities & Exchange Commission

Dhaka Stock Exchange Ltd.

Chittagong Stock Exchange Ltd.

Subject: Annual Report for the year ended 31 December 2019

Dear Sirs,

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Balance Sheet as at December 31, 2019, Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date along with notes thereon for your kind information and record.

Thank you.

Sincerely yours,



Md. Zahid Mahmud

Company Secretary



Notice of the 23rd Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting (AGM) of the shareholders of FAS Finance & Investment Limited will be held on Monday, December 28, 2020 at 11:00 a.m. by Virtually through using Digital Platform to transact the following proceedings:

AGENDA

01. To receive and adopt the Directors' Report, Auditors' Report and Audited Financial Statements of the Company for the year ended December 31, 2019;
02. To declare dividend for the year ended December 31, 2019;
03. To elect/re-elected Directors;
04. To appoint the Auditors for auditing Financial Statements for the year ended on December 31, 2020 and to fix their remuneration;
05. To appoint the Auditors for auditing Corporate Governance for the year ended on December 31, 2020 and to fix their remuneration;
06. Miscellaneous if any, with the permission of the Chair.

By order of the Board

A handwritten signature in black ink, appearing to read 'Md. Zahid Mahmud', with a horizontal line underneath.

Md. Zahid Mahmud

Company Secretary

Dated: December 13, 2020

NOTES

1. December 10, 2020 is the 'Record Date' to determine the Shareholders' entitlement to the dividend and their eligibility to attend and vote at the meeting.
2. The Board of Directors recommended No Dividend subject to the approval of the shareholders.
3. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Order No. SEC/SRMIC/94-231/25 dated July 08, 2020 the imminent 23rd Annual General Meeting of the Company shall be conducted via live webcast by using Digital Platform.
4. Link for joining the Annual General Meeting through Digital Platform and details login process will be notified to the Shareholders e-mail address. Full login/participation process for the Digital Platform Meeting will also be available on the Companies official website: www.fasbd.com.
5. A member eligible to attend and vote at the Annual General Meeting may appoint a proxy to attend, speak and vote or abstain from voting in his/her/its/their stead. The Proxy Form duly completed and stamped must be deposited at the Registered Office of the Company no later than 72 hours before the time set for holding the meeting.
6. Members are requested to notify change of their address, bank account details, contact number, e-mail address and 12 digits E-TIN number (if any), through their respective Depository Participants well in advance.
7. Annual Report, Attendance Slip and Proxy Form along with the notice will be sent to all the Members by Courier Service/Post. The Shareholders may also collect the Proxy Form from the Registered Office of the Company.

Special Note

As per BSEC's notification dated 24 October 2013, no food box/gift/gift coupon etc. will be given at the Annual General Meeting.

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Business Philosophy

FFIL's business philosophy outlines our Vision, Mission and Strategy along with our Guiding Principles and expectations of leaders. It outlines in a simple way who we are, what we stand for and how we get things done. It's easy for employees to understand and incorporate in their day-to-day work.

Our Vision

Become a market leader by providing innovative, integrated financial services and to create best value to our Shareholders.

Our Mission

Develop the company as an ideal and unique financial institution by providing with excellent financial products and customer services to all our customers- corporate, SME and individuals.

Our Objectives

- Be one of the market leaders of the industry.
- Achieve excellence in customer service next to none and superior to all competitors.
- Provide customized financial multi-product financial services to entrepreneurs of different segments of the market.
- Maximize profitability and sustain steady growth.

Our Strategy

Based on our vision, we have chosen to give priority to our overall strategic objectives that creates the foundation for strong growth and focuses on continuous value enhancement.

- Conducting our business with the highest levels of integrity;
- Demonstrating a strong will to win in the marketplace;
- Promoting diversity in the workplace;
- Encouraging under-served and under-penetrated communities with tailor-made products and services;
- Supporting the spirit of teamwork and collaboration;
- Harnessing the power of technology to deliver better customer services





Core Values

For our Customers:

- To provide the most courteous and efficient service in every aspect of its business.
- To be innovative in the development of new products and Services.

For our Employee:

- By promoting their well-being through attractive remuneration and fringe benefits.
- By promoting good staff morale through proper staff training and development and provision of opportunities for career development.

For our Shareholders:

- By forging ahead and consolidating its position as a stable and progressive financial institution.
- By generating profits and fair return on their investment.

For our Community:

- By assuming our role as a socially responsible corporate citizen in a tangible manner.
- By adhering closely to national policies and objectives thereby contributing towards the progress of the nation.
- By upholding ethical values and best practices constantly seeking to improve performance by aligning our goals with stakeholders' expectations.

Code of Conduct and Professional Ethics

Individuals acting in a professional capacity take on an additional ethical responsibility. For example, professional associations have codes of ethics that prescribe required behavior within the context of a professional practice such as medicine, law, accounting or engineering. These written codes provide rules of conduct and standards of behavior based on the principles of Professional Ethics, which include:

Objectivity and Independence:

The principle of our objectivity imposes the obligation to be impartial, intellectually honest and free of conflicts of interest. Independence precludes relationships that may appear to impair a member's objectivity in rendering attestation services. Our members often serve multiple interests in many different capacities and demonstrate their objectivity in varying circumstances. Members in public practice render attest, tax, and management advisory services. Other members prepare financial statements, perform internal auditing services, and serve in financial and management capacities in industry, education and government. They also educate and train those who aspire to enter into the profession. Regardless of service or capacity, our members are maintaining the integrity of their work, following objectivity and avoid any discrimination of their judgment.

Due diligence / Duty of care:

Our members also have a continuing responsibility to cooperate with each other to improve the art of accounting, maintain the public confidence and carry out the profession's special responsibilities for self-governance. The collective efforts of all members are required to maintain and enhance the traditions of the profession.

Integrity:

To maintain and broaden public confidence, members of our Company perform all professional responsibilities with the highest sense of integrity.

The Public Interest:

The members of our company have accepted the obligation to act in a way that will serve the public interest, honor the public trust and demonstrate commitment to professionalism.

Scope and Nature of Services:

Members of our Company in public practice are observing the Principles of the Code of Professional Conduct in determining the scope and nature of services to be provided.



CORPORATE DIRECTORY

Registered Name of the Company	: FAS Finance & Investment Limited
Company Registration Number	: C-32457
Bangladesh Bank License	: FID(L)/27(1)/2001
Legal Form	: Incorporated in 1997 with RJSCB as a Public Limited Company under the Companies Act. 1994 and issuer listed by securities with Dhaka Stock Exchange & Chittagong Stock Exchange.
Corporate Head Office	: Suvastu Imam Square (4th & 5th Floor), 65, Gulshan Avenue, Gulshan-1, Dhaka-1212, Phone : +88 096 0404 6565, FAX : +88 02 9860531
Extended Head Office	: Zahed Plaza (5th Floor), 30, Gulshan Avenue North C/A, Gulshan-2, Dhaka-1212,
Company E-mail	: info@fasbd.com
Company Website	: www.fasbd.com
Chattogram Branch	: Ayub Trade Center (4 th Floor), 1269/B, Sk. Mujib Road, Agrabad Commercial Area Chattogram-4100, E-mail: Chattogram@fasbd.com
Sylhet Branch	: Feroz Centre (4 th Floor), Chouhatta, Sylhet Sadar, Sylhet-3100, E-mail: sylhet@fasbd.com
Narsingdi Branch	: Index Plaza (Mezzanine Floor), Station Road Bowakur, Narsingdi. E-mail: narsingdi@fasbd.com
Managing Director & CEO	: Mr. Pritish Kumar Sarker
Chief Financial Officer (CC)	: Mr. A.K.M. Shamsher Ali
Company Secretary	: Mr. Md. Zahid Mahmud
Accounting Year End	: 31 December
Authorized Capital	: Tk. 2,100,000,000/-
Paid-up Capital	: Tk. 1,490,773,640/-
No. of Employee	: 84
Auditors (For Financial Statements)	: M/S. Malek Siddiqui Wali Chartered Accountants 9-G, Motijheel Com. Area (2nd Floor), Dhaka-1000

Auditors (For CG Guidelines Compliances)	: M/S. MRH Dey & Co. Chartered Accountants 95, Kazi Nazrul Islam Avenue 2nd Floor, Kawran Bazar, Dhaka-1215
Auditors (Provident Fund)	: MABS & J Partners Chartered Accountants SMC Tower (7 th Floor), 33 Banani C/A, Road #17, Dhaka 1213
Auditors (Gratuity Fund)	: MABS & J Partners Chartered Accountants SMC Tower (7 th Floor), 33 Banani C/A, Road #17, Dhaka 1213
TIN	: 142726239751
VAT Registration No.	: 000467229
Trade License No.	: 03-027573
Principal Bankers	: Al-Arafah Islami Bank Ltd. Bank Asia Ltd. BASIC Bank Ltd. Dhaka Bank Ltd. Dutch Bangla Bank Ltd. Mercantile Bank Ltd. Midland Bank Ltd. Mutual Trust Bank Ltd. NCC Bank Ltd. NRB Bank Ltd. NRB Commercial Bank Ltd Prime Bank Ltd. Social Islami Bank Ltd. South Bangla Agriculture & Commerce Bank Ltd. State Bank of India The Premier Bank Ltd. Uttara Bank Ltd. Woori Bank
Stock Brokers	: Khwaja Equity Services Limited Stock & Bond Limited KHB Securities Limited Western Securities Investment Management Ltd.
Memberships	: Bangladesh Leasing & Finance Companies Association (BLFCA) Bangladesh Association of Publicly Listed Companies (BAPLC) The Institute of Bankers, Bangladesh (IBB) India-Bangladesh Chamber of Commerce and Industry (IBCCI)

Products & Services

Across our business, we offer a complete range of financial services to help clients achieve their goals. We provide strategic advice, lend money, raise capital, help manage funds and extend supports, and hold leadership positions in all of our major business areas.

As a full service financial institution, FAS Finance offers tailored product and services to meet appropriate and diverse needs of our customers, which include:

Corporate Finance

- Lease/Sale & Lease Back
 - Term Loan
 - Bridge Finance
 - Loan to procure Commercial Space
 - Loan for Real Estate Developers
- Project Finance
 - Project Financing – Fixed Assets
 - Club Financing for Relatively Larger

Projects

- Preferred Equity Investments
- Short Term Loan (Revolving)
- Specialized Products
 - Refinancing of Existing Liabilities
 - Arranging Special Funds

Structured Finance

- Fund – Raising
 - Syndication
 - Private Placement of Equity
 - Project/Infrastructure Finance
- Advisory Services
 - Merger & Acquisition
 - Joint-Venture Matchmaking
 - Feasibility Study
- Securitization of Assets

SME Finance

- Lease
- Term Loan
- Short Term Loan against Work Order
- Short Term Loan (Revolving)
- Factoring
- Women Entrepreneur Loan
- Green Finance
- Agro Finance

Deposit Schemes

- FFIL Term Deposit Scheme (3-12 Months)
- FFIL Cumulative Profit Scheme (1 year+)
- FFIL Profit Earner Scheme (Monthly/Quarterly/Half Yearly)
- FFIL Earn Ahead Fixed Deposit Scheme
- FFIL Double Money Program
- FFIL Triple Money Program
- FFIL Deposit Pension Scheme (DPS)

Treasury

- Call Money Lending & Borrowing
- Short Term Lending & Borrowing
- Term Deposit

Capital Market Services

Products

- Portfolio Management
- Margin Loan Facility

Services

- Issue Management
- Underwriting
- Corporate Advisory

Others

- Home Loans for individuals

Business Operations of FAS Finance & Investment Limited

FAS Finance & Investment Limited operating business through its several operational wings to provide better services to its clients. The diversified operational wings of FFIL as described under:

Financing and Investment Operation

FAS Finance & Investment Limited always tried to be innovative while making any investment decision with a focus to identify and select emerging sectors for financing and maintaining quality portfolio. As a reflection of its corporate vision, the company always prefers the segmented business proposition which includes corporate, institutional clients and SMEs. SME financing is making a significant contribution to the country's economy but still there is an enormous gap between the sectors need and admittance to funds within reasonable cost. Keeping this in mind, FFIL is offering tailored financial products for the growth of SME sectors. Overall investment was slow due to lack of confidence of entrepreneur throughout the year. On the top of everything, highest priority was given and relentless effort was made to recover loans/lease at utmost level and in which the company performed well.

Diversified portfolio

Major financing activities of the company include term finance, lease finance and SME finance.

Lease Finance

Lease financing is one of the major fund based activities of FFIL. The Company offers full payout financial lease for financing capital machinery, equipment and vehicles. FFIL provides services to customers of different segments which include growing companies, blue-chip companies and SMEs. Though as prudent business model the company has diversified its investment in different business segments in the year 2019.

Term Finance

Term finance continued to be a core product of FFIL. It is both long term and short term in nature. Long-term finance is available for commercial, industrial, SME sectors for a period ranging from 12 to 60 months depending on the business nature and need. To provide liquidity comfort to corporate houses in emergency situation, the short-term finance is made under the different categories i.e. direct finance for working capital, work order finance, finance against term deposits etc. As pointed out by the Central Bank term finance by NBFIs are the alternate source of capital financing for the industrial growth in this Country.

SME Finance

FFIL provides a wide range of SME products to the potential small and medium clients. SME based financial products include lease finance, term finance, working capital finance etc.

House Building Finance

The Company offers House Building loan to corporate customer as well as individuals at different tenure considering the age of the applicant. It is against purchase of flat, construction and renovation of house building.

Fund Arrangement/Syndication

Sometimes financial requirement of customer become so huge that cannot be arranged from internal sources and also due to regulatory restrictions. In such situation required funds are being raised through syndication arrangements with other financial institutions and banks.

Performance in Capital Market

In 2019, the Capital Market of Bangladesh, was more sluggish than 2018. DSE broad index DSEX started at 5,460 point on 1 January, 2019 and closed at 4,453 point on December 30, 2019. DSEX decreased by almost 18.44 percent throughout the year. DSEX's the lowest point was 4,391 and the highest point was 5,950 which indicates that there was fluctuation of almost 1,559 points. The daily average market turnover was BDT Tk. 480.34 crore in 2019. The market price of share of FAS Finance & Investment Limited was quite stable. The highest price was recorded at BDT 15.10 on January 20, 2019 and lowest one was BDT 6.40 on November 24, 2019. FAS Finance & Investment Limited always works hard to cope up and manage the risk prudently as it holds decades of experience in capital market operations. FAS Finance & Investment Limited offers services in the area of merchant banking and portfolio management through its subsidiary namely FAS Capital Management Limited.

Issue Management Service

FCML seeks to broaden and intensify the range of issue management activities in order to provide better and delighted services to its growing customer base. Since embarking in the role, FCML actively endeavoring to create a strong image and reputation in the country's capital market as a reliable merchant banker and issue manager through its expert, qualified and professional management team. FCML's experienced team is able to manage all types of

public and right issue activities complying all the formalities of regulatory bodies. The company is trying to serve both the demand and supply sides of the capital market by focusing on the following Issue Management services. FAS Capital Management Limited (FCML) has successfully the completed following Initial Public Offer (IPO) process of "Yeakin Polymer Limited" (YPL) in 2016.

Underwriting

FCML is successfully performing the underwriting function and playing a vital role of increasing the supply of stock/ shares and debentures in the capital market. Underwriting function allows FCML to undertake and subscribe the un-subscribed portion of shares/ debentures offered under public / right issues. This encourages the prospective issuers to offer shares/ debentures to the public for raising fund from the public or institutes in order implementing and expanding their industrial undertakings. FCML has already worked as Underwriter for more than 70 (Seventy) IPO and Right issues.

Corporate Financial and Advisory Services

FCML provides financial and non-financial corporate advisory services to the clients with its professional advisory team who needs the guidance and decision on strategic issues to unlock values. We are extending various types of advisory services such as capital structuring, minimizing cost of capital, emphasizing growth drivers through identifying key successful factors, capital raising, merger and acquisition, economical and financial appraisal/ modeling, sick company management, alternative fund management, arranging syndication loan etc.

Portfolio Management

FCML Investor's Discretionary Account (FIDA): In which, the investor will manage the portfolio investment account by his/ her sole discretion and decision as well as will be responsible for bearing risks and returns of the same. FCML will provide advisory, research information, custodial, management and record keeping services on behalf of the account holder.

FCML Discretionary Account (FDA): This type will be managed by a group of trained professionals of FCML on behalf of the portfolio account holder and the portfolio under this category will be designed, managed and maintained considering the investors' risks and returns objectives. However, the account holder will bear risks and returns of the portfolio. A sound and proficient management committee comprising of experienced, qualified and skilled professionals backed by full-fledged research unit monitors and manages the fund of the investors.

Monthly Share Investment Scheme: There are 02 (two) types of monthly share investment schemes under FCML Discretionary Account (FDA) category as follows:

Low Risk High Return (LRHR) Secure is a monthly share investment scheme without profit sharing.

Low Risk High Return (LRHR) Confident is a monthly share investment scheme with profit sharing.

Research Services: FCML has a strong and efficient research cell to provide independent and objective investment advice in relation to the primary and secondary capital market. The competent research analysts at FCML perform attentively and carefully to produce in-depth company specific fundamental and technical research in order to provide quality service to the client by disseminating information. FCML research cell also provide Industrial and sectoral analysis detailing information on growth potential of different sectors, macroeconomic, political and market outlook of Bangladesh to its valued institutional investors.

Trustee Services: FCML can act as trustee, paying agent, transfer agent and register for the issuance of Secured and Unsecured Subordinated Bond of any company.

Margin Loan

FAS Capital Management Limited is providing margin loan facilities to its portfolio customer for purchase of shares and securities. The amount of portfolio loan outstanding as on 31st December 2019 was Tk. 159.36 crore. The above amount represents the aggregate investor's portfolio loan extended to different portfolio customers for purchasing shares listed in the stock exchanges against their deposit. Loans are fully secured by way of lien on share purchased under margin loan account. FAS Capital Management Limited always maintained its loan ratio in very just and reasonable way adjusting with the market situation without taking any excessive risk for both the company and its customers.

Investment in Share and Securities

FAS Capital Management Limited maintains its own portfolio for investment in listed companies shares and securities. These are fully diversified with different sector of securities. The investment risk is being minimized through diversification and investing mostly in fundamentally strong securities. In 2019 the company earned Tk. (2.10) crore in the form of capital gain and dividend.

Deposit Mobilization

FAS Finance & Investment Limited mobilizes term deposits from corporate and individuals through its wide range of deposit schemes with different maturity options,

monthly/quarterly/half-yearly/yearly income options, double/triple money options, monthly saving options etc. The deposits base of the Company continued to register a steady growth and stood at BDT 8,949.14 million as on 31 December 2019 compared to BDT 8,376.61 million of the previous year, registering growth of 6.83 percent. The growth was made due to high standard products and services along with competitive interest rate offered to customers.

Call Money Transactions

As a financial Institution FAS Finance & Investment Limited actively participates in money market on a regular basis and has been dealing both borrowing and lending activities with different banks/financial institutions to manage its liquidity position in an effective way. FAS Finance & Investment Limited also maintains very high standard in money market operation and build up a strong reputation for itself.

Recovery & Monitoring

As a financial Institution FAS Finance & Investment Limited has a strong team for recovery and monitoring operation. As we are financial service provider to customers, lending is the most important function like deposit collection. We are ensuring our deposit returns properly and timely as per our commitment and to maintain the commitment we need to have the lending return timely, which we have given to our clients as loans and others. For completion of collection function from our clients timely Recovery and Monitoring Department plays a vital role for timely collection of lending amount from the clients timely.

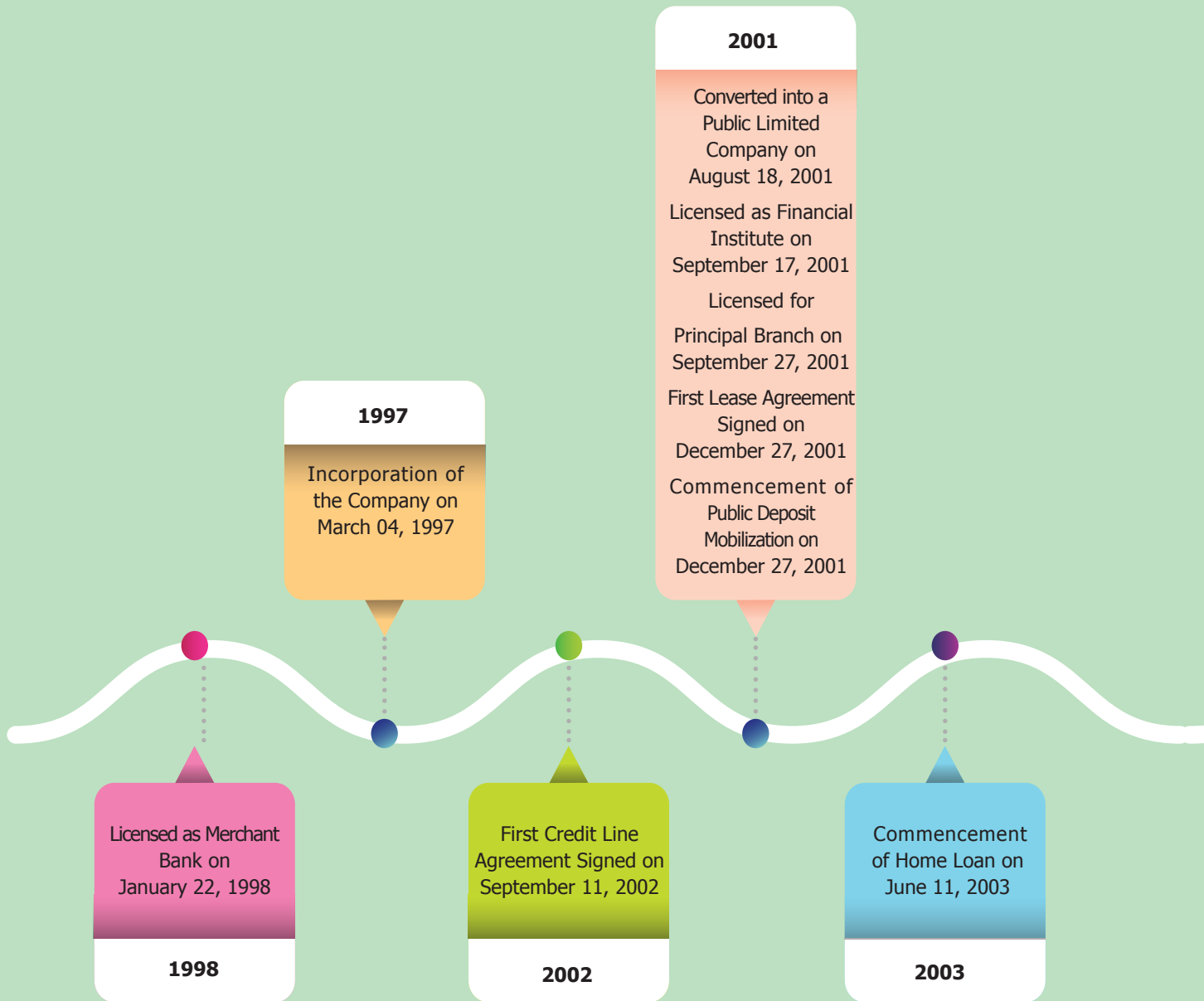
Operational Hub

FAS Finance & Investment Limited provides services through its four offices geographically diversified in the areas namely Dhaka, Chattogram, Sylhet, and Narsingdi.

Historical Record of Dividend Payments

Sl. No	Shareholding position of the Company	No. of Shares	Balance	Paid up capital in Tk.
1	Initial Subscription	1,500,200	1,500,200	150,020,000
2	Right Share	850,000	2,350,200	235,020,000
3	10% Bonus Share for the year 2006	150,020	2,500,220	250,022,000
4	Issuing IPO 2007	1,406,350	3,906,570	390,657,000
5	12% Cash for the year 2008	3,906,570	3,906,570	390,657,000
6	15% Bonus Share for the year 2009	585,985	4,492,555	449,255,500
7	15% Bonus Share for the year 2010 (Split of share @Tk. 100 to Tk.10)	6,738,830	51,664,380	516,643,800
8	5% Bonus Share for the year 2011	2,583,219	54,247,599	542,475,990
9	5% Bonus Share for the year 2012	3,254,855	57,502,454	575,024,550
10	Right Share and 5.20% Cash for the year 2013	54,247,599	111,750,053	1,117,500,530
11	10% Cash for the year 2014	111,750,053	111,750,053	1,117,500,530
12	10% Bonus Share for the year 2015	11,175,005	122,925,058	1,229,250,580
13	5% Bonus Share for the year 2016	6,146,253	129,071,311	1,290,713,110
14	10% Bonus Share for the year 2017	12,907,131	141,978,442	1,419,784,420
15	5% Bonus Share for the year 2018	7,098,922	149,077,364	1,490,773,640

History of Key Milestones



2007

Licensed for Chittagong Branch on February 14, 2007

Credit Rating by CRAB on May 03, 2007

Licensed for Narsingdi Branch on July 18, 2007

Prospectus Date of IPO on July 31, 2007

Publication of Prospectus of IPO on August 02, 2007

Subscription Open of IPO on October 28, 2007

Subscription Close of IPO on November 01, 2007

Allotment of IPO Share on December 05, 2007

2011

ICAB National Award 2010 (Merit) in Financial Sector (Non Banking)

Listing with DSE & CSE on January 09, 2008

First trading of shares in DSE & CSE on January 16, 2008

Licensed for Sylhet Branch July 09, 2008

Head Office relocated at own premises at Gulshan 1 on December 04, 2008

2008

Subscription Opens of 1st Right Share on March 18, 2013

Subscription Close of 1st Right Share on April 04, 2013

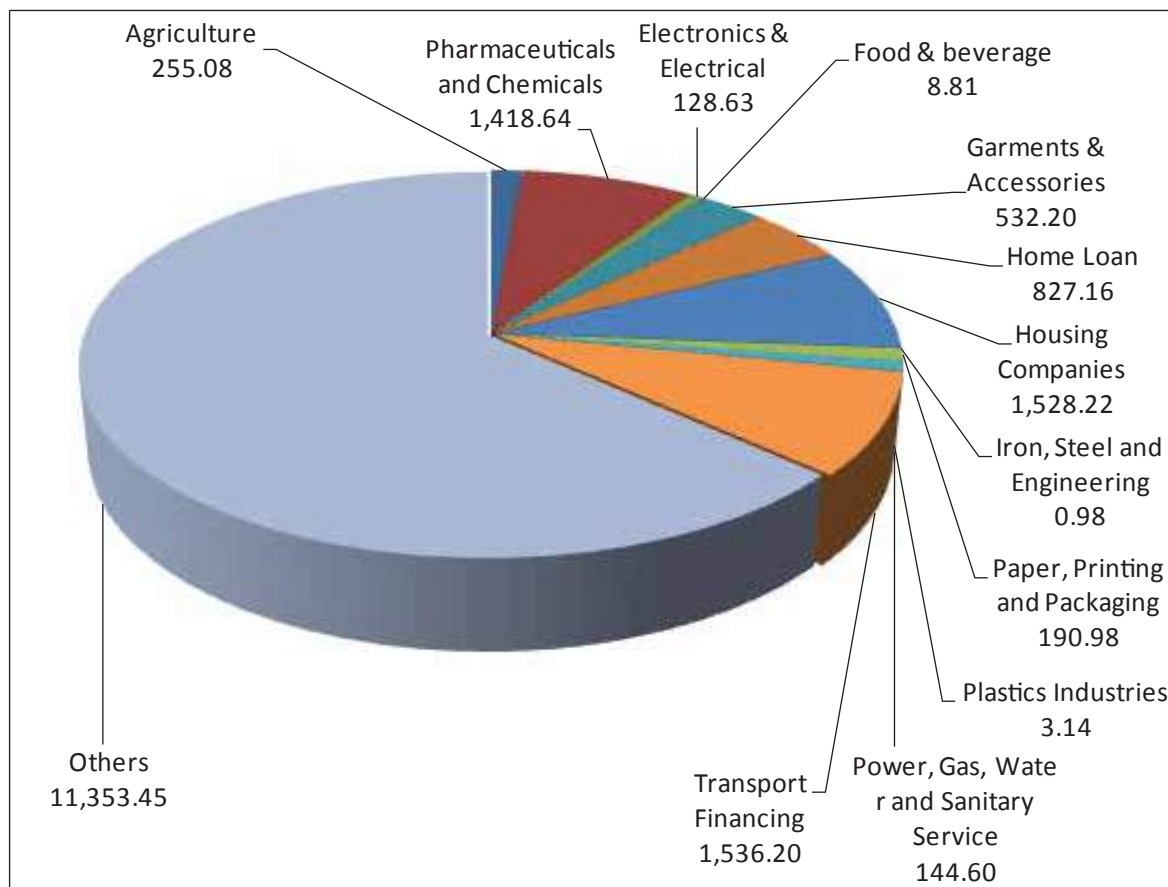
Allotment of 1st Rights Shares on April 24, 2013

2013

Sector Wise Investment

Taka in million

Sl. No	Sector Wise Investment	Investment in 2019	% in 2019
01	Agriculture	255.08	1.42
02	Pharmaceuticals and Chemicals	1,418.64	7.91
03	Electronics & Electrical	128.63	0.72
04	Food & beverage	8.81	0.05
05	Garments & Accessories	532.20	2.97
06	Home Loan	827.16	4.61
07	Housing Companies	1,528.22	8.51
08	Iron, Steel and Engineering	0.98	0.01
09	Paper, Printing and Packaging	190.98	1.07
10	Plastics Industries	3.14	0.02
11	Power, Gas, Water and Sanitary Service	144.60	0.81
12	Transport Financing	1,536.00	8.57
13	Others	11,353.45	63.33
Total		17,928.10	100



Financial Highlights as required by Bangladesh Bank

Sl. No	Particulars		Taka in Million	
			31-Dec-2019	31-Dec-2018
01	Paid up capital	Taka in Million	1,490.77	1,419.78
02	Total capital	Taka in Million	327.78	2,026.05
03	Capital surplus/deficit	Taka in Million	(1,444.79)	183.92
04	Total assets	Taka in Million	20,270.24	18,777.76
05	Total deposits	Taka in Million	8,949.14	8,376.61
06	Total loans, advances and leases	Taka in Million	17,928.10	15,353.57
07	Total contingent liabilities and commitments	Taka in Million	639.06	2,074.20
08	Credit deposit ratio	%	200.33	183.29
09	Percentage of classified loans, advances and leases	%	73.15	15.21
10	Profit after tax and provision	Taka in Million	(1,464.73)	(25.81)
11	Classified loans, advances and leases during the year	Taka in Million	13,114.55	2,335.35
12	Provisions kept against classified loans	Taka in Million	1,274.94	201.40
13	Provision surplus/deficit	Taka in Million	(3,799.54)	-
14	Cost of fund	%	10.66	11.12
15	Interest earning assets	Taka in Million	19,289.27	17,859.14
16	Non-interest earning assets	Taka in Million	980.97	918.62
17	Return on investment (ROI)	%	(20.65)	(0.30)
18	Return on asset (ROA)	%	(7.50)	(0.14)
19	Income from investment	Taka in Million	(31.68)	(53.12)
20	Earnings per share	Taka	(9.83)	(0.17)
21	Net income per share	Taka	(9.83)	(0.17)
22	Price earning ratio (Times)	Times	(0.68)	(77.97)

Five Years Financial Summary

Taka in Million

Operating Year	2019	2018	2017	2016	2015
Total Assets	20,270.24	18,777.76	18,335.11	17,110.15	13,278.22
Total Liability	19,932.47	16,975.26	16,433.84	15,341.96	11,636.12
Financial Liabilities	15,703.49	15,067.67	15,107.04	14,024.95	10,637.03
Investment Portfolio	17,928.10	15,353.57	14,560.47	14,424.50	11,989.42
Term Deposit Balance	8,949.14	8,376.61	8,781.68	8,224.28	7,049.85
Operating Income	(251.21)	257.61	372.89	349.54	433.75
Operating Expenses	130.39	135.91	133.48	113.15	88.29
Financial Expenses	1,974.15	1,823.24	1,494.44	1,412.45	948.78
Profit Before Tax	(1,457.67)	42.82	200.54	207.55	195.58
Net Profit After Tax	(1,464.73)	(25.81)	133.12	126.05	126.67
Debt to Equity (times)	59.01	9.42	8.64	8.68	7.09
Financial Expenses Coverage (Times)	(0.26)	1.02	1.13	1.15	1.21
ROA (%)	(7.50)	(0.14)	0.75	0.83	1.22
ROE (%)	(136.87)	(1.42)	7.26	7.39	7.75
Earnings Per Share (Tk.)	(9.83)	(0.17)	0.94	0.89	0.89
Dividend Per Share (%)	0	5	10	5	10
P/E Ratio (Times)	(0.68)	(77.97)	21.07	14.80	11.07
Dividend Yield (%)	0	0.62	0.46	0.34	0.88
Dividend Payout Ratio (%)	0	(29.41)	9.71	5.10	9.71
No. of Shares	149.08	141.98	129.07	122.93	111.75
Year End Market Price Per Share (Tk.)	6.70	13.50	21.70	14.50	11.40
NAV Per Share (Tk.)	2.27	12.09	13.39	12.45	11.57
Shareholders' Equity	337.77	1,802.50	1,901.27	1,768.15	1,642.10

Graphical Presentation of Financial Indicators

Financial Performance



Integrated Report



- Brief about Integrated Reporting
- Message from the Chairman
- Message from the Managing Director & CEO
- Strategic outlook in 2020

Brief about Integrated Reporting

Integrated Reporting is the management and communication tool for understanding and measuring how an organization creates value over time. The goal of Integrated Reporting is not as much about providing more information, as it is about providing relevant information to diverse stakeholder groups; it is about providing information that is not traditionally covered in statutory financial statements. Essentially, Integrated Reporting should demonstrate linkages among organization's strategy, governance and financial performance in social, economic, environmental and regulatory context within which it operates. Central to the integrated reporting framework is the challenges an organization faces and the opportunities it could seize. The information provided in Integrated Reporting should be historic, futuristic, precise, relevant, consistent and comparable. It supports and provides more cohesive and holistic approach to corporate reporting that draws on different reporting standards and communicates the full range of factors, both internal and external, that materially affects an organization's ability to create value in the short, medium and long term. In a nutshell, Integrated Reporting depicts and narrates the comprehensive value creation journey of the organization. For Integrated Reporting, FFIL has adopted the framework outlined by the International Integrated Reporting Council (IIRC).

As a financial services brand focusing on our home country of Bangladesh, we are increasingly fulfilling a fundamental role in the socio-economic progress and development of the country we serve. We believe that the success of our customers and our clients along with the trust and support of all our stakeholders underpin our commercial sustainability. As an accountable business organization, we consider it to be our responsibility to conduct our business ethically to create value in the long-term interests of the society. In this context, though our report is aimed principally at capital providers, it is also considered to be of interest to a diverse range of other stakeholders. We believe that through this report, both our major groups of shareholders and stakeholders will be able to appraise our Company, our operations and our growth prospects better, thereby helping nurture a better understanding of our Company.

Reporting Strategy

This integrated report corresponds to the 'capitals model' of value creation, adopted by the International Integrated Reporting Council (IIRC) in the International Framework. Based on our understanding of IIRC's guidelines, our report explains our dependence and impact on the forms of capital that are fundamental to our ability to create value over the long term. Overall, we have structured this report using the capitals but have embedded them within each section to enable us to plot the inter-relationships and trade-offs between them in relation to our company and business unit strategies.

Boundaries

Integrated Report-2019 covers the period from 1 January 2019 to 31 December 2019. All data pertains to the Company and its business units. In explaining the Company's operations and financial performance, we have extracted the financial information from the Audited Financial Statements for the financial year ended 2019 with relevant comparative information.

The financial statements consistently comply with the requirements of:

- International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS);
- Companies Act 1994;
- Financial Institutions Act 1993;
- Securities and Exchange Rules 1987;
- Relevant rules and regulations of Bangladesh Bank
- And other applicable laws and regulations.

External Affiliation

Audited Financial Statements	: Malek Siddiqui Wali Chartered Accountants
Corporate Governance Certification	: MRH Dey & Co., Chartered Accountants
Provident Fund Audit	: MABS & J Partners, Chartered Accountants
Gratuity Fund Audit	: MABS & J Partners, Chartered Accountants
Credit Rating	: National Credit Ratings Limited (NCR)

Declaration of Integrity

Acknowledge that-

- Reasonable care has been taken in ensuring the integrity of this Integrated Annual Report
- Preparation and presentation of the integrated report has been done through collaborative and collective efforts of the stewardship
- The stewardship ensured transparency and accountability and played its part in identification and prioritization of material matters
- The report has been prepared in accordance with the Integrated Reporting Council's International Integrated Reporting Framework, and it addresses the material matter relating to the long-term sustainability of the company
- The report fairly presents the integrated performance of FAS Finance & Investment Limited and the impacts thereof



Prithish Kumar Sarker
Managing Director & CEO

Message from the Chairman



Dear Stakeholders,

Assalamu Aliakum

It is indeed a great pleasure and honor for me to welcome you all to the 23rd Annual General Meeting (AGM) of the shareholders of FAS Finance & Investment Limited on behalf of the Board of Directors and myself. I would like to express my heartfelt thanks and regards to all of you for continued support & patronization to attend at this stage despite numbers of challenges over the year.

With a heavy heart I would like to present before you the Audited Financial Statements for the year ended on December 31, 2019 reflecting the performance of the Company in respect of operational results and regulatory compliance. I would also like to focus on our plans & strategies to achieve future business growths overcoming the numbers of present odds & weakness.

You know I am in front of you with performance of the Company after 1 year 11 months, where I had no control and most of the members of the Board were not involved with the Financial Statements for the year 2019.

As you know for around last 2 years, many of the NBFIs have been struggling for low cash flow situation basically because of depositor's perception of uncertainty about realization of their deposited money. At the same time the performance of the large borrowers has been worsened resulting increase of nonperforming assets. The news of the liquidation of an NBFIs also creates panic amongst the depositors too. As such it was very difficult to attract/mobilize new deposits and at the same time huge pressures were noticed for withdrawal/encashment of deposits and in some cases premature encashment too. The Banks and corporate customers who provides our raw materials like loanable funds in the form of loans and deposits have been shrunked. As a result we were experiencing an insufficient cash flow to meet the depositors' excessive demand.

In the above backdrop we have been trying our level best to satisfy our customers as well as to faster a moderate growth.

During the year adequate focus was to increasing the recovery from the loans & advances by all means to meet the depositors' excessive demand and to maintain liquidity by increasing the cash flow. At the same time we are also trying to explore different avenues to increase new good loan/leases portfolio in order to generate more income. Corporate Governance system is essential for the efficient management and sustainable business growth. We are now revising all the risk management policies and trying to maintain the risk at a minimum level. Supervision of the Board of Directors are enhanced to protect from any further damage. We are trying to minimize all the operational expenses in order to improve the cost-income ratio. We have created sufficient awareness amongst the employees for misuse of papers, electronic appliances other commodities, fuels, transportation cost and increase of use of email based communications etc.

We also emphasis on the educated skilled, honest, sincere & dedicated manpower. We also focused on necessary counseling and on the job training for the development of professional skills.

We have a very strong, experienced and diverse Board with a good balance of skills and competence. The Board provides the vision, strategic leadership and sets challenging targets for the management which collectively acts as a strong impetus for the executive team to achieve the growth aspirations.

Despite such economic adversities and uncertainty, the FFIL is exerting best efforts for the betterment. In the meanwhile, we are trying to consolidate and re positioning our business with restructuring in different areas. Some of the highlights of the performance in 2019 are as follows:

The Board and Management exercised proper due diligence and scrutiny prior to approving any investment. Like before, I would like to assure in the strongest possible terms that investment growth has not come at the cost of compromise on the asset quality.

- The asset size of the company at the end of the year has been BDT 20,270.24 million which is 7.94% higher than that of the last year.
- In 2019 consolidated net profit before tax has show a negative results Tk. (1,457.67) million, which is very frustrating. One of the reasons of this lower income is the increase of Non Performing Loan (NPL) particularly the large loans. We have taken the issue seriously and advised the Management to take all out efforts for recovery and reduction of NPL.

We have reconstituted the Board and trying to restructure the Company for future betterment. The Board are going to approve a restructuring proposal to Bangladesh Bank for the survival of FFIL's for the purpose we adopt a 5 years plan and believe FFIL's will turn back to a feasible organization with the help of Bangladesh Bank and other stakeholders.

Our Loans, Lease and Advances witnessed a growth of 16.77% and stood at BDT 17,928.10 million as of 31 December 2019. Deposits increased by 6.83% and stood at BDT 8,949.14 million as of December 2019. this was basically due to new deposit mobilization as well renewal of existing deposits.

Now, we are reaching last past of the year 2020 while we experienced a deadly pandemic COVID 19. Taking this into consideration we are now thinking about our consolidation and exploring possible opportunities to improve our quality of assets & to channelize maximum portion of NPL's into a performing zone so that the company may be turned into a profitable one.

The Board of Directors of FFIL believes in good governance, transparency and sustainable growth which seek to protect the long term interests of our stakeholders. Effective engagement with the Shareholders and FFIL's Management is an important part of my role as Chairman. I am also, of course, available throughout the year to meet our shareholders on an individual basis.

I thank all my colleagues on the esteemed Board of Directors for their faith on my leadership and support and guidance. I also thank the senior management of the FFIL for their relentless efforts to improve the overall position of the Company. My heartfelt thanks to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Central Depository Bangladesh Ltd. for their faith, trust and support to do better.

Finally, I thank my Shareholders of the FFIL for their continued support throughout the difficult periods. Your loyalty to FFIL and your guidance and feedback have always powered me with greater zeal in my endeavour to create a better institution with a more respectable brand in future.

With warm regards,

Yours faithfully,



Md. Zahangir Alam FCS

Chairman

Message from the Managing Director & CEO



Dear Stakeholders,

At the very outset I welcome you all to this 23rd Annual General Meeting of FAS Finance & Investment Limited. Now I take the privilege to present before you a short performance of the Company for the year 2019.

The year 2019 was another challenging period for the Non-banking Financial institutions (NBFI). The Financial Sector passed through a stressful time during the year 2019 due to tight liquidity situation that was started in the year 2018. This year was also very eventful for NBFI's particularly many negative reporting. At the same time because of decision of liquidation of one NBFI the public confidence on NBFI sector has further shaken. 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. In the meantime we are facing tremendous pressure from the depositors for continuous encashment of their deposits and in some cases premature encashment too.

We also cannot ignore the past weakness of the Company particularly for large loans concentration with low grade of diversification. However, we continued our strategic transformational journey towards achieving the long-term vision of the company.

The total sector's Loans & Advances mounted at BDT 544.93 billion as on Sep 2019 compared to BDT 525.19 billion as on Sep 2018 and BDT 541.15 billion in December 2018. In contrast the loans and lease of FFIL grew by 16.77% to BDT 17,928.10 million in December 2019 against BDT 15,353.56 million in December 2018. FFIL's share of the loan and lease represents around 2.89% of the total loans and advance of the industry. Despite the liquidity crunch which existed throughout the year 2019 and FFIL has been able to maintain a sizable deposits at BDT 8,949.14 million as on December 31, 2019.

The total assets of the Company increased by 1,492.48 million, while most of the parameters like ROA, ROE, EPS etc. are exhibiting either negative or a moderate growth as you may see in detail in the respective section of this report. The FFIL incurred huge loss in the year 2019 and accordingly the related parameters registered a negative results.

In 2019, the FFIL's major drawback was the alarming rise of NPL's. As such, all the financial parameters reflect a very adverse picture which is a great concern of the Management. Thus the FFIL Management has taken an extensive plan & undertaken multifarious strategies to combat the challenges. In order to overcome the odds situation and the obstacles we must exercise a hard and action oriented operation to recoup and reverse the overall position to come back the concern as a profitable one. In the above backdrop we have already taken some measures and also made some future short and long term plan for the betterment & progress of the institute as under:

- Exerting our all out efforts for reduction of NPL's including written off loans by cash recovery and regularization as much as possible, after exhausting all avenues we also started filling of suits under NI Act/Artha Rin Act/CR cases for the recovery of bad debts;
- A long term & short term recovery plan has chalked out for overall improvement of asset quality. In the meantime we also engaged some recovery agents for expediting the recovery;
- Formulation of a short term & long term capital structure /raising of capital is under process;
- Exploring different sources for procuring loanable funds in order to increase good quality assets/investment in the portfolio;
- We are in the process of developing flexible savings schemes for recurring depositors with competitive interest rate to improve net interest margin;
- Diversification of business through balanced mix of loan /leases with special attention to SME sector is another important consideration;

- To minimize all the operational expenses with best uses of resources & through curtail costs of papers, stationeries, rents, electronics appliances, telephone bills, fuel etc.;
- To Continue efforts at improving operational efficiency and scalability to reduce loan acquisition and management costs;
- Introduction of customer friendly new products & services;
- Exercising technical prudence;
- Compliance of all regulatory requirements;
- Ensure financial discipline by exercising due diligence;
- Improvement of quality of manpower through proper training and also by hiring experienced and knowledgeable manpower;
- Restructuring & regularization of loans taken from Bank's /NBFI's;
- Finally to restore our reputation & image through combined efforts of all the above.

In 2020, the global panic has been unleashed by the emergence of the COVID-19 coronavirus which has produced a social & economic upheaval of a magnitude that has surprised everyone. Fear is widespread and the paralysis of economic activity in many sectors is a fact. Industrial production, tourism and insurance are being affected. The combined effect of these attributes is definitely badly affect the business and progress of Banking sector of which the NBFI's are also the victims.

Considering the overall situation, we declared the year 2020 as a year of consolidation. We intend to pick up pace in the medium term future by leveraging the opportunities of the country's growing economy. Given the well-tested management excellence, goodwill of the company, relationship with the stakeholders, we are well positioned to bounce back to a positive notion by regaining of reputation & images of the institution.

I express my sincere gratitude to Bangladesh Bank and other regulatory bodies for their advice and guidance. Finally, I express my sincere thanks to our valued customers for maintaining a good relationship with us. I am grateful to our honourable members of the Board of Directors for their valuable advice, guidance and support extended to the management to achieve the company's goal. I am also grateful to all our shareholders and other stake holders, who helped us to revive our confidence. I take this opportunity to extend my whole hearted appreciation to the management and staff for their commitment and hard work to repositioning the company.

With best regards.

Sincerely yours,



Pritish Kumar Sarker
Managing Director & CEO

Strategic outlook in 2020

FAS Finance & Investment Limited will continue its growth momentum in the coming years. However, growth focus will be relatively skewed more towards Retail and SME segment, than corporate. It has enhanced its capacity with required changes to bring about a stable, financially sound structure that exercises due care when providing financial services to customers. As near future, the world is likely to have changed drastically from what we know now, and the planet's economic and financial landscape will be no exception. What would be that next big leap in the financial landscape of Bangladesh, is well deemed and happening NOW in our territory.

On the liability side, the focus in 2020 will be to attract long-term deposits with small ticket size. The goal is to reduce exposure to short term market volatility by increasing our reliance on sticky customer deposits rather than treasury and corporate funding. As such, most of the growth in the asset side is projected to be funded by customer deposit growth. In addition, the inflow of fund from Subordinated Bond and planned right share offering will ensure that our Capital Adequacy Ratio (CAR) remains comfortably above the regulatory requirement as we scale-up our business.

We would be upgrading our interface and functions by using latest technology, systems and tools. This will increase operational efficiency, reduce lead time, and speed up customer

service. It will also enable quicker information dissemination to loan and liability clients, thereby saving cost.

In 2020, more emphasis will be given to running the branches more independently so that we can deliver the finest customer service. Branch will be the main focal point and one stop service delivery center for business acquisitions, retention and development, and for providing customer care and maintaining relationship with all parties.

Cost control will be one of the top strategies for 2020. We would take initiatives to reduce cost to income ratio as minimum as possible.

Continuous monitoring will be done to restrict NPL at a tolerable low level. Initiatives will be taken to increase the efficiency level of Recovery & Monitoring team and Special Asset Management Team to reduce NPL at minimum level.

While we engage in our activities we will be maintaining strict compliance and good governance in norms and regulations to ensure long term sustainability of the company. Putting priority in ecological balance of the environment, we plan to grow together with our stakeholders.

Corporate Governance



- Brief Profile of the Directors
- Constitution of Board
- Code of Practice of the Board of Directors
- Roles and responsibilities of the Committees of the Board of Directors
- Management Committees
- Directors' Report
- Audit Committee Report
- Statement on Ethics and Compliance
- Statement on Internal Control
- CEO and CFO's Declaration
- Disclosures under Pillar-III Market Discipline
- Chairman's Statement on Corporate Governance
- Statement on Corporate Governance
- Certificate on Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of FAS Finance and Investment Limited
- Report on Compliance of BSEC's Notification on Corporate Governance
- Statement of Compliance with Good Governance Guideline Issued by Bangladesh Bank
- Compliance of Meeting & Remuneration
- Shareholder's Information as on December 31, 2019

BRIEF PROFILE OF THE DIRECTORS



Mr. Md. Zahangir Alam FCS Chairman

Mr. Md. Zahangir Alam has been the Independent Director of the Board of FAS Finance & Investment Limited since November 2020 and he is the Chairman of the Company contributes his expertise as a member of the Board of FAS Finance & Investment Limited since December, 2020. Mr. Alam did his M. Com. in Accounting from Dhaka College, he is also a fellow of the Institute of Chartered Secretaries of Bangladesh. He started his career as Chief Accountant and served many reputed companies, he also served as Company Secretary in a Public Limited Company. He started his business career as the Chairman of Simtex Industries Limited and later on entered in the RMG sector as an owner and Managing Director of Design & Source Ltd, Denim Processing Plant Ltd. ZA Apparels Ltd. and ZA Sweaters Ltd., Clewiston Foods and Accommodation Limited (owner Company of Radisson BLU, Cox's Bazar), Waymart Apparls Ltd. He is the Chairman of forest Hill Resort Ltd. and Director of DSL Hongkong Ltd.

Mr. Alam is now among the leading garments manufacturer and exporter in Bangladesh. He owns seven (7) garments manufacturing units with a marketing office in Hong Kong. He is in the verge of setting a state of the Art Washing Plant which is environment friendly. As a businessman he is involved in business activities and holds position in good number of business entities in the arena of garments and garments accessories and finance. Mr. Alam has traveled various countries including Saudi Arabia, U.A.E, UK, Canada, Germany, Spain, Italy, Poland, South Africa, Brazil, Sri

Lanka, Malaysia, Hong Kong, Taiwan, Macau, China, Brunei, Myanmar, India, Pakistan, Nepal, Belgium and many others for business purposes. He enthusiastically takes part and contributes to various social activities as well. Mr. Alam gets a pleasant personality. He is married and blessed with one son and one daughter.

Mr. Md. Abul Shahjahan

Director

Mr. Shahjahan is a member in the Board of Directors since May, 2014 of FAS Finance & Investment Limited as nominated by P&L International Limited. He is also a member of the Audit Committee of the Board. Currently Mr. Shahjahan is working with Simtex Industries Ltd. as Executive Director. Mr. Shahjahan did his Masters in Management from the University of Dhaka and joined United Bank Limited (Now Janata Bank Limited) in the year 1970. Throughout his banking career in addition to Janata Bank Limited, he worked with Mutual Trust Bank Limited, Mercantile Bank Limited, Social Islami Bank Limited and Jamuna Bank Limited.

He retired from banking services in the year 2013 as Additional Managing Director from Jamuna Bank Ltd. after completing about 43 years. In his long career he attended a number of seminars, workshops and training courses home & abroad including one with School of Banking Citi Corp. NY USA. Mr. Shahjahan is happily married and is blessed with two sons and a daughter.



Mr. Md. Atharul Islam

Director

Mr. Md. Atharul Islam has been Nominated as Director in the Board of FFIL from Reptiles Farm Limited. He is also a member of the Audit committee. He has completed his M.Com in Accounting from University of Rajshahi. Thereafter he has completed his Master in Business Administration from Eastern University. He started his career in 1981 at Civil Officers Training Academy, Government of Bangladesh. He also worked in various capacities holding important positions during his services and he retired as Secretary from Ministry of Civil Aviation & Tourism, Government of the People’s Republic of Bangladesh. In his long career he attended a number of seminars, workshops and training both at home and abroad.





Dr. Uddab Mallick

Director

Dr. Mallick is a member of the Board since November, 2014 and also a member of the Executive Committee of the Board. He is the Director nominated by Reptiles Farm Limited. He completed MBBS from Rajshahi Medical College University in 1990 as well as obtained FCPS (Eye) in 2002. He did his post graduate from the International Council of Ophthalmology (ICO London) in 2006.

Presently he is practicing at Kumudini Women’s Medical College & Hospital, Mirzapur, Tangail and also the In- charge of the OPTHALMOLOGY Department since 2008. Dr. Mallick is the faculty member of BCPS (Bangladesh College of Physician and Surgeons). In the journey of his fifteen years career he attended various training courses and participated in seminars and workshops on different aspects. Dr. Mallick has keen interest in music and literature and various cultures of different regions and has visited wide cultural and tourist places of national and international regions.

Mr. Arun Kumer Kundu, FCA

Director

Mr. Kundu is a member of the Board of FAS Finance & Investment Limited since March, 2014 and also a chairman of the Executive Committee from February 20, 2019. He is the Director nominated by Reptiles Farm Limited. Mr. Kundu is a Fellow member of Institute of Chartered Accountants of Bangladesh (ICAB) and now he is working as a Managing Partner of “ARUN & COMPANY, Chartered Accountants”. Mr. Kundu obtained his M. Com as well as B.Com (Hon’s) in Accounting from Dhaka College. Mr. Kundu worked in various roles and vital positions in banking sector of Bangladesh. In his service life he joined as an Audit Assistant & Supervisor at KPMG Rahman Rahman Huq, Chartered Accountants a top rated audit and consultancy firm in the world, then he served at The City Bank Limited. He also served at ICB Islamic Bank Limited and after that he served The Premier Bank Limited. In his long career he attended a number of seminars, workshops and trainings at home as well as abroad, relating to the key areas of banking, especially in internal control & audit environment, effective audit committee, entrepreneur risk management framework, assets-liability management etc.





Ms. Soma Ghosh

Director

Ms. Soma Ghosh has been the Director of the Board of FAS Finance & Investment Limited since November, 2015. She is representing P & L International Ltd. In her educational background she did B.Ed. in Science from Rajshahi T.T College. She obtained Honour's as well as Master's degree in Geography from Rajshahi University. After that she has successfully completed a Diploma course in "Personnel Management", from Bangladesh Institute of Management, Dhaka.

She has also completed a professional course in "Geographical Information System (GIS) from the University of Dhaka. She began her career as a school teacher in the year 2000. She spent a total of Fourteen years teaching with various schools i.e. SAFS London School & Colleague, Uttara Branch, Dhaka, Kids Campus, Uttara, Dhaka, Beautiful mind and Abdul Kadir Molla International School, Narsingdi. Ms. Ghosh has visited many historical, cultural and tourist places of the country and abroad.

Mr. S. M. Shamsul Alam

Independent Director

Mr. S. M. Shamsul Alam has been the Independent Director of the Board of FAS Finance & Investment Limited since January, 2020. He is also the Chairman of the Audit Committee of the Board. In his educational background he did B.Sc, B.Ed, M.Com, DAIBB from different institute. He started his career in teaching profession for near about 5 years, after that he joined in Sonali Bank and thereafter worked in Islami Bank Bangladesh Limited, National Bank Limited, Prime Bank Limited, Bank Asia Limited. He worked as Deputy Managing Director in NCC Bank Limited and The Premier Bank Limited for near about 5 years. Lastly, he joined Premier Leasing and Finance Limited as Managing Director & CEO for 4 years.

In spite of that he was an examiner of different subject of Banking Diploma Examination Part I & II conducted by Institute of Bankers Bangladesh. Apart from that he conducted training and sessions in different training institutes of reputed banks for senior bankers. Presently, he has been engaged in a family owned farm namely Somonnito Krishi Prokolpa as its Managing Director & CEO.

He attended several seminars, workshops & training programs at home & abroad. He traveled so many countries like USA, Japan, China, UAE, India, Malaysia etc.





Mr. S. M. Nurul Alam Chowdhury

Independent Director

Mr. S. M. Nurul Alam Chowdhury has been the Independent Director of the Board of FAS Finance & Investment Limited since November, 2020. In his educational background he did MBA major in Finance from Institute of Business Administration (IBA) of University of Dhaka in 1980. He started his career with Liaquat National Hospital, Pakistan, after that he joined in State Bank of Pakistan and thereafter worked in United Nations High Commissioner for Refugees (UNHCR), Bangladesh Bank, Janata Bank, National Bank Ltd., Dhaka Bank Ltd., Prime Bank Ltd., Mercantile Bank Ltd., The Premier Bank Ltd., Social Islami Bank Ltd. Lastly, he joined as Principal at NRB Global Bank Training Institute.

Mr. Anjan Kumer Roy, FCA

Independent Director

Mr. Anjan Kumer Roy is the Independent Director of the Board since March 2015. He is also a member of the Executive Committee of the Board. Mr. Roy is a Fellow member of Institute of Chartered Accountants of Bangladesh (ICAB) from October 2016. Mr. Roy obtained his MBA (Major in AIS) from Dept. of Accounting & Information Systems (AIS), Faculty of Business Studies from University of Dhaka. He also completed his BBA (Hons.) with distinction of "Dean Honors List" from the same University. He is a Director of Finance Accounting Management Experts (FAME) Ltd. and Nominated Director of FAS Capital Management Ltd. At present he is working as a Partner of "Ahmed Sheikh Roy & Co., Chartered Accountants" from and prior to this he was a partner of Mak & Co. and ARUN & ANJAN, Chartered Accountants of which he was a co-founder. Previously he served Dhaka Bank Limited, S.F. Ahmed & Co., Chartered Accountants and The City Bank Ltd. He also served as guest and part time faculty on accounting, corporate finance, risk management & capital adequacy for banks in different universities & institutes of our country. He attended a number of seminars, workshops and trainings relating to the key areas of banking and risk management in banking sector including risk & capital adequacy for banking sector, Basel-II implementation, Stress Testing for Financial Institution, QIS for Basel-III implementation in Bangladesh, environmental risk management, green banking etc. He is a Life Member of 'Dhaka University Accounting Alumni' from 2006. He enthusiastically takes part and contributes to various social activities as well.





Mr. Fazlul Hoque Khan

Independent Director

Mr. Fazlul Hoque Khan has been the Independent Director of the Board of FAS Finance & Investment Limited since December, 2020. In his educational background he did MBA major in Finance from Institute of Business Administration (IBA) of University of Dhaka in 1978. He started his career with Bangladesh Chemical Industries Corporation (BCIC), after that he joined in Family Planning Social Marketing Project (SMP) and thereafter worked in CIBA-GELGY Bangladesh Ltd., Micro Industries Development Assistance and Service (MIDAS), Noorani Group of Companies, Grameen Trust, Palli Daridro Bimochon Foundation. Lastly, he joined as Consultant/Director Program at Centre for Development Innovation and Practices.

Mr. Pritish Kumar Sarker

Managing Director & CEO

Mr. Pritish Kumar Sarker has joined in FAS Finance & Investment Limited (FFIL) as Managing Director & CEO recently. Before joining FFIL, Mr. Sarker served in Southeast Bank Limited as Deputy Managing Director. After obtaining M.Sc. in Botany from University of Dhaka, he started his career in Janata Bank in 1984 as Probationary Officer. Subsequently he did his MBA (Major in Finance) from Institute of Business Administration (IBA), University of Dhaka. In his 36 years of vast experiences in Banking, Mr. Sarker has gained expertise in Credit Risk Management, Corporate Finance, SME & Retail Finance, and Syndication Finance. He also worked in Dhaka Bank Limited during 1997-98. He is also a Diplomaed Associate of the Institute of Bankers, Bangladesh (DAIBB).

He attended several seminars, workshops & training programs at home & abroad. He visited to USA, China, Thailand, Malaysia, Hongkong and India.



Constitution of Board

The Board

The primary role of the Board is to protect and enhance long-term shareholder value. It sets the overall strategy for FFIL and supervises executive management. It also ensures that good corporate governance policies and practices are implemented within the company. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. The Board of Director of FFIL comprises of members from diverse professional and educational background having knowledge and experience in Finance, Accounting, Economics, Medical, Law, Business Studies, Business Administration amongst others. The short biographies of the board of directors is set out in the Profile of the Board of Directors section of this annual report.

Board structure of FAS Finance & Investment Limited

Chaired by Mr. Md. Zahangir Alam, FCS, the Board of Directors determines Company's objectives and supervises their implementation. The operating procedure of the Board is governed by the internal rules and regulations of the Board of Directors. The internal rules and regulations of Board of Directors also define the composition, duties and operating procedures of the Committees established by the Board, which have their own charter of functioning. The Board is assisted by two committees as under:

- Board Audit Committee
- Executive Committee

Board configuration

The Board of FAS Finance & Investment Limited comprises of eleven members including five Independent Directors. As per BSEC's Notification Corporate Governance Code dated 03 June 2018, a listed company should have at least 5 members but not more than 20 members and should have Independent Director of at least one-fifth of total Directors. As per Articles of Association of the Company the Managing Director is an Ex-officio Director.

Board of Directors of FAS Finance & Investment Limited

The Board of FAS Finance & Investment Limited comprises of total 11 members in the Board where ten members are non-executive Directors including five Independent Directors and five members who are nominated from different companies. Managing Director of the Company is the executive Director who involved in the day to day activities of the Company.

Non-Executive Director

There are ten Non-executive Directors including five Independent Directors in the Board. None of the Directors takes part in the day to day affairs of the Company. They attend only in the Board/Committee meetings to discuss the agenda reserved for the Board/Committees.

Independent Director on the Board

There are five Independent Directors on the Board. In order for a Director to qualify as an Independent Director, the Board affirmatively determines that the Director has no material relationship with FFIL either as a partner, shareholder or officer of an organization that has a relationship with FFIL that would preclude that nominee from being an Independent Director. For the purpose of such determination, the Directors consider that the Independent Director does not hold any share or holds less than one percent shares of the total paid up capital of the Company, who is not connected with the Company's Promoters or Directors or Shareholders who holds one percent or more than one percent shares of the total paid up shares of the Company, on the basis of family relationship; who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associate companies, who is not a member, Director or Officer of any Stock Exchange and who is not a shareholder, director or officer of any stock exchange or an intermediary of the capital market. The Independent Director is appointed for a period of three years which may be extended by one term continuous and after a period of three years or a period eligible for another term or for more three years. A person cannot be appointed as Independent Director who has already been appointed as Independent Director of five listed companies.

Tenure and retirement

As per Companies Act, the office of Non-executive Directors is subject to retirement. At least one-third of the non-executive Directors shall retire by rotation in every Annual General Meeting. The Managing Director is appointed for a minimum period of three years subject to approval of the Central Bank. The office of the Managing Director being an Ex-officio Director is not subject to retirement. The tenure of an Independent Director is three years which may be extended by one term continuous and after a period of three years or a period eligible for another term or for more three years.

Directors' compensation

Except the Managing Director & CEO, none of the Directors holds any position of profit and receives any remuneration

other than the fees for attending the Board/Committee meetings. An amount of Tk. 8,000 is paid to each Director for attending each Board/Committee meeting.

Membership of Board Committee

All the Board Committees are comprised entirely of Non-executive Directors. Membership of Directors in the Board Committees is given in their biographies on pages 31 to 36 of this Annual Report.

Sub-Committee

The Board has two sub-committees namely Board Audit Committee and Executive Committee. The Board Audit Committee comprises of three non-executive Directors. The Executive Committee comprises of three non-executive Directors. All the Board Committees have a written Charter that describes the Committees' purposes, duties and responsibilities. The Committees roles and responsibilities are available on page 41 of this Annual Report.

Board Meeting

The Board holds at least four regularly scheduled meetings in each year. In the year 2019, the Board met twelve times to discuss scheduled businesses.

Responsibilities of the Board of Directors

The board has overall responsibility for the Organization. The responsibilities of the board of Directors include:

- Reviewing and approving overall business strategy, as well as organization structure, developed and recommended by management;
- Ensuring that decisions and investments are consistent with long-term strategic goals;
- Ensuring that FFIL is operated to preserve its financial integrity and in accordance with policies approved by the Board;
- Overseeing, through the Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure, controls & procedures and internal controls;
- Providing oversight in ensuring that FFIL's risk appetite and activities are consistent with the strategic intent, operating environment, effective internal controls, capital sufficiency and regulatory standards;
- Overseeing, through the internal Risk Management Committee, the establishment and operation of an independent risk management system for managing risks on an enterprise wide basis, the adequacy of the risk management function (including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines) and the quality of the risk management processes and systems;
- Reviewing any transaction for the acquisition or disposal of material assets;
- Ensuring that the necessary human resources are in place to meet its objectives, as well as appointing and removing executive officers, as deemed necessary;

- Reviewing management performance and ensuring that management formulates policies and processes to promote fair practices and high standards of business conduct by the staff;
- Establishing corporate values and standards, emphasizing integrity, honesty and proper conduct at all times with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest;
- Providing a balanced and understandable assessment of FFIL's performance, position and prospects, and this extends to interim and other price-sensitive public reports, and reports to regulators;
- Ensuring that obligations to shareholders and others are understood and met; and
- Maintaining records of all meetings of the Board and Board Committees, in particular records of discussion on key deliberations and decisions taken.

Appointment of Directors

In relation to the selection and appointment of new Directors, the existing Board of Directors possesses the following duties and responsibilities:

- Regularly review the size and composition of the Board and the mix of expertise, skills, experience and perspectives that may be desirable to permit the Board to execute its functions;
- Identify any competencies not adequately represented and agree to the process to be assured that a candidate nominated by the shareholders with those competencies is selected;
- The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994, and the Articles of Association of FFIL;
- Any change in the members of the Board requires intimation to the Bangladesh Bank, all scheduled Banks and Financial Institutions (FIs), Bangladesh Securities and Exchange Commission (BSEC) and the stock exchanges.

Board Meeting Frequency and Members' Participation

In compliance with Bangladesh Bank's directive, the meeting of the Board of Directors is normally held at the registered Corporate Head Office of the Company. As per Companies Act 1994 we must have one individual meeting in each quarter. The meetings are held frequently, at least once a month, to help the Board discharge its responsibilities and functions. The meetings are scheduled in advance and the notice of each Board meeting is given in writing to each Director by the Company Secretary.

Communication to Director

Interested parties may communicate with any Director by sending letter to the attention of the Directors in care of the Company Secretary FAS Finance & Investment Limited, Suvastu Imam Square (4th & 5th floor), 65 Gulshan Avenue Gulshan, Dhaka-1212.

Code of Practice of the Board of Directors

The Board of Directors of FAS Finance & Investment Limited has adopted the following code of business conduct and ethics for directors of the Company. In addition to complying with the Company's standards of ethics and conduct each Director shall also be responsible for complying with this Director's code.

If any director or officer believes that a prohibited act under this Directors' Code has occurred, then he or she shall promptly report such belief to the Chairman of the Board or Audit Committee. No code or policy can replace the thoughtful behavior of an ethical director.

Directors also must comply with the applicable requirements and restrictions for directors of the Securities and Exchange Commission/ Bangladesh Bank.

Conflict of Interest:

Directors have to avoid any conflict or appearance of any conflict of interest among the Directors and the Company. "Conflicts of interest" can, but are not limited, to occur when:

- A Director's personal interest is adverse to may appear to be adversely to the interests of the Company as a whole.
- A Director, or a person closely related to a Director (Director's immediate family spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons and daughters-in law, brothers and sisters-in-law, and anyone who share such person's home) receives improper personal benefits as a result of his or her position as a Director of the Company.
- A Director shall also reclude him or herself from any Company Board decision involving another firm or company with which the director is affiliated.

Other examples of conflicts that directors also must avoid include:

- i. Directors may not receive a personal benefit from a person or firm which is seeking to do business or to retain business with the Company, unless such a relationship is fully disclosed by the interested Director and approved by the vote of the Directors disinterested in the transaction;
- ii. Directors may not accept compensation (in any form) for services performed by the Director for the Company from any source other than the Company;
- iii. Directors may not offer, give or receive gifts from persons or entities that deal with the Company in those cases where any such gift is being made in order to influence a Director's action as a member of the Company's Board, or where acceptance of the gifts could create any appearance of a conflict of interest;

- iv. Directors may not use Company assets, labor or information for personal use unless approved by the disinterested directors, or as a part of compensation or expense reimbursement program available to all Directors.

Corporate Opportunities:

Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors also must not:

- i. Take for themselves or their own Companies or other Companies with which they have a fiduciary relationship any opportunity that is discovered through the use of Company property, Company information or position as a Director; unless such opportunities are fully disclosed by the interested Director and approved by the vote of the disinterested Directors;
- ii. Use the Company's property or information or the Director's position in the Company for personal gain; or
- iii. Compete with the Company for business opportunities. However, if the Company's disinterested Directors determine in advance that the Company will not pursue an opportunity that relates to the Company's business, a Director may then do so.

Confidentiality:

Directors also must maintain the confidentiality of information entrusted to them by the Company and any other non-public information relating to the Company and its clients that comes to them, from whatever source, in their capacity as a Director, except when disclosure is authorized or legally mandated.

Compliance with Laws, Rules and Regulations:

Directors also must comply with all regulator's laws, rules /regulations applicable to the Company, including insider trading laws and the Company's policies, including the Company's insider trading policy.

Fair Dealing:

Directors also must deal fairly with the Company's customers, suppliers, depositors, shareholders, competitors and employees.

Encouraging the reporting of any illegal or unethical behavior: Directors should also promote ethical behavior and take steps to ensure the Company:

- i. Maintains an ethics hotline to answer ethical questions when employees may be in doubt about the best course of action in a particular situation;
- ii. Encourages employees to report violation of laws, rules, regulations or the Company's Code of Ethics and Business Conduct to appropriate personnel;

iii. Informs employees that the Company will not allow retaliation for reports made in good faith.

Protection and proper use of Company Assets:

All Directors must protect the Company's assets and ensure their efficient use. All Company assets should be used only for legitimate business purposes.

Enforcement:

The Board (or the disinterested members of the Board) will review and investigate any allegation of a breach of this policy by a Director, with or without the participation of any Director who may be the subject of such report.

Any Director who is subject to such an allegation shall be informed of such allegation and be allowed ample opportunity to review the details of such allegation and respond to such allegation to the Board. If the Board determines that any such act represents a violation under the company's standards of ethics and conduct or this Directors' Code, then appropriate action as determined by a majority of the disinterested Directors will be taken and, if applicable, disclosed.

Waivers:

Any waiver of this Directors' code or the Company's standards of ethics and conduct may be made only by the board of Directors and must be disclosed to the Company's shareholders.

Role and Responsibilities of the Committees of the Board of Directors

Board Audit Committee

The Audit Committee, within the delegated authority and in fulfilling the regulatory requirements has the following terms of reference (TOR):

A. Compliance

Review the effectiveness of the Company's system for monitoring compliance with relevant laws and regulations (including internal rules) and the measures taken by the Management as a result of its investigation of material incidents of non-compliance.

B. Internal Control

- Review the implementation of key accounting policies and financial reporting;
- Evaluate the implementation of the internal control systems and the risk management process.

C. Internal Audit

- Ensure that findings and recommendations communicated by Internal Audit and Management's proposed responses are received, discussed and appropriately acted on.
- Consider the scope of works review and approve the annual audit plan and ensure no unjustified restrictions or limitations are made;
- Review the activities, resources and organizational structure of Internal Audit;
- Review the adequacy of internal audit function & activities;
- Contribute to the selection process for the appointment of the Head of Internal Audit; and
- Review and approve the annual audit report;

D. Relationship with the external auditor

- Review the scope of works and there audit plan;
- Review Management Letters issued by the external Auditors;
- Review the Report on the annual audit of the Company;
- Consider the independence of the external auditor and any potential conflict of interest;
- Review the "Terms of Engagement" of the external auditor;

- Discuss with the external auditor any audit problem encountered in the course of audit work, including any restriction on audit scope or access to information;
- Discuss with the external auditor the appropriateness of the accounting policies applied in the company's financial reports;
- Ensure that significant findings and recommendations communicated by the external auditor and Management's proposed responses are received, discussed and appropriately acted on; and
- Review the performance of the external auditor and make recommendations to the Board of Directors for the appointment, reappointment or termination of appointment of the external auditor.

E. Reporting to the Board

- Report on the conflict of interests;
- Suspected or presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, rules and regulations;
- Any other matters that requires immediate reporting.

F. Others

- Oversee the financial reporting process;
- Monitor choice of accounting policies and principles;
- Review the annual financial statements before submission to the Board for approval;
- Review the quarterly and half yearly financial statements;
- Review the statement of significant related party transactions submitted by the management.

Executive Committee

The Executive Committee, in fulfilling its purpose, will:

- Guide the Management in achieving the organization's vision/mission;
- Review implementation of the business policy;
- Review the proposals relating to write off loan/leases and recommend to the Board for consideration.

Management Committees



Sitting

Mr. Md. Harun Ur Rashid, SVP & Head of Liability Marketing
Mr. Pritish Kumar Sarker, Managing Director & CEO

Standing from the left

Mr. Noor Us Saklain, In-Charge, Credit Administration
Mr. Abdulla Al Kafi, In-Charge, IT
Mr. Md. Munir Hossain, VP & Head of ICC
Mr. Md. Moinul Islam, In-Charge, Recovery & Legal Affairs
Ms. Shejuty Mondal, Head of Treasury



Sitting from the left

Mr. Md. Nurul Haque Gazi, Deputy Managing Director

Standing from the left

Mr. Md. Zahid Mahmud, AVP, CS & Head of HR & Admin(CC)

Mr. Md. Ahasan Rakib, Head of Corporate Finance

Mr. A.K.M Shamsher Ali, Chief Financial Officer (CC)

Mr. Mir Imdadul Haque, Head of CRM

Mr. Md. Nurul Amin, In-Charge, SME

Mr. Tanvir Ahmed Komol, Branch Manager, Principal Branch

Management Committees

Management Committee (MANCOM)

Sl. No.	Name	Designation	Position
01	Mr. Pritish Kumar Sarker	Managing Director & CEO	Chairman
02	Mr. Md. Nurul Haque Gazi	Deputy Managing Director	Member
03	Mr. Md. Harun Ur Rashid	Head of Liability Marketing	Member
04	Mr. Md. Munir Hossain	Head of ICC	Member
05	Mr. Md. Zahid Mahmud	CS & Head of HR & Admin(CC)	Member Secretary
06	Mr. A.K.M Shamsher Ali	Chief Financial Officer (CC)	Member
07	Mr. Md. Ahasan Rakib	Head of Corporate Finance	Member
08	Mr. Mir Imdadul Haque	Head of CRM	Member
09	Mr. Abdulla Al Kafi	In-Charge, IT	Member
10	Mr. Noor Us Saklain	In-Charge, Credit Administration	Member
11	Mr. Md. Moinul Islam	In-Charge, Recovery & Legal Affairs	Member
12	Mr. Md. Nurul Amin	In-Charge, SME	Member
13	Ms. Shejuty Mondal	Head of Treasury	Member

Recruitment Committee

Sl. No.	Name	Designation	Position
01	Mr. Pritish Kumar Sarker	Managing Director & CEO	Chairman
02	Mr. Md. Nurul Haque Gazi	Deputy Managing Director	Member
03	Mr. Md. Zahid Mahmud	CS & Head of HR & Admin (CC)	Member Secretary
04	Mr. A.K.M Shamsher Ali	Chief Financial Officer (CC)	Member

National Integrity Strategy Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Nurul Haque Gazi	Deputy Managing Director	Chairman
02.	Mr. Md. Munir Hossain	Head of ICC	Member Secretary
03.	Mr. Md. Zahid Mahmud	CS & Head of HR & Admin (CC)	Member
04.	Mr. A.K.M Shamsher Ali	Chief Financial Officer (CC)	Member

National Integrity Strategies (NIS) Implementation Cell:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Munir Hossain	Head of ICC	Head of Unit
02.	Mr. Md. Zahid Mahmud	CS & Head of HR & Admin (CC)	Member
03.	Mr. A.K.M Shamsher Ali	Chief Financial Officer (CC)	Member
04.	Mr. Noor Us Saklain	In-Charge, Credit Administration	Member
05.	Mr. Abdulla Al Kafi	In-Charge, IT	Member
06.	Mr. Sanjoy Kumar Dey	Deputy Manager, Finance & Accounts	Member
07.	Mr. Md. Nurul Amin	In-Charge, SME	Member
08.	Ms. Shamrita Akter	Senior Officer, Corporate Finance	Member Secretary

Assets Liability Management (ALM) Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Pritish Kumar Sarker	Managing Director & CEO	Chairman
02.	Mr. Md. Nurul Haque Gazi	Deputy Managing Director	Member
03.	Mr. Md. Harun Ur Rashid	Head of Liability Marketing	Member
04.	Mr. Md. Munir Hossain	Head of ICC	Member
05.	Mr. A.K.M Shamsher Ali	Chief Financial Officer(CC)	Member
06.	Mr. Md. Ahasan Rakib	Head of Corporate Finance	Member
07.	Mr. Mir Imdadul Haque	Head of CRM	Member
08.	Mr. Dipak Saha	Manager, Finance & Accounts	Member
09.	Mr. Tanvir Ahmed Komol	Branch Manager, Principal Branch	Member
10.	Ms. Shejuty Mondal	Head of Treasury	Member Secretary

Purchase Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Nurul Haque Gazi	Deputy Managing Director	Chairman
02.	Mr. Md. Zahid Mahmud	CS & Head of HR & Admin (CC)	Member
03.	Mr. Ahasan Rakib	Head of Corporate Finance	Member
04.	Mr. Dipak Saha	Manager, Finance & Accounts	Member
05.	Mr. Mahmud Ali Mamun	Officer, HR & Admin	Member Secretary

Anti Money Laundering (AML) or CCU Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Nurul Haque Gazi	Deputy Managing Director	CAMLCO
02.	Mr. Md. Munir Hossain	Head of ICC	Member
03.	Mr. A.K.M Shamsher Ali	Chief Financial Officer (CC)	Deputy CAMLCO & Member Secretary
04.	Mr. Mir Imdadul Haque	Head of CRM	Member
05.	Mr. Tanvir Ahmed Komol	Branch Manager, Principal Branch	Member
06.	Mr. Md. Nurul Amin	In-Charge, SME	Member
07.	Ms. Shejuty Mondal	Head of Treasury	Member

Credit Committee

Sl. No.	Name	Designation	Position
01.	Mr. Md. Nurul Haque Gazi	Deputy Managing Director	Chairman
02.	Mr. Md. Moinul Islam	In-Charge, Recovery & Legal Affairs	Member
03.	Mr. Md. Ahasan Rakib	Head of Corporate Finance	Member
04.	Mr. Mir Imdadul Haque	Head of CRM	Member Secretary
05.	Mr. Noor Us Saklain	In-Charge, Credit Administration	Member
06.	Mr. Md. Nurul Amin	In-Charge, SME	Member

Credit Risk Management Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Nurul Haque Gazi	Deputy Managing Director	Chairman
02.	Mr. Md. Munir Hossain	Head of ICC	Member
03.	Mr. A.K.M Shamsher Ali	Chief Financial Officer (CC)	Member
04.	Mr. Mir Imdadul Haque	Head of CRM	Member Secretary

Internal Control & Compliance (ICC) Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Munir Hossain	Head of ICC	Chairman
02.	Mr. Md. Zahid Mahmud	CS & Head of HR & Admin (CC)	Member Secretary
03.	Mr. A.K.M. Shamsher Ali	Chief Financial Officer (CC)	Member
04.	Mr. Noor Us Saklain	In-Charge, Credit Administration	Member

Information & Communication Technology (ICT) Development Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Pritish Kumar Sarker	Managing Director & CEO	Chairman
02.	Mr. Md. Zahid Mahmud	CS & Head of HR & Admin (CC)	Member
03.	Mr. Md. Ahsan Rakib	Head of Corporate Finance	Member
04.	Mr. Abdulla Al Kafi	In-Charge, IT	Member Secretary

Management Information Systems (MIS) Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Pritish Kumar Sarker	Managing Director & CEO	Chairman
02.	Mr. Md. Munir Hossain	Head of ICC	Member
03.	Mr. Md. Zahid Mahmud	CS & Head of HR & Admin (CC)	Member
04.	Mr. A.K.M. Shamsher Ali	Chief Financial Officer (CC)	Member
04.	Mr. Md. Ahasan Rakib	Head of Corporate Finance	Member
05.	Mr. Mir Imdadul Haque	Head of CRM	Member Secretary
06.	Mr. Abdulla Al Kafi	In-Charge, IT	Member

Basel-II Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Pritish Kumar Sarker	Managing Director & CEO	Chairman
02.	Mr. Md. Nurul Haque Gazi	Deputy Managing Director	Member
03.	Mr. A.K.M Shamsher Ali	Chief Financial Officer (CC)	Member
04.	Mr. Dipak Saha	Manager, Finance & Accounts	Member Secretary
05.	Mr. Md. Ahasan Rakib	Head of Corporate Finance	Member
06.	Mr. Mir Imdadul Haque	Head of CRM	Member
07.	Ms. Shejuty Mondal	Head of Treasury	Member

Sustainable Finance Committee (SFC):

Sl. No.	Name	Designation	Position
01.	Mr. Md. Nurul Haque Gazi	Deputy Managing Director	Chairman
02.	Mr. Md. Munir Hossain	Head of ICC	Member
03.	Mr. A.K.M Shamser Ali	Chief Financial Officer(CC)	Member
04.	Mr. Md. Ahasan Rakib	Head of Corporate Finance	Member
05.	Mr. Noor Us Saklain	In-Charge, Credit Administration	Member
06.	Mr. Mir Imdadul Haque	Head of CRM	Member Secretary
07.	Mr. Tanvir Ahmed Komol	Branch Manager, Principal Branch	Member
08.	Mr. Md. Nurul Amin	In-Charge, SME	Member

Sustainable Finance Unit (SFU):

Sl. No.	Name	Designation	Position
01.	Mr. Mir Imdadul Haque	Head of CRM	Head of Unit
02.	Mr. Dipak Saha	Manager, Finance & Accounts	Member
03.	Mr. Sanjoy Kumar Dey	Deputy Manager, Finance & Accounts	Member
03.	Mr. Tanvir Ahmed Komol	Branch Manager, Principal Branch	Focal Point
04.	Mr. Md. Shakiluzzaman	Senior Officer, HR & Admin	Member

Directors' Report

Dear Shareholders,

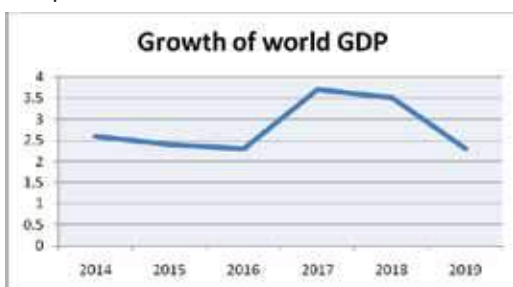
On behalf of the Board of Directors, I am happy to present the 23rd Report of the Board of Directors of the Company along with the Financial Statements (which includes Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement) for the year ended on December 31, 2019. We have the pleasure to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended on December 31, 2019 for your valued consideration, approval and adoption in compliance with the provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Commission Rules 1987, BSEC Notification on Corporate Governance Code dated 3rd June, 2018 and IAS-1: Presentation of Financial Statements as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

Bangladesh is one of the fastest growing economies in the globe. The country has witnessed five years average GDP growth of 7.36% at the end of FY 19. The economy continued to grow rapidly and achieved a record growth of 8.13 percent in FY19, over performing the Government's FY19 growth target of 8.0 percent.

The year 2019 has been a challenging year for the financial industry which saw its ups and downs through-out the period due to tight liquidity situation and increasing trend of classified loans combined with initiatives to reduce interest rates. In our case the situation was not so good because of huge amount of increased classified loans. This creates a huge negative impact on profitability as well as in cash flow. Now, we have been trying to overcome the situation through consolidation and new business development, recovery & realization of those impaired loans.

World Economy 2019

The global economy recorded its lowest growth of the decade in 2019, falling to 2.3% as a result of protracted trade disputes and a slowdown in domestic investment.



The US economy accounts for 20% of the global output and the economy is still much larger than that of China. The services sector of the US is much developed and technologically sophisticated. This fact accounts for about 80% of the total output. Hence the largest corporations and the part played by the firms offering their services in the fields of technology, retail, finance and healthcare play the major role on the global stage.

The Chinese economy has witnessed an astonishing growth over the last few decades. This fact has helped the country capture the much coveted second place in the list of top 10 economies of the world. The nominal GDP of China in 2019 is USD 9.2 trillion.

Based on the nominal GDP forecast, the Japanese economy ranks the third in 2019 valued at USD 5.2 trillion. During the 1960, 70s and 80s, Japan's economy was growing rapidly. Nevertheless, Japan's economy had not been impressive after that period during 1990s. Over the past decade, Japan has been doing its best to grow its economy.

With a nominal GDP of USD 4.2 trillion based on the forecast for 2019, Germany captures the fourth place among the top 10 economies on the globe. After a brief plummeting in 2009, German's economy bounced forward with 4.0% expansion before a decade back. The years that followed saw the country showing consistent results.

India is all set to move towards the fifth position of the topmost economies of the world in 2019-20 with a nominal GDP of USD 2.9 trillion. Indian economy also has become the world's fastest growing economy among the large economies, surpassing that of China recently.

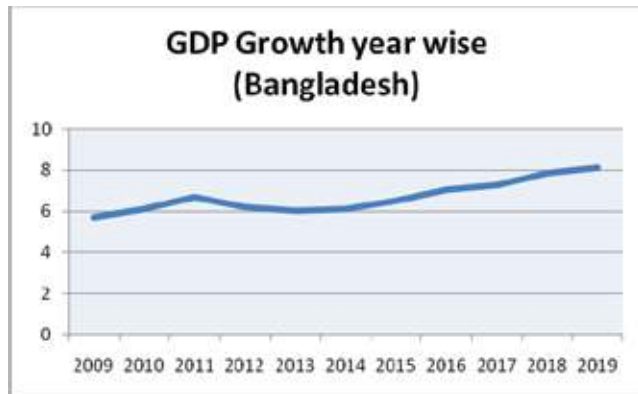
In 2019, France's economy is set to be the seventh topmost one. The country's GDP in 2019 will be represented at USD 2.9 trillion. At present over 70% of nation's GDP stems from the service sector. France is also the global leader in the arenas of automotive, railway and aerospace.

Before the global economic crisis, Brazil was showing a consistent 3.4% GDP growth year on year. It is expected that Brazil will have a nominal GDP of USD 2.0 trillion in 2019.

The nominal GDP of Canada in 2019 will be at USD 1.8 trillion making it the tenth largest economy on the earth. The annual growth rate is expected to be 2.0% in this year. While staying in the tenth position of the largest world economies, Canada is just one place ahead of Russia.

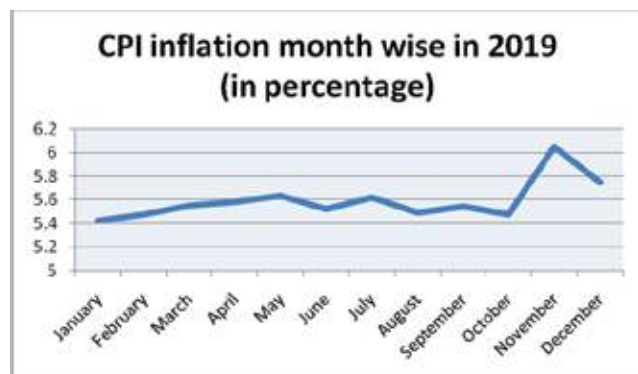
Bangladesh Economy 2019

Bangladesh is one of the fastest growing economies in the globe. The country has witnessed GDP growth figures for FY 19 which showed GDP growth had reached 8.13%, the highest rate ever recorded in history. Industry grew at 17.61%, led by manufacturing which grew at 19.28%. Construction grew at 15.78% in FY 19. Service and Agriculture sectors grew at 12.1% and 9.13% respectively. The Agriculture, Industry and Service sectors account for 13.31%, 31.31% and 55.38% respectively.



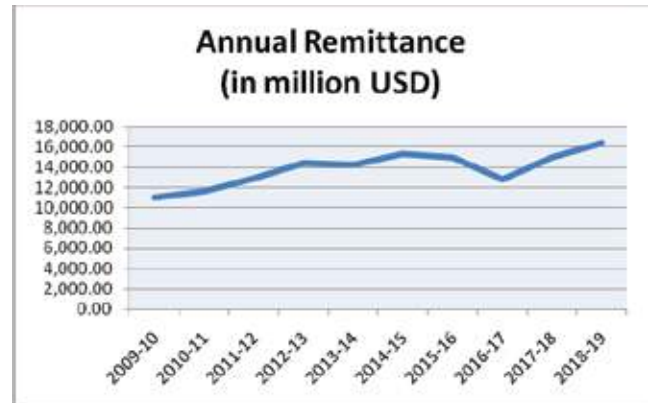
The growth momentum was supported by strong domestic and external demand. A surge in remittance inflows at 17.3 percent, along with strong private sector credit growth boosted consumption demand. At the same time, higher growth in investment-related imports reflected robust investment demand. Export growth also maintained its momentum during this period. Bangladesh Bank projects GDP growth to range from 7.5- 7.7 percent for 2019, assuming a continuation of domestic political calm and no further escalation of global trade-related conflicts.

The average inflation rate was 5.59 per cent in 2019 as against 5.55 per cent for the previous calendar year 2018. The average inflation rate has increased by 0.04 percentage points for the 12 months in the just-concluded year 2019 to 5.59 per cent due to some volatility in commodity markets in the country. The point-to-point inflation rate dropped to 5.75 per cent in December from 6.05 per cent in November 2019, where the figure for December 2018 was 5.35 per cent.

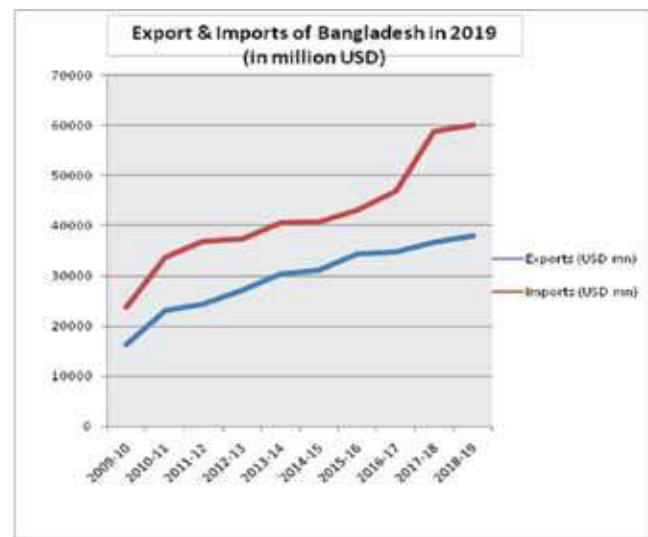


Remittances in Bangladesh grew by nearly 18 per cent to a

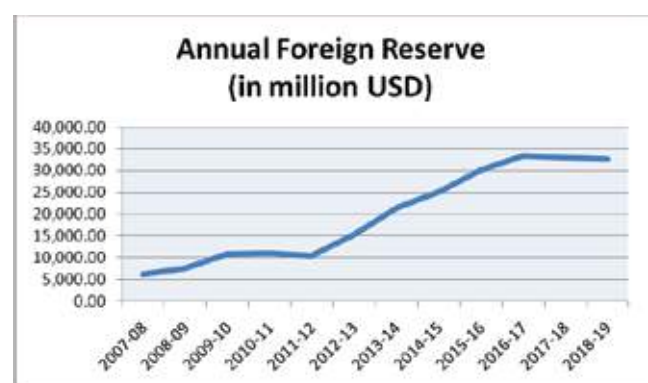
record \$18.42 billion in the just-passed 2019, the figures jumped from \$15.53 billion in 2018. The remittance inflow was estimated at \$1.69 billion in December last, up by nearly \$132 million from that of the previous month in November.



Total exports of goods from Bangladesh rose to 37.94 billion U.S. dollars in 2019. This is the highest level in ten years, nearly double the 2010 figure. Much of these exports are garments and textiles. In 2019, goods worth around 60.14 billion U.S. dollars were imported to Bangladesh.

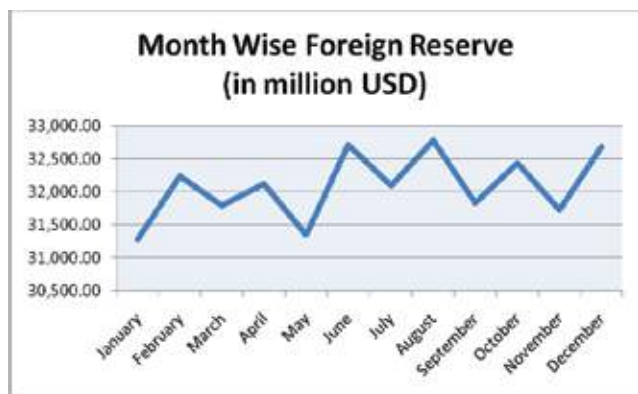


Bangladesh's foreign exchange reserves reached over 32 billion U.S. dollars by the end of December, 2019. foreign exchange reserves stood at 32,688.48 million U.S. dollars in December compared with 31,728.99 million U.S. dollars in November.

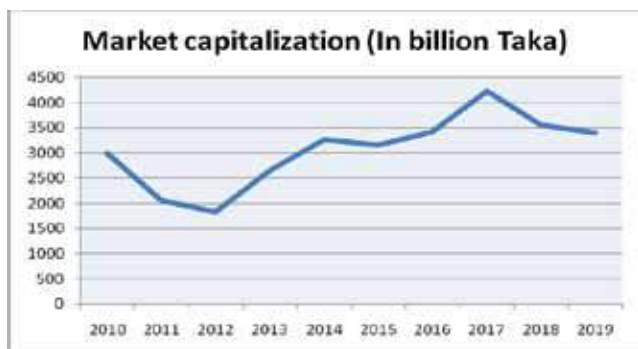


At the beginning of the year the foreign reserves stood at 31279.7 million and at the end of December the amount

stood at 32689.2 million. The average monthly foreign reserves recorded at 32087.0 million.



The DSEX, the benchmark index of the country's premier bourse, concluded the year, shedding 1,012.32 points, 497 points despite a sharp rise in January. The year 2019 was a complete mess for stocks business and a year of disappointment for the stock market, as the market index, turnover and foreign investment all touched the rock bottom. On January 24, DSEX, broad index of DSE touched the highest peak with 5,950 points but as of December 30 the stock market lost 1,497 points and market value lost Tk. 51,732 crore in the year under review.



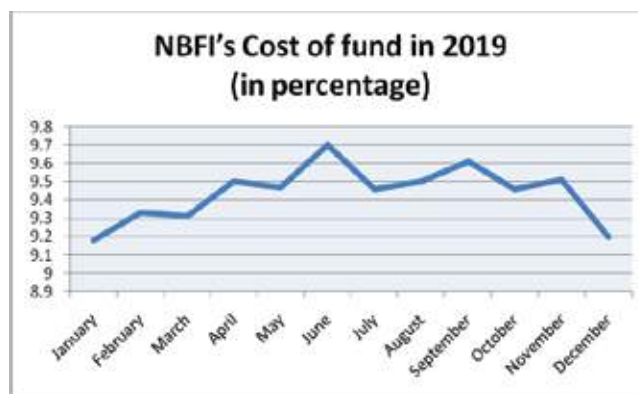
The year started with shining streak amidst post-election buoyancy which caused benchmark index to reach as high as 5,950 points within first 18 trading days of January 2019, a sharp rise of 10.48%. This hike failed to keep the momentum and by the end of December DSEX closed at 4,453 points or 17.3% fall year-on-year. The market cap fell by 12.33%. Daily average turnover of the year dropped to Tk. 480 crore or by 12.7% over last year. The last trading day of the outgoing year, DSEX ended at 4,452.93 points, down by 1,012.32 points from January 1 this year. DSE market capitalization declined to Tk. 3,39,551 crore from Tk. 3,91,283 crore on January 1, 2019.

Non Banking Financial Institutions Performance in 2019

Non-Bank Financial Institutions (NBFIs), have been playing a crucial role by providing additional financial services that is not usually provided by the banks. Despite many challenges like lack of confidence on financial sector, many negative reporting in the media about Banks and NBFIs, huge encashment pressure of deposits, tight liquidity position and

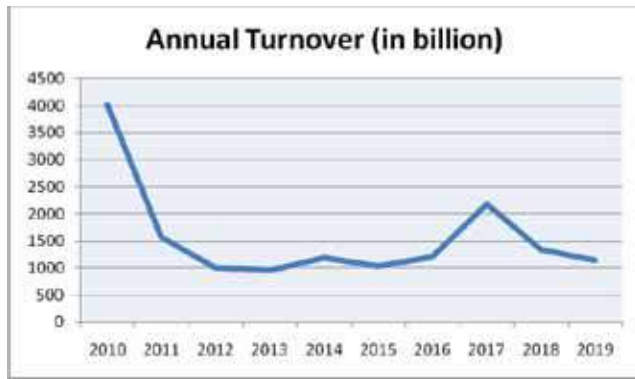
fund crisis as well as slow loan recovery and significant increase the number of NPL. Banks in Bangladesh had a 9.8 percent annual growth in loans in 2019, while it came down to 1.4 percent for non-banking financial institutions (NBFIs). Non-banking financial institutions (NBFIs) have been on the radar screen of various stakeholders, analysts and observers ever since the People's Leasing and Financial Services Ltd (PLFSL) went bankrupt and faced liquidation. The failure of PLFSL triggered a crisis of confidence.

According to Bangladesh Bank (BB), as of end-September 2019, 13.3 percent of NBFIs funds constituted their capital, 52.8 percent were from deposits, 22 percent borrowed from the call money market and the rest were other liabilities. Of their total funds, 74.7 percent were invested in loans and leases while cash liquidity constituted 13.1 percent. The rest were in investments (4.4 percent), other assets (6.3 percent) and fixed assets (1.5 percent). Their aggregate Non-Performing Loan (NPLs) increased to 10.4 percent at end-September 2019. Their return on assets was only 0.48 percent and return on equity 3.9 percent. The private sector credit disbursement by NBFIs dropped to an all-time low (since FY02) of 4.1 percent in FY19. The major reason for the sharp fall in credit growth is the public distrust in the NBFIs as the sector along with the banks had witnessed a series of scams and irregularities in recent years. Distrust in the NBFIs intensified following failure to pay individual depositors.

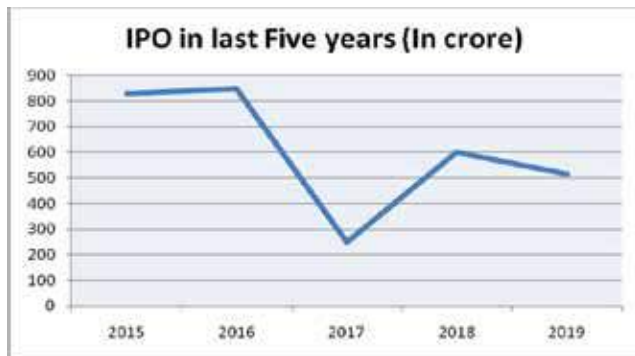


Bangladesh Capital Market in 2019

2019 was a year of disappointment for the stock market, as the market index and turnover, including foreign investment, declined. The key index of the Dhaka Stock Exchange (DSE), ended at 4453 points on the last trading day of 2019, down by 1007 points, or 22.61% from December 30 last year, which was 5460 points. Meanwhile, the total transaction figure stood at Tk. 1,13,840 crore this year, which was 14.64% less than last year.



This year the DSE's average daily turnover was Tk. 480.30 crore. It was Tk. 551.10 crore the previous year. Market capitalization fell by 14.06% to Tk. 47,744 crore. In the year 2019 entrepreneur raised capital of Tk. 1,182 crore through IPO for 9 securities.



Financial performance summary of FAS Finance & Investment Limited

Key operating and financial data of last preceding 5 (five) years is shown under the heading of Operational Highlights and Financial Highlights in the page no. 20 of this Annual Report.

Management's Discussion & Analysis

A more detailed discussion and analysis of the financials, as delivered by the Managing Director & CEO, is appended on page no. 98 to 103.

Financial Review

In line with overall economic growth, FFIL also exhibited a moderate progress in different sectors business lines during 2019. Total asset of the Company incurred by BDT 20.27 billion in 2019 compared with BDT 18.78 billion in 2018. Loans & leases assets also increased. Cost of borrowing has slightly increased in 2019 compared to 2018 due to liquidity crisis in whole of the year. On the deposit side, our total deposits increased by 6.83% from BDT 8,376.61 million in 2018 to BDT 8,949.14 million in 2019. This was happened because of new deposit mobilization as well as renewal of existing deposits by the individual & corporate clients as well as Banks and NBFIs. The maintenance of such deposits could be done through heavy drive by our strong liability sales team. The company's investment portfolio reached BDT 17,928.10 million in 2019 compared to BDT 15,353.56 million in 2018. NPL showed a negative picture as the

percentage of classified loans for the company increased to 73.15% in 2019 compared to 15.21% in 2018. Which is mostly due to classification of some large loans.

Risk Management

At FFIL, we believe that getting risk management right is an essential component of success. The identification, evaluation and management of risk, together with the way we respond to changes in the external operating environment are keys to sustainable growth and underpin the robustness of our business plans and strategic objectives, protecting our license to operate and our reputation and helping create a long-term source of competitive advantage. The details of the Risk Management of the Company is given in the Credit Risk Management in the page no. 91 to 94.

Corporate and Financial Reporting Framework

The Directors of FFIL, in conformance with the BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, confirm compliance with the financial reporting framework for the following:

- The financial statements, prepared by the management of FFIL make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure.
- Proper books and accounts of the Company have been maintained.
- Appropriate accounting policies, including International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been consistently applied in preparation of the financial statements. Any change or deviation has been adequately disclosed.
- Accounting estimates are based on reasonable and prudent judgment.
- Internal control processes have been properly designed and effectively implemented and monitored.
- Minority shareholders have been duly protected as have effective means of redress.
- Comparative analyses of significant deviations have been highlighted and reasons have been explained in the respective sections.

Compliance and conviction

FFIL is careful about compliance of all applicable laws and regulations and does not adhere to any non-compliance of regulatory requirements with exception in CRR maintain, any loan default by the company or its directors or senior management.

CEO and CFO's declaration certificate

The CEO and CFO's declaration to the Board is appended on page no. 59.

Related Party Transactions

Disclosure of all related party transactions, including basis for such transactions, has been provided in Note 45 on page no. 173.

Subsidiary Company

FAS Finance & Investment Limited has one fully owned subsidiary company, namely, FAS Capital Management Limited a full fledged merchant bank. FAS Capital Management Limited was incorporated on 13 October 2010. During the year 2019, FAS Finance & Investment Limited did not receive any dividend from the Subsidiary Company. Separate audited financial statements of the subsidiary company are given on pages 187 to 214 of this Annual Report.

IPO of the Company

FAS Finance & Investment Limited floated its ordinary shares through IPO in the year 2007 and raised BDT 140,635,000 at par. The net proceeds of IPO was used for Company's operational activities i.e. for investment, leasing, lending, refinancing of the Company.

Declaration of Dividend

The Board of Directors in its 226th Meeting held on November 19, 2020, recommended no dividend for the year ended on 31 December 2019 subject to approval of the shareholders at 23rd Annual General Meeting scheduled to be held on December 28, 2020. Details of the dividend not declared during the financial year are disclosed in Note 40 of the Notes to the Financial Statements on page no. 170 of this annual report.

Annual General Meeting

The notice of the 23rd Annual General Meeting is given on page no. 03 of this Annual Report. A summary of the agenda is given below:

01. To receive and adopt the Directors' Report, Auditors' Report and Audited Financial Statements of the Company for the year ended December 31, 2019;
02. To declare dividend for the year ended December 31, 2019;
03. To elect/re-elected Directors;
04. To appoint the Auditors for auditing Financial Statements for the year ended on December 31, 2020 and to fix their remuneration;
05. To appoint the Auditors for auditing Corporate Governance for the year ended on December 31, 2020 and to fix their remuneration;

Directors' Meeting, Attendance & Remuneration

During the year 2019 a total twelve meetings were held. All of the Directors served on the Board attended more than 65.83 percent of the aggregate of the total number of meetings

of the Board of Directors. The Directors including the Independent Directors are not entitled to get any remuneration other than fees for attending in the Board/Committee meetings. An amount of BDT 8,000 is paid to each Director for attending each Board/Committee meeting. The details on remuneration paid to Directors in 2019 is presented on page 87 of this Annual Report.

Directors' Responsibilities of preparation of Financial Statements

As per Companies Act 1994, the Directors are responsible for preparing the Annual Report and Company's financial statements in accordance with applicable laws and regulations. The Board confirms that the Financial Statements have been prepared according to accounting policies and other applicable laws and regulations.

Regulatory Compliance

FAS Finance & Investment Limited is well aware of its regulatory compliance and has always followed applicable regulations rigorously. FAS Finance & Investment Limited has a dedicated compliance team for ensuring regulatory compliance across all the businesses and operations. They are responsible for identification and assessment and compliance related matters from a regulatory compliance perspective and monitoring and reporting. We ensure that these are periodically reviewed in line with the changing scenario and taking into account modifications if any in the regulatory guidelines.

Auditors

The Board in its 227th Meeting held on December 07, 2020 recommended the shareholders to re-appoint M/S. Malek Siddiqui Wali, Chartered Accountants at a remuneration of BDT 200,000/- plus VAT. FFIL has also taken prior approval from Bangladesh Bank to appoint M/S. Malek Siddiqui Wali, Chartered Accountants until completion of conclusion of the 24th AGM. Based on the declaration provided by M/S. Malek Siddiqui Wali, Chartered Accountants as far as the Directors are aware, the Auditors do not have any relationship with or interest with FFIL that in their judgments, may reasonably be thought to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by the Institute of Chartered Accountants of Bangladesh, applicable on the date of this report. Details about auditors of subsidiaries and auditor for other audit services are given in page number 23 of the annual report.

Status of Compliance on Corporate Governance

Corporate Governance status of compliance with the conditions

imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under Section 2CC of the Securities and Exchange Commission Ordinance 1969 and DFIM Circular No. 07, dated September 25, 2007, issued by Bangladesh Bank is enclosed in the subsequent section of the Directors' Report. Statement of Compliance with Good Governance Guideline Issued by Bangladesh Bank is included in Page no. 84 to 86.

Certificate from the practicing professional on the compliance of conditions on corporate governance

The Board in its 226th meeting held on November 19, 2020 recommended the shareholders to appoint M/S. MRH Dey & Co., Chartered Accountants at a remuneration of BDT 25,000/- plus VAT subject to approval from the shareholders in the 23rd AGM to audit the compliances of Corporate Governance Guidelines for the year 2020.

Shareholding Pattern

FFIL's shareholding pattern as on December 31, 2019, is disclosed as per the new CGC of BSEC in this annual report on page no. 88 to 89.

Going Concern

Companies and other entities are experiencing the impact of difficult or uncertain economic conditions in varying degrees. The effects of such economic conditions may be significant in the area of financial reporting, in particular, the Directors' assessment of the Company's ability to continue as a going concern. Going concern is a fundamental principle underlying the preparation of the financial statements of a listed company. Bangladesh Accounting Standards require Directors to consider whether there are material uncertainties that would lead to significant doubt about a company's ability to continue for foreseeable period. BSEC requires the listed companies to make adequate disclosures in the financial report about the going concern of a listed company. The financial statements of the FAS Finance & Investment Limited have been prepared on a going concern basis. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions covering principal activities, strategic directions and challenges and uncertainties together with a review of

the income statement, financial position and risk profile. In addition the Directors have considered the future projections of profitability, cash flows, asset quality, the outcome of various stress tests and capital resources in making their assessment. After assessment, the Directors are satisfied that the Company has adequate resources to continue its operation for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

Directors to Retire and Re-Appointment

As per Article 104 of the Articles of Association of the Company, the following Directors will retire in the 23rd Annual General Meeting and being eligible offered themselves for reappointment:

- Dr. Uddab Mallick
- Ms. Soma Ghosh

The Companies Act, 1994 requires that any Director appointed by the Board since last Annual General Meeting shall retire in the next Annual General Meeting. Accordingly, Mr. S.M. Shamsul Alam and Mr. S.M. Nurul Alam Chowdhury, Independent Directors will retire in the 23rd Annual General Meeting and eligible for re-appointment. Full biographical detail of the Company's Directors at the date of this report are given on pages 31 to 36 of the report.

Contribution to the society during the year

Being a key player in the financial market not only bestows FFIL with the responsibility of its shareholders but also to the national economy. FFIL, with its solid pillars of governance and compliance takes its role in social and economic development very seriously. Corporate Social Responsibility policy of the Company is in under process in line with the Bangladesh Bank's Guidelines on CSR with a view to engage the institution into a broad range of direct and indirect CSR activities. As such, in addition to providing financial solutions that help ensure generate employment and contribute to the nation's growth and development, we directly contribute to the government exchequer in the form of various taxes in correct measures. In 2019, FFIL deposited BDT 33.91 million

to the Government exchequer against own income, which included BDT 21.93 million as corporate income tax and BDT 2.58 million as value added tax. In addition, BDT 29.77 million was collected and deposited to the Government exchequer in the form of withholding tax, VAT and excise duty. As a quality employment generator, our business provided direct employment to 84 members with a recruitment of 29 new employees during the course of 2019. In 2019 and going forward we have focused towards efficiency.

Acknowledgement

The Board of Directors of the Company would like to extend their sincere thanks and gratitude to its stakeholders for assistance and guidance from time to time. The Directors of the Company acknowledge their gratitude to its customers,

financiers, Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other regulatory authorities for their guidance and support to the Company and the co-operation extended by the Auditors, and the devoted efforts put in by the Company's employees at all levels to uphold the Company's performance.

For and on behalf of the Board of Directors.



Md. Zahangir Alam FCS

Chairman

Audit Committee Report

The Composition of the Committee

In accordance with the currently accepted Best Practice and Corporate Governance Guidelines, the Board appointed Audit Committee comprising of the following Directors of the Company:

1. Mr. S. M. Shamsul Alam, Chairman
2. Mr. Md. Abul Shahjahan, Member
3. Mr. Md. Atharul Islam, Member

The Audit Committee of the Company has been formed pursuant to the Bangladesh Bank guideline on Internal Control and Compliance framework vide DFIM circular no 13, dated October 26, 2011 and the Guidelines on Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) dated June 3, 2018.

Terms of Reference

The Terms of Reference of the Audit Committee clearly defines the roles and responsibility of the Audit Committee. The Terms of Reference is periodically reviewed and revised with the concurrence of the Board of Directors. The Audit is responsible to and reports to the Board of Directors. The Role and functions of the Committee are further regulated by the rules governing the Audit Committee as specified by the "Corporate Governance Code" issued by the Bangladesh Securities and Exchange Commission (BSEC) and Guidelines on Corporate Governance & Responsibilities of Audit Committee issued by Bangladesh Bank.

Role of Audit Committee

The Audit Committee on behalf of the Board of Directors attempts to ensure effective implementation of the processes set out in the business plan and policies. Major role of the Audit Committee is to monitor and review the effectiveness of internal control system. The Audit Committee is also responsible to ensure the integrity of the Financial Statements so that it provides a true and fair view of the state of affairs of the Company. In addition, the Audit Committee reviews and, when appropriate, makes recommendations to the Board on business risks, internal control and compliance. The Committee satisfies itself, by means of suitable steps and appropriate information that proper and satisfactory internal controls systems are in place to identify the risks so that Company's business is conducted in a sound manner.

Activities

The Committee carried out the following activities during the year 2019:

1. Financial Reporting

The Committee supports the Board of Directors to discharge their responsibility for the preparation of Financial Statements that reflect a true and fair view of the financial performance and financial position based of the Company's accounting records and in terms of the Bangladesh Accounting Standards, by:

- Reviewing the systems and procedures to ensure that all transactions are completely and accurately recorded in the books of account.
- Reviewing the effectiveness of the financial reporting system in place to ensure reliability of the information provided to the stakeholders.
- Reviewing the Accounting Policies and to determine the most appropriate accounting policies after consideration of all choices available.
- Strict adherence and compliance with the Bangladesh Accounting Standards and recommended best accounting practices.
- Reviewing the Annual Report and Accounts and the Interim Financial Statements prepared for publication, prior to submission to the Board.

Having assessed the internal financial controls, the Committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position is well monitored.

2. Regulatory Compliance

The Company's procedures in place to ensure Compliance with Mandatory Bangladesh Bank's instructions and statutory requirements were under close scrutiny. The Committee monitors the due compliance with all requirements through the quarterly statements submitted by the Internal Audit Department. The Committee monitors the due compliance with all requirements through the quarterly statements submitted by the Internal Audit Department. The Committee monitors due compliance with all relevant Laws, Regulations and timely settlements of Statutory dues.

3. Internal Audit Function

The Audit Committee approves the terms of reference of internal audit and reviews the effectiveness of the internal audit function. In line with leading practice, it to provide independent and reasonable, but not absolute, assurance that the FFIL system of risk management, control, and governance processes, as designed and implemented by

senior management, are adequate and effective. Internal Audit reports on the adequacy of the system of internal controls to the Audit Committee and management, but does not form any part of the system of internal controls. Internal Audit has implemented risk-based audit processes. Audit work is prioritized and scoped according to an assessment of risk exposures, including not only financial risks, but operational, compliance and strategic risks as well. The work undertaken by Internal Audit includes the audit of the Company's system of internal controls over its key operations, review of security and access controls for the Company's computer systems, review of control processes within and around new products and system enhancements, and review of controls over the monitoring of market, liquidity, and credit risks. Internal Audit also participates in major new system developments and special projects, to help evaluate risk exposures and to help ensure that proposed compensating internal controls are adequately evaluated on a timely basis. It also ascertains that the internal controls are adequate to ensure prompt and accurate recording of transactions and proper safeguarding of assets, and that the Company complies with laws and regulations, adheres to established policies and takes appropriate steps to address control deficiencies. The Audit Committee is responsible for the adequacy of the internal audit function, its resources and its standing, and ensures that processes are in place for recommendations raised in internal audit reports to be dealt with in a timely manner and outstanding exceptions or recommendations are closely monitored. Internal Audit reports functionally to the Audit Committee and administratively to the Managing Director, and has unfettered access to the Audit Committee, Board and senior management, as well as the right to seek information and explanations. The Audit Committee approves the appointment and removal of the Head of Internal Audit.

4. External Audit

The Committee met with the Auditors prior to commencement and at the conclusion of the Annual Audit to discuss the audit scope, approach and methodology to be adopted and the findings of the audit. The Committee subsequently reviewed the external auditor's findings in order to be satisfied that appropriate action is being taken. Non-Executive Directors had separate meetings with Auditors to ensure they had no cause to compromise on their independence. Auditors' Management Letter together with the Management's response thereto and the Audited Financial Statements were reviewed with the Auditors. The Committee reviewed the non-audit services provided by the Auditors to ensure that such services do not fall within the restricted services and provision of such services does not impair the External Auditors independence and objectivity.

5. Internal Controls

The Board believes, with the concurrence of the Audit Committee, that the system of internal controls, including financial, operational and compliance controls and risk management systems, maintained by the Company's management and that was in place throughout the financial year and up to and as of the date of this report, is adequate to meet the needs of the company in its current business environment. The system of internal controls provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

6. Corporate Governance Report

As required by the provisions of Corporate Governance Guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC) through notification Number: SEC/CMRRCD/2006-158/207/Admin/80, dated; 03 June 2018 Corporate Governance for Licensed Financial Institutions in Bangladesh, Annual Corporate Governance Report for 2019 is provided on page 71 The external auditors have performed procedures set out by the Bangladesh Securities and Exchange Commission (BSEC), to meet the compliance requirement of the Corporate Governance directive.

7. Ethics and Good Governance

Highest standards in Corporate Good Governance and strict adherence to the requirements of FFIL's Code of Ethics are ensured through close monitoring. Through the Code of Ethics all levels of staff have been educated and encouraged to resort to whistle blowing, when they suspect wrong doings or other improprieties. The Committee also ensures that appropriate procedures are in place to conduct independent investigations into all such incidents.

Based on the above review and discussions, the Audit Committee is of the view that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the Company.

Sd/-

S. M. Shamsul Alam

Chairman

Audit Committee of the Board of Directors

Statement on Ethics and Compliance

Acknowledgement

FAS Finance & Investment Limited remains committed to upholding the highest standards of ethics and compliance by its employees. Good governance and sound ethical practices are deeply embedded in our culture. We will continue to strengthen our position to remain as a highly-compliant and well-governed financial institution in Bangladesh.

Our Approach

As governance and regulatory requirements in the financial industry continues unabated, financial institutions are coming under intense pressure to implement good governance practices and manage compliance risk while pushing for improvements to the bottom-line. Compliance risk within the FFIL Financial Institution is defined as the risk of impairment to the organization's business model, reputation and financial condition from failure to meet laws and regulations, internal policies and the expectations of stakeholders.

FFIL pays close attention to the moral concerns in order to make the right ethical decisions on a day-to-day basis over and above observing the law, one of the basic professional requirements for the NBFIs. We at FFIL believe that the upholding of an ethical culture in financial sector is of critical interest to the customers, employees, regulators alike and to the NBFi itself as a secured, reliable and efficient financial sector system in one of the pillars of economic stability of any country. Hence, nurturing an ethical culture is of utmost importance for financial institutions, like any other organization. Our core ethical values include honesty, integrity, fairness, responsible citizenship, and accountability.

Code of Ethics & Principles of Conduct

True spirit of ethical practices is at the core of what FFIL secures in the course of business. We fondly believe that our achievement can only be sustained by creating effective corporate governance, professionalism among its staff and strictly adhering to rules and regulations designed in high ethical standard. Key areas of our efforts are:

1. Fair Treatment of Customers

FFIL ensures that customers are treated fairly and without prejudice that fosters good support and helps to build long-term sustainable business relationship.

2. Privacy and Security of Client Information

As per our 'Code of Conduct', all information gathered from customers/clients during the course of providing service is to be considered confidential unless it is clearly stated otherwise.

3. Transparency and Accuracy of Financial, Tax and Other Reporting

Employees of FFIL must ensure that information / reporting relating to their customer is readily available, accurate and transparent.

4. Interaction with Print, Electronic and Social Media

All media (Print, electronic and social) inquires are forwarded to representatives of corporate communication department or any authorized personnel to initiate contact with the media on behalf of the organization.

5. Ethics against Discriminatory Harassment

FFIL Management ensures strict compliance with antidiscrimination and harassment policy whereby the wrongdoer may be subjected to the full range of disciplinary actions up to and including termination of his /her employment as well as may be tried by the prevailing laws of the country.

6. Kickback & Secret Commission

FFIL employees must not receive payment or compensation of any kind from any customer/ vendor/ supplier, except as authorized under the organization's business. In particular, FFIL Strictly prohibits the acceptance of secret commission from suppliers and clients.

7. Personal Investment and Insider Trading

It is also prohibited for FFIL Employees to take part in trading of publicly traded securities and investments for personal gain if they possess material non-public information about the security or the issuer.

8. Conduct towards Female Colleagues

Any harassment or discriminatory behavior directed at female employees in the form of derogatory or provocative comments, physical violence, horseplay / inappropriate jokes, unwanted physical contact, use of epithet, comments or innuendo, obscene or harassing telephone calls, e-mails, letters, notes or other forms of communication, and any other conduct that may create a hostile working environment is strictly prohibited. In some cases can lead to termination of employment.

9. Workplace Security & Safety

One of the primary concerns of FFIL is to maintain a healthy and productive work environment by ensuring the safety and security of office premises.

Compliance Governance

At the apex of Compliance is the Board, which oversees and provides strategic direction for compliance in the Company. The Risk Management Committee is the management committee wherein the Group's state of compliance with laws, regulations, internal policies and procedures is reported.

Monitoring Compliance

Compliance against code of conduct and ethics is embedded in our employment contracts, recruitment and performance management activities. All new employees joining with FFIL as well as existing employees are required to read the 'Code of Conduct' and duly sign a statement of compliance attesting that they have read, understood and provided their personal commitment to comply with the applicable laws, regulations and corporate ethics. They will also be held accountable for carrying out compliance responsibilities and acknowledge that ignorance of the rules and regulations outlined in the code cannot be an excuse for Non-compliance. Any breach of this code may lead to disciplinary action. Above all, FFIL practices a reward and recognition program which is designed to reward employees who demonstrate ethical principles and uphold the core values of integrity and morality in the code of conduct and ethical standard. Such recognition serves to validate the ethical actions of the concerned employees, encourages repeat behavior and helps to create a culture of transparency, accountability and integrity.

Anti-Money Laundering and Terrorist Financing (AML/CFT) Activities

As one of the fore-runner of the Government and Bangladesh Bank initiatives to prevent the financial system from being used for illicit and laundering activities, the FFIL has established the following processes and infrastructure:

- Accountability have been fixed up among each level of employee for anti- money laundering detection and prevention;
- Educational and training programs are conducted of FFIL for preventing and detecting money laundering activities; and
- Extensive procedures covering KYC of customer, account opening, record keeping and recognition and reporting of suspicious transactions.

The AML/CFT measures continue to focus on ensuring the effectiveness of reporting by all business and operating units to Compliance Division.

AML/CFT self-compliance assessments continue to provide an avenue for the Compliance Division to gauge the understanding of business and operating units on AML/TF and act as tools to enhance future measures. In addition, various learning initiatives are offering to raise awareness among employees on the important role that they play in ensuring the NBFIS does not become a conduit for money laundering.

Effectiveness of Code, Efforts of the Company

- To apply core values and principles embodies consistently
- For management to display the fullest support to the Code and serve as role models for compliance
- To ensure that all personnel strictly comply the code
- To fair rewarding and punishment be effective under a transparent system
- To communicate the contents to all employees and even make the Code available to those outside the Company
- To review and revise regularly

Reporting Compliance

We have reported breaches of our Code of Conduct and Ethics framework yearly. Breaches of operational, regulatory and compliance requirements are tracked and case management, with corrective action closely monitored until 'closed'. All breaches of the Code are reported annually to our Management Committee and form part of regular risk reporting to the Management Credit Committee. Compliance with our Code of Conduct and Ethics is monitored by Internal Audit, who ensures processes are in place to appropriately investigate alleged breaches of the Code. We also conduct annual testing of the controls that support our Code of Conduct and Ethics, which forms part of our financial reporting governance program and the results are made available to External Auditors in connection with their external audit of the Group's consolidated financial statements.

Statement on Internal Control

Responsibility

As per the Bangladesh Bank's DFIM Circular No. 07, dated; 25-09-2007, DFIM Circular Letter No. 09, dated; 08-10-2007, DFIM Circular Letter No. 18, dated; 26-10-2011 and DFIM Circular Letter No. 06, dated; 17-06-2012, which clearly define the Responsibility of the Board of Directors on Internal Control of the Company.

To ensure this, the Company has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The internal control and compliance department of the Company conducts periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

- The Board Sub Committees are established to assist the Board in ensuring:
 - the effectiveness of the FFIL's daily operations.
 - that FFIL's operations are in accordance with the corporate objectives and strategies.
 - that the operations of the Company are in line with the annual budget as well as the policies and business directions that have been approved by the Board.
- The Internal Audit Division of the Company checks for compliance with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any non-compliance. Audits are carried out on majority of units and branches, the frequency of which is determined by the level of risk assessed by the internal audit, to provide an independent and objective report on operational and management activities of these units and branches. The annual audit plan is reviewed and approved by the Audit Committee and the findings of the audits are submitted to the Audit Committee for review at their periodic meetings.
- The Audit Committee of the Company reviews internal control issues identified by the Internal Audit Division, the external auditors, regulatory authorities and management; and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit function with particular emphasis on the scope of audits and quality of the same. The minutes of the Audit Committee meetings are tabled for the information to the Board on a periodic basis. Further details of the activities undertaken by the Audit Committee of the Company are set out in the Audit Committee Report on pages 54 to 55.

- The Risk Management Forum (RMF) is established to assist the Board to oversee the overall management of principal areas of risk of the Company. The Risk Management Forum which includes representation from all key business and operating units of the Company, assists the Board with the implementation of policies.
- The Board Executive Committee has also been established with appropriate empowerment to ensure effective management and supervision of FFIL's core areas of business operations and investments.

The Company adopted the International Accounting Standards comprising IAS & IFRS. Since adoption of such International Accounting Standards, progressive improvements on processes to comply with new requirements of recognition, measurement, classification and disclosure are being made whilst, further strengthening of processes will take place pertaining to impairment of loans and advances and financial statement disclosures. They also recognized the need to introduce an automated financial reporting process to more effectively comply with the requirements of recognition, measurement, classification and disclosures of financial instruments. The assessment did not include subsidiaries of the Company. The recommendations made by the external auditors in connection with the internal control system in previous years were reviewed during the year and appropriate steps have been taken to implement those.

Confirmation

Based on the above processes, the Board confirms that the financial reporting system of the Company has been designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes has been done in accordance with Bangladesh Accounting Standards and regulatory requirements of the Bangladesh Bank and Bangladesh Securities and Exchange Commission.



Md. Zahangir Alam FCS
Chairman

CEO and CFO's Declaration

November 19, 2020

The Board of Directors
FAS Finance & Investment Limited
Suvastu Imam Square (4th & 5th floor),
65, Gulshan Avenue, Gulshan,
Dhaka 1212.

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

Dear Sirs,

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

- (1) The Financial Statements of FAS Finance & Investment Limited for the year ended on December 31, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order to the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on December 31, 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) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Prithish Kumar Sarker
Managing Director and CEO



A.K.M. Shamsheer Ali
Chief Financial Officer (CC)

Disclosures under Pillar-III Market Discipline

A) Scope of application

Qualitative Disclosures:

(a) The name of the top corporate entity in the group to which this guidelines applies.

FAS Finance & Investment Limited (FFIL)

(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).

The FFIL has one subsidiary: FAS Capital Management Ltd. which is fully consolidated.

(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.

Not applicable.

Quantitative Disclosures:

(d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries.

Not applicable.

B) Capital structure

Qualitative Disclosures

(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.

Tier 2 capital includes:

- i) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;
- ii) Revaluation reserves:
 - 50% Revaluation reserve for fixed assets;
 - 45% Revaluation reserve for securities;
- iii) All other preference shares.

Conditions for maintaining regulatory capital:

The calculation of Tier 1 capital, and Tier 2 capital, shall be subject to the following conditions:

- i) The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.

- ii) 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities are eligible for Tier 2 capital.

Quantitative Disclosures:

(b) The amount of Tier 1 capital, with separate disclosure of:

Particulars	Core Taka
Paid up capital	149.08
Non-repayable share premium account	0.00
Statutory reserve	20.56
General reserve	0.03
Retained earnings	(157.08)
Minority interest in subsidiaries	0.56
Non-cumulative irredeemable preference shares	0.00
Dividend equalization account	0.00
Total Tier 1 capital	13.1448

(c) The total amount of Tier 2 capital	24.17
(d) Other deductions from capital	0.00
(e) Total eligible capital	37.3177

C) Capital Adequacy

Qualitative Disclosures

(a) A summary discussion of the FI's approach to assessing the adequacy of its capital to support current and future activities.

Risk Weighted Assets (RWA) and Capital Adequacy Ratio (CAR)

FFIL has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio and adding the resulting figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Regulatory Capital as on numerator to derive Capital Adequacy Ratio.

Strategy to achieve the required Capital Adequacy:

- Rigorous monitoring of overdue loans to bring those under 90 days overdue
- Financing clients having good rating as per Company's policy using benefit of credit risk mitigation by taking eligible collaterals against transactions.
- Focusing more to increase the spread on SME loan and thus increasing retained earnings
- Raise fresh capital by issuing bonus share/ right issue.

- Focusing more to increase the spread on SME loan and thus increasing retained earnings
- Raise fresh capital by issuing bonus share/ right/Bond /Preference Share or any other lawful means.

Quantitative Disclosures

Amount in crore Taka

(b) Capital requirement for Credit Risk	171.44
(c) Capital requirement for Market Risk	19.61
(d) Capital requirement for Operational Risk	25.22

(e) Total and Tier 1 capital ratio:

For consolidated group	
CAR on Total capital basis (%)	2.12
CAR on Tier 1 capital basis (%)	0.75
For stand alone	
CAR on Total capital basis (%)	1.85
CAR on Tier 1 capital basis (%)	0.99

D) Credit Risk

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to credit risk, including:

Definitions of past due and impaired (for accounting purposes)

As per the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for Financial Institutions, the unsecured portion of any claim or exposure (other than claims secured by residential property) that is past due for 90 days or more, net of specific provisions (including partial write-off) will be risk weighted as per risk weights of respective balance sheet exposures. For the purpose of defining the net exposure of the past due loan, eligible financial collateral (if any) may be considered for Credit Risk Mitigation.

Description of approaches followed for specific and general allowances and statistical methods;

General provisions are maintained according to the relevant Bangladesh Bank Guideline and Specific provisions are maintained as per FFIL's internal policy which is much more conservative than Bangladesh Bank Guidelines.

Discussion of the FI's credit risk management policy. Implementation of various strategies to minimize risk: To encounter and mitigate credit risk, the following control measures are taken place at FFIL:

- Vigorous monitoring and follow up by fully dedicated recovery and collection team
- Strong follow up of compliance of credit policies by appraiser and credit department taking collateral, performing valuation and legal vetting on the proposed collateral by members of our own dedicated technical and legal department

Seeking legal opinion from external lawyers for any legal issues if required

Regular review of market situation and industry exposures

- Insurance coverage for funded assets.

In addition to the best industry practices for assessing, identifying and measuring risks, FFIL also considers Guideline for Managing Core Risks of Financial Institutions issued by Bangladesh Bank for management of risks.

Separation of Corporate/SME Department & CRM Department

As a structured financial institution FFIL has separated Corporate/SME Financing Department & CRM Department and doing their responsibilities and duties independently. While Corporate/SME Department originates the credit proposal with all formalities & findings, the CRM Department assesses the risk areas and its mitigating factors. CRM Department of the company also places their findings & observations before the relationship manager of the Corporate/SME Department before taking approval from the concerned authority. Corporate/SME Department takes steps immediately according to the recommendation of the CRM Department & places the memo to the EC/Board for approval/decision.

Credit Administration Department

An independent Credit Administration Department is in place, at FFIL, to scrutinize all loans from risk-weighted point of view and assist the management in creating a high quality portfolio and maximize returns from assets. The Credit department assesses credit risks and suggests mitigations and ensures that adequate security documents are in place before sanction of loan and before disbursement of loans.

Recovery and Legal Affairs Department

FFIL has a strong team of recovery & monitoring operation and follow up of court cases. For managing NPL cases the loan files are placed to Recovery & Legal Affairs Department to directly monitor, put into action and intensify recovery and settlement drives through dedicated internal recovery officers. In case of need suits are filed in Artho Rin Adalat as well as under NI act to expedite the recovery drive.

Independent Internal Compliance Department

Appropriate internal control measures are in place at FFIL. An Internal Compliance Department has been established to ensure compliance with all internal guidelines, Bangladesh Bank guidelines, operational procedures and adequacy of internal control and documentation procedures.

Credit Evaluation

To mitigate credit risk, FFIL search for credit reports from Credit Information Bureau (CIB) of Bangladesh Bank. The report is scrutinized by Credit Admin Department and Loan Operation Department to understand the liability condition and repayment behavior of the client. Depending on the reports, opinions are taken from the concerned related parties for better understanding about client's credit worthiness.

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 loan are very frequent and comparatively less risky, lower sanctioning authority is set to improve processing time and associated risk. Bigger loans require more scrutiny as the associated risk is higher hence sanctioning authority is higher as well.

Early Warning System

Performance of loans is regularly monitored to trigger early warning system to address the loans and advances whose performance show any deteriorating trend. It helps the company to grow its credit portfolio with ultimate objective of protecting the interest of the stakeholders.

Methods used to measure Credit Risk

As per the directives of Bangladesh Bank, 'The Standardize Approach' is applied by the company to measure its Credit Risk.

Quantitative Disclosures

(b) Total gross credit risk exposures broken down by major types of credit exposure.

Particulars	Core Taka
Loans	1765.81
Leases	27.00
Total	1792.81

(c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

Area	Core Taka
Dhaka	1778.91
Chittagong	13.46
Sylhet	0.44
Total	1792.81

(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.

Sector	Core Taka
Agriculture	25.51
Chemicals & Pharmaceuticals	141.86
Electronics & Electrical	12.86
Food & Beverage	0.88
Garments & Accessories	53.22
Home loan	235.54
Jute & Jute Products	16.60
Iron, Steel & Engineering	0.09
Paper, Printing & Packaging	19.10
Plastic Industries	0.31
Power, Gas, Water & Sanitary Services	14.46
Transport	153.62
Lather and Lather products	0.92
Merchant Banking	241.12
Ship Manufacturing Industry	26.46
Textile	25.03
Trade and Commerce	806.36
Others	18.78
Total	1792.81

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

Particulars	Core Taka
Repayment on demand	0.00
Not more than 3 months	116.16
Over 3 months but not more than 1 year	210.65
Over 1 year but not more than 5 years	153.73
Over 5 years	1312.27
Total	1792.81

(f) Gross Non Performing Assets (NPAs)

Non Performing Assets (NPAs) to Outstanding Loans & advances

Movement of Non Performing Assets (NPAs)

Particulars	Core Taka
Opening balance	233.53
Additions	1080.98
Reductions	3.06
Closing balance	1311.46

Movement of specific provisions for NPAs

Particulars	Core Taka
Opening balance	20.14
Additions	107.76
Reductions	0.41
Closing balance	127.49

E) Equities: Banking book positions

Qualitative Disclosures

(a) 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. 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.

Quoted shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provision are maintained as per terms and conditions of regulatory authority.

Mutual funds have been valued at 85% of latest published NAV available as on December, 2017. On the other, unquoted share is valued at cost price or book value as per latest audited accounts.

Quantitative Disclosures

(b) 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 share price is materially different from fair value

(Amount in Crore)

Particulars	Cost Price	Market Price
Quoted shares	9.28	8.80
Unquoted shares	1.00	1.00

Quantitative Disclosures

(c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

Particulars	Crore Taka
Cumulative realized gains (losses)	5.27

(d)

Total unrealized gains (losses)	0.48
Total latent revaluation gains (losses)	-
Any amounts of the above included in Tier 2 capital.	-

(e) 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 9.80 crore. Capital Requirement is 10% of the said value which stand to BDT 2.40crore.

General Risk- Market value of investment in equities is BDT 24.01 crore. Capital Requirement is 10% of the said value which stand to BDT 9.98 crore.

F) Interest rate in the banking book

Qualitative Disclosures

(a) 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 assets and their funding cost. Assets Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

FFIL measures the interest rate risk by calculating maturity gap between Risk Sensitive Assets (RSA) and Risk Sensitive Liabilities (RSL) i.e. a positive maturity gap affect company's profitability positively with the increment of interest rate and negative maturity gap affects company's profitability adversely with the increment of interest rate.

Quantitative Disclosures

(b)The increase (decline) in earning or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk broken down by currency (as relevant).

Maturity wise Distribution of Assets-Liabilities

(Amount in BDT Crore)

Particulars	1 to 30/31 day (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
A. Total Rate Sensitive Liabilities (A)	71.65	26.61	28.33	136.89	169.85
B. Total Rate Sensitive Assets (B)	97.30	163.49	71.71	456.83	584.77
C. Mismatch	-25.65	-136.88	-43.38	-319.94	-414.92
D. Cumulative Mismatch	-25.65	-162.53	-205.90	-525.84	-940.76
E. Mismatch (%)	-26.36%	-83.72%	-60.49%	70.03%	-70.95%

Interest Rate Risk - Increase in Interest Rate

Magnitude of Shock	Interest Rate Risk		
	Minor 2%	Moderate 4%	Major 6%
Change in the Value of Bond Portfolio	0.00	0.00	0.00
Net Interest Income	-14.47	-28.95	-43.42
Revised Regulatory Capital	22.85	8.37	-6.10
Risk Weighted Assets	1759.20	1759.20	1759.20
Revised CAR (%)	1.30%	0.48%	-0.35%

G) Market risk

Qualitative Disclosures

(a) Views of BOD on trading/investment activities

All the Market Risk related policies/guidelines are duly approved by BOD. The BOD sets limit and review and updates the compliance on regular basis aiming to mitigate the Market risk.

Methods used to measure Market risk

Market Risk is the probability of losing assets in balance sheet and off- balance sheet position arising out of volatility in market variables i.e. interest rate, exchange rate and prices of securities. In order to calculate the market risk for trading book purposes the company uses Standardized (rule based) Approach where capital charge for interest rate risk, price and foreign exchange risk is determined separately.

Market Risk Management system

Policies and processes for mitigating market risk

A Policy for managing Market Risk has been set out by the Board of Directors of the company where clear instructions has been given on Loan Deposit Ratio, Whole Sale Borrowing Guidelines, Medium Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, Local Regulatory Compliance, Recommendation / Action Plan etc. Treasury manages the Market Risk with the help of Asset Liability Management Committee (ALCO) and Asset Liability Management (ALM) Desk in the following fashion:

Interest Risk Management

Treasury Division reviews the risks of changes in income of the Company as a result of movements in market interest

rates. In the normal course of business, FFIL tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under:

Market analysis

Market analysis over interest rate movements are reviewed by the Treasury of the company. The type and level of mismatch interest rate risk of the company is managed and monitored from two perspectives, being an economic value perspective and an earning perspective.

GAP analysis

ALCO has established guidelines in line with central Bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liability and take decision of enhancing or reducing the GAP according to prevailing market situation aiming to mitigate interest rate risk

Continuous Monitoring

Company's treasury manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assumed risks.

Equity Risk Management

Equity Risk is the risk of loss due to adverse change in market price of equities held by the Company. Equity Risk is managed by the following fashion:

FFIL minimizes the Equity Risks by Portfolio diversification as per investment policy of the company. The entire portfolio is managed by FFIL Investments Limited.

Quantitative Disclosures

(b) The capital requirements for Market Risk:

Interest rate risk	-
Equity position risk	1.96
Foreign Exchange Position and Commodity risk (if any).	-

H) Operational Risk:

Qualitative disclosure:

(a) Views of Board on system to reduce Operational Risk:

All the policies and guidelines of internal control and compliances are duly approved by the Board. The Board delegates its authority to Executive Committee and to MANCOM members as per company policy of delegation of authority. Audit Committee of the Board directly oversees the activities of internal control and compliance as per good governance guideline issued by Securities and Exchange Commission.

Performance gap of executives and staffs

FFIL'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 FFIL family. We aim to foster a sense of pride in working for FFIL and to be the employer of choice. As such there exists no performance gap in FFIL.

Potential external events

No such potential external event exists to raise operational risk of FFIL at the time of reporting.

Policies and procedures for mitigating operational risk:

FFIL 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 charge for operational risk:

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. FFIL 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.

Quantitative Disclosures:

(b) Capital requirement for operational risk:

Capital requirement for operational risk:	2.52
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Chairman's Statement on Corporate Governance

How we govern ourselves as a Financial Institution is as important as anything else we do. Being an ethical company is about much more than simply adhering to the letter of the law. But it's an important step. We aim to achieve and maintain the highest standards of business integrity, ethics and professionalism across all of our activities.

The Board is accountable to the Company's shareholders for the good conduct of the Group's affairs. This report explains how the Group applies the Corporate Governance issued by the BSEC and Bangladesh Bank.

The Directors are committed to maintaining the highest standards of corporate governance, which they believe are fundamental in discharging their stewardship responsibilities.

The Board confirms that the Company has, throughout the period under review, complied with all provisions set out in corporate governance guidelines.

As part of its commitment to sustainable operations at every level, FAS Finance & Investment Limited operates within a clearly defined governance framework that defines all governance and compliance aspects of the Company.

The Board of Directors strongly believes in the importance of good Corporate Governance in maintaining Company's reputation and solid foundation. The Board will continue to ensure good Corporate Governance to provide the requisite leadership, policy, strategy and internal controls in order to continue to deliver and sustain company's value propositions. This benefits our stakeholders while at the same time ensuring continuing momentum towards reaching FAS Finance & Investment Limited aspirations to be a leading financial institution.

FAS Finance & Investment Limited is committed to the principles of excellence in corporate governance and ethics. This commitment is evidenced by the following practices that are in place at FAS Finance & Investment Limited:

- A Board with all non-executive members being independent of Management;
- Clear separation of the role of the Chairman of the Board and the Managing Director & CEO;
- The Audit Committee and Executive Committee comprises solely of Non-Executive Directors;

- Inclusion of the Independent Directors in the Board Audit Committee;
- An Independent Director is in the Chair of the Audit Committee;
- A code of ethics and business conduct;
- Maintaining the basic principles of Corporate Governance;
- Published Charter for the Board and all of its Committees;
- Certification from an independent professional on the compliance of the conditions of BSEC's Notification Corporate Governance Code of 3 June 2018;
- A set of corporate values - integrity, trust, teamwork, openness, transparency, excellence and resilience communicated to all employees;
- The members of the Board Audit Committee possesses knowledge on internal control, financial and administrative matters;
- The Audit Committee meets regularly with/without the presence of the Executive Management;
- An established system of internal control with appropriate check and balance;
- Ensure transparency in financial reporting and adequate disclosures.

For FAS Finance & Investment Limited, Corporate Governance is not a mere statement of compliance. We aim to achieve and maintain the highest standards of business integrity, ethics and professionalism across the Group. We believe that good governance, in its broadest sense, is a competitive advantage. To maximize shareholders' value on a sustainable basis, principles of good governance must extend beyond the Board of Directors into every segment of business activities. Indeed, a foundation of ethics, integrity and good governance guides all of our activities across our diverse operations.

Thank you.



Md. Zahangir Alam FCS
Chairman

Statement on Corporate Governance

Corporate governance is the system by which companies are directed and controlled. The Boards of Directors are responsible for the overall corporate governance. FFIL believes compliance to be one of its key priorities and is continuously working to strengthen and improvement of its corporate governance with the aim to have sustainable growth, transparency, accountability, development of corporate values and to meet the expectation of shareholders, customers, regulators and other key stakeholders.

In pursuing the Corporate Objectives, we have committed to the highest level of governance and strive to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity and mutual respect. The Board of Directors, led by the Chairman, is responsible for the governance of FFIL, and developing effective Governance Framework to meet challenges, both in the short and long term. The Board is committed to reviewing and improving our systems to provide transparency and accountability, and initiate transformational changes whenever necessary to ensure best practices are maintained and enhanced according to the principles of Corporate Governance.

Corporate Governance Framework

FFIL's corporate governance framework is based on the principles of accountability, transparency, ethical management and fairness. A philosophy of sound governance is entrenched across the business. The directors recognize that good governance, achieved through an ethical culture, competitive performance, effective control and legitimacy, can create sustainable value and enhance long-term equity performance. The following Acts, Regulations and Circulars have been used:

Sl. No.	Particulars
1	The Companies Act, 1994
2	The Financial Institutions Act, 1993
3	The Code of the best Practice on Corporate Governance issued by the Bangladesh Securities and Exchange Commission (SEC) vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 3, 2018.
4	Bangladesh Bank circular DFIM Circular No. 07, dated; 25 September, 2007.
5	Listing Regulations of Dhaka Stock Exchange and Chittagong Stock Exchange

Articles of Association (AoA): define the purpose of the business, the powers and duties of the Directors and the basic organizational framework.

Code of Conduct: defines the FFIL's ethical values and professional standards that the Board and all employees are required to follow, including an emphasis that employees must adhere to all relevant laws, regulations, and policies in order to maintain and strengthen our reputation for integrity, fair dealing and measured risk taking.

Organizational Guidelines and Regulations: define the responsibilities and sphere of authority of the various bodies within the company, as well as the relevant reporting procedures.

Corporate Governance Guidelines: summarize certain principles promoting the function of the Board and its committees and the effective governance of the company.

The Board

The primary role of the Board is to protect and enhance long-term shareholder value. It sets the overall strategy for FFIL and supervises executive management. It also ensures that good corporate governance policies and practices are implemented within the company. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. The Board of Director of FFIL comprises of members from diverse professional and educational background having knowledge and experience in Finance, Accounting, Economics, Medical, Law, Business Studies, Business Administration amongst others. The short biographies of the board of directors is set out in the Profile of the Board of Directors section of this annual report.

Representation of Non-Executive Directors & Independent Directors

FFIL's Board comprises ten (10) Non-Executive Directors (NEDs) including (5) five Independent Directors. (5) five Directors are nominated by their respective institutions. All the Directors bring forth independent judgment and considerable knowledge to perform their roles effectively. As per Bangladesh Securities and Exchange Commission (BSEC), Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 3, 2018, at least one-fifth of the total directors of the Board shall be Independent Directors. Thus, in compliance with the guideline, five (5) Directors out of the total ten (10) Directors are independent, having no share or interest in FFIL. Independence of the respective Independent Directors is confirmed during selection and appointment of the Directors and they remain committed to continue with such independence throughout their tenure.

Responsibilities of the Board of Directors

The board has overall responsibility for the Organization. The responsibilities of the board of Directors include:

- Setting overall strategic direction of the company
- Review and approval of business strategy
- Review and approval of budget
- Review of performance against financial and strategic objectives
- Approval of internal policies and guidelines
- Approval of financial statements
- Understanding risk and setting risk appetite
- Ensuring good governance
- Appointment of Managing Director & CEO and fixation of benefits

Company's Policy on Appointment of Directors

The Board of Directors has the following duties and responsibilities in connection with the selection and appointment of new directors; -

- Regularly review the size and composition of the Board and the mix of expertise, skills, experience and perspectives that may be desirable to permit the Board to execute its functions;
- Identify any competencies not adequately represented and determine the process necessary to be assured that a candidate nominated by the shareholders with those competencies is selected;
- The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by board in accordance with the stipulation of the Companies Act 1994 and the Articles of Association of FAS Finance & Investment Limited.
- Any change in the members of the Board requires intimation to the Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and the stock exchanges. Directors usually serve three year terms, which the Board considers an appropriate length of time for directors to immerse themselves fully in the Company's affairs and gain sufficient understanding of the Company's operations so as to make an effective contribution as a Director.

Chairman

Role of the Chairman

The Chairman runs the Board. The Chairman serves as the primary link between the Board and the management and works with the Managing Director and CEO and the Company Secretary to set the agenda for Board meetings. It is the Chairman's responsibility to provide leadership to the Board and ensure that the Board works effectively and discharges its responsibilities as Directors of the Company. The role and responsibilities of the Chairman of the Board is defined and set by the Board.

The Chairman's primary role is to ensure that the Board is effective in its task of setting and implementing the Company's direction and strategy. The Chairman is selected by the Board. The principal features of the role of the Chair comprise the followings:

- Providing leadership to the Board
- Taking responsibility for the Board's composition and development
- Ensuring sufficient provision of information available to the Board
- Planning and conducting Board meetings effectively
- Getting all Directors involved in the Board's work
- Ensuring the Board's focus on key tasks
- Engaging the Board in assessing and improving its performance
- Overseeing the induction and development of Directors
- Supporting the Managing Director and CEO.

Responsibilities of the Chairman

The Chairman of the Board shall be responsible for the management, development and effective performance of the Board of Directors and provides leadership to the Board for all aspects of the Board's functions. He will:

- Ensure effective operations of the Board and its committees in conformance with the highest standards of corporate governance;
- Ensure effective communication with shareholders, host Governments and other relevant constituencies and ensure that the views of these groups are understood by the Board;
- Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision making;
- Ensure that all Board Committees are properly established, composed and operated;
- Support the Managing Director and CEO in strategy formulation and, more broadly, provide support and give advice;
- Ensure an effective relationship among Directors, acting as the principal channel for communication and issues relating to business strategy, planned acquisitions and corporate governance;
- Establish a harmonious and open relationship with the Managing Director and CEO;
- Ensure that Board Committees are properly structured and all corporate governance matters are fully addressed;
- Encourage active engagement by all members of the Board.

Separation of Duties between CEO and Chairman

The Chairman of the Board is not the Chief Executive of the Company and are independent of each other, and their roles are autonomous and separate, in accordance with the DFIM Circular No. 07, dated 25.09.2007 and BSEC's Notification Corporate Governance Code dated 03.06.2018.

Managing Director

Role and Responsibilities of the Managing Director

The main duties and responsibilities and authorities of the Managing Directors are as follows:

- Perform duty as delegated by the board;
- Business planning and achieving targets set by the board through execution of business plan;
- Ensure compliance with Financial Institutions Act, 1993 and related guidelines and circulars;
- Appointment and appraisal of all the employees.

Appointment of Managing Director

The Managing Director & CEO is appointed by the Board subject to the consent of the shareholders in the Annual General Meeting (AGM) and approval of Bangladesh Bank;

Annual Evaluation of the CEO by the Board

The Board of Directors evaluates the Managing Director and CEO based on the goals set for him considering the company vision and mission at the beginning of each year. The Board does the performance assessment of CEO annually based on the specific targets as set forth in Annual Budget and long-term strategic goals. The annual financial budget and other job objectives are discussed, reviewed and finalized by the Board at the start of each fiscal year. The Board considers both financial and non-financial goals in both short term and long term while setting targets and doing the performance assessment.

No involvement with any other listed or non listed companies at the same time

As per BSEC's Notification Corporate Governance Code dated 03.06.2018 the Managing Director & CEO do not hold the same or any executive position with any other listed or non listed companies.

Company Secretary

The Company Secretary of the Company, has day-to-day knowledge of the Company's affairs. Company Secretary reports to the Board of Directors and is responsible for providing advice on governance matters.

Role of Company Secretary

In compliance with the Corporate Governance Code, the Company Secretary has defined roles and responsibilities approved by the Board. The Company Secretary acts as a mediator between the Company, its Board of Directors, stakeholders, the government and regulatory authorities. He has expertise in corporate laws, capital markets, security laws and corporate governance. He also keeps close review of all legislative, regulatory and corporate governance developments that might affect the Company's operations and ensure that the Board is fully briefed on these and that it has regard to them when taking decisions.

The Company Secretary ensures that the best management practices and work ethics are embraced to create value for the Company. He ensures that the concept of stakeholders is in the Board's mind when important and business decisions are being taken, co-ordinates the policies of the Company, fulfills the management function and provides guidance on strategic decisions for the improvement and growth of the Company.

In compliance with the Corporate Governance Code, the Company Secretary has defined roles and responsibilities approved by the Board, which are indicated below:

- To ensure the compliance of the company in relation to financial and legal practices, as well as issues of corporate governance;
- To act as a point of communication between the board of directors and company shareholders, reporting in a timely and accurate manner on company procedures, performance and developments;
- To develop and oversee the systems that ensure the company complies with all applicable codes, as well as its legal and statutory requirements;
- Holding, managing and administering board and committee meetings and general meetings of shareholders;
- Organizing, preparing agendas for, and taking minutes of board meetings, audit committee meetings, executive committee and other committees of the Board, annual general meetings (AGMs) and extra-ordinary general meeting of the shareholders;
- Overseeing maintenance of statutory books, including registers of members, directors and registrar of meeting minutes;
- Dealing with correspondence, ensuring decisions made are communicated to the company stakeholders;
- Contributing to meeting discussions, as and when required, and advising members of the legal, governance, accounting and tax implications of proposed policies;
- Monitoring changes in relevant legislation and the regulatory environment, and taking appropriate action;
- Liaising with external regulators and advisers, such as lawyers and auditors;
- Filing statutory returns to regulatory bodies such as RJSC, Bangladesh Bank, Securities & Exchange Commission (SEC), Stock Exchanges, Central Depository System etc;
- Overseeing the preparation of company's statutory annual report and dispatching to stakeholders in timely manner;
- Assist management in corporate tax planning and ensure efficient and effective tax management and compliance with regard to tax withholding and statutory reporting to tax authority;

FAS Finance & Investment Limited

- Analyze tax implications in new diversified investments and assist management;
- To take competitive tax advantage from different alternative investment options;
- Oversee the filing of annual tax return, liaise with tax consultants time to time and attend hearing to tax office as and when required;
- Statutory reporting to Bangladesh Bank, SEC, NBR and other regulatory bodies under Financial institutions Act, 1993, Companies Act 1994, Securities & Exchange Regulations etc and
- Liaison with the outside parties for company affairs.

No involvement with any other listed or non listed companies at the same time

As per BSEC's Notification Corporate Governance Code dated 03.06.2018 the Company Secretary do not hold the same or any executive position with any other listed or non listed companies.

Access of Head of Audit to the Audit Committee

The Head of Internal Audit and Compliance has the direct access to the Audit Committee.

Role and Responsibility of the Head of Internal Audit

The Head of Internal Audit (HIA) is the key person who is responsible for ensuring the appropriate level of assurance in relation to the operation of internal controls, risk management and governance. Hence, appropriate governance arrangements would include the HIA having direct, unrestricted access to the accountable officer; a service level agreement (or similar) in place; and a strong audit committee in operation.

The duties and responsibilities will also include oversee the following functions:

- (1) Financial reporting including disclosures
- (2) Internal control
- (3) Internal audit
- (4) Compliance with relevant ethical requirements, in particular independence and objectivity
- (5) The statutory audit or external audit
- (6) Remedial actions

Reporting of Internal Auditor to the Audit Committee

The Company's internal control system was commensurate with its size and business nature. The system minimized operational risks through effective control, systemic review and on-going audit. The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

The Company internalized its legal and technical appraisal functions to ensure optimum control. The Company's multi-level

authorization structure ensured that higher exposure levels were duly authorized by personnel and committees with requisite experience and authority. Training programs and guidelines helped to implement linkage between goals and operations.

The Board has ultimate responsibility for establishing an effective system of internal control. The internal control system holds all business risks, including financial, operational and strategic risks. To mitigate all the risks as well as to establish control environment, the board holds its meeting regularly with comprehensive agenda dealing with all major aspects of business. There is an internal control and compliance department directly reporting to the Board Audit Committee which looks after compliance with the organizational policies by different departments.

FFIL made relevant mandatory disclosure in its financial statements under the regulatory framework, including compliance with the provisions of International Financial Reporting Standards (IFRS) as adopted in Bangladesh, besides that it submits all the reports/statements regularly, which are required to submit to the regulators as well as the other stakeholders of the Company. However, a separate report on Internal Control has been given on page no. of this report.

No involvement with any other listed or non listed companies at the same time

As per BSEC's Notification Corporate Governance Code dated 03.06.2018 the Head of Internal Audit and Compliance do not hold the same or any executive position with any other listed or non listed companies.

Nomination & Remuneration Committee

As per the Corporate Governance Code issued by BSEC, a company needs to form a Nomination and Remuneration Committee (NRC). However, as per the Central Bank's regulation DFIM Circular Letter No. 18 dated 26.10.2011, no NBFI can form any Board Subcommittee other than Executive Committee and Audit Committee.

Compliance with Corporate Governance Regulation by Bangladesh Bank and Bangladesh Securities and Exchange Commission

In compliance with the conditions of the Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, MRH Dey & Co., Chartered Accountants examined the compliance with the said conditions of Corporate Governance and certified that FAS Finance & Investment Limited has complied with the conditions of Corporate Governance stipulated in the above mentioned BSEC's notification dated 3 June 2018. The company also provides the compliance checklist as required by Bangladesh Bank.

Communications to Shareholders and Stakeholders

It is the company's policy that all external communication by the Company will:

- Be factual and subject to internal vetting and authorization;
- Not omit material information;
- Express information in a timely, clear and objective manner.

FFIL strongly believes that all stakeholders should have access to complete information on its activities, performance and product initiatives.

Communication through Quarterly Reports

The company reports to its shareholders four times a year through quarterly and half-yearly reports and a detailed Annual Report.

Communication through AGM

All shareholders have the right to attend the Annual General Meeting (AGM) where they can meet and communicate with the Directors and express their views regarding the Company's business, prospects and other matters of interest. The shareholders are always encouraged to attend the meetings or, if they are unable to attend, appoint proxies in that special cases.

Process of Communicating the Schedule

Send all notices of the Annual General Meeting (AGM)/Extraordinary General Meeting (EGM) to the Exchange and simultaneously to the shareholders at least 14 days prior to AGM and 21 days prior to EGM. Hard copies of the Annual Report to the shareholders are also sent as least 14 days before the Annual General Meeting. Notice of the AGM is sent to the Dhaka Stock Exchange (DSE), Bangladesh Securities and Exchange Commission (BSEC), online newspaper and print media. The notice of the AGM is also made available on the company website.

Communication during the AGM

The shareholders, who attend the AGM, have the option to ask questions and give suggestions to the Board members during the AGM. The Managing Director and CEO, on behalf of the Board, answers the queries of the shareholders.

Communication through Website

The Company's website displays, inter-alia, the Annual Reports, half-yearly reports, quarterly reports, product

offerings, recent announcements, presentations and event updates. Price Sensitive Information (PSI) are made publicly available as required by the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE) and the Chittagong Stock Exchange Limited (CSE) and the Bangladesh Bank. In addition to ensuring timely compliance, this also enables dissemination of information to all stakeholders and the public through print and online media.

Remuneration of Directors and Senior Managers

Directors are not entitled to any remuneration other than attending the meeting of the Board and its committees. Bangladesh Bank vide its DFIM Circular No.13 dated November 30, 2015, fixed the maximum remuneration limit to BDT 8,000 per attendance. The Board of FFIL complies with the regulation.

Managing Director's remuneration is set by the Central Bank. Remuneration for senior executives is market-based and competitive to attract, motivate and retain skilled and competent employees. The total remuneration package of senior executives comprises basic pay, car benefits, allowances, performance bonus, retirement benefits (Gratuity and Provident Fund) and other benefits as per company's policies.

Code of Ethics and Business Conduct

The Board promotes ethical and responsible decision making. FFIL has in place a Code of Ethics and Business Conduct that is applicable to all its employees to ensure a high standard of ethical and professional conduct is upheld by all its employees in the performance of their duties and responsibilities.

The Code of Ethics enhance the standard of corporate governance and promote ethical conduct with a view to achieving the following objectives:

- To establish a uniform ethical standard emphasizing conduct free from conflicts of interest; and
- To uphold the spirit of corporate responsibility and accountability in line with the governing laws, regulations and guidelines.

Certificate on Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of FAS Finance and Investment Limited



Report to the Shareholders of FAS Finance & Investment Limited on Compliance with the Corporate Governance Code (Issued as per condition # 9(1) of corporate governance code issued by BSEC)

We have examined the compliance status to the Corporate Governance Code of "FAS Finance & Investment Ltd" for the year ended on December 31, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 of the Bangladesh Securities and Exchange Commission (BSEC).

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.

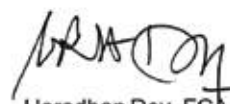
We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (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 **except for the matters under code No. 1(5)(ix), 1(5)(xi), 5(2)(a), 5(2)(b), 5(2)(d), 5(2)(f) and 5(4)(b) as explained in the attached ANNEXURE-C.**
- (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 appeared to be satisfactory.

Place: Dhaka

Dated: December 19, 2020

For **MRH DEY & CO,**
Chartered Accountants


Haradhan Dey, FCA
Partner



Dhaka Office : 95, Kazi Nazrul Islam Avenue (2nd Floor), Kawran Bazar, Dhaka, Bangladesh.
Phone : 02-8143313, Fax : 02-8143313, Mobile : 01846-553636, 01716-396827, E-mail : mrhdeydk@gmail.com
Chattogram Office : Taher Chamber (1st Floor), 10, Agrabad, Chattogram-4100, Bangladesh.
Phone : 031-721342, 725549, 717229, 721551, Fax : 031-2517906, E-mail : mrhdeyctg@gmail.com
Web : www.mrhdey.com, Skype Id : mrhdey3

Report on Compliance of BSEC's Notification on Corporate Governance

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	Board of Directors:			
1(1)	Board Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty)	√		6 (Six) Directors
1(2)	Independent Directors:			
1.2 (a)	At least one fifth(1/5) of the total number of Director in the Company's Board shall be Independent Director	√		After December 24, 2019 there was only 1(one) independent director out of 6 (six) directors. However another independent director was appointed with effect from January 22, 2020.
1.2 (b)	For the purpose of this clause "Independent Director" means	√		
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		
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	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
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	√		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies	√		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	√		
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	√		
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	√		
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	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law	√		
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	-	-	Not applicable
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 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	√		

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
1.5	The Directors' Report to Shareholders shall include			
1(5)(i)	An industry outlook and possible future developments in the industry	√		
1(5)(ii)	The segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	-	-	Not applicable
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)	-	-	Not applicable
1(5)(vi)	Discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1(5)(vii)	Utilization of proceeds raised through public issues, rights issues and/or any other instruments	√		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights share Offer, Direct Listing, etc.	-	-	Not applicable
1(5)(ix)	If significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		Yearly performance downturn was discussed in details manner instead of significant down turn between quarterly and annual Performance.
1(5)(x)	Remuneration paid 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		√	Auditor's report to the shareholder on the financial statements for the year ended on December 31, 2019 has been qualified on various grounds.
1(5)(xii)	Proper books of account of the issuer 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)	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	√		

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(xvii)	There is 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)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	-	-	Not Applicable
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director	√		
1(5)(xxiii)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name-wise details) 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 (top 5 (five)) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	-	-	Not Applicable
1(5)(xxiii)	Appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	Brief resume of the director	√		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	√		
1(5)(xxv)	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.	√		
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	√		

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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;	√		
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			
1(6)	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(6)	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			As explained in note under condition number 6, since no NRC was formed code of conduct for the Chairperson of the Board, other Board members and Chief Executive Officer of the company remained pending.
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			As explained in note under condition number 6, since no NRC was formed code of conduct for the Chairperson of the Board, other Board members and Chief Executive Officer of the company remained pending.
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		
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	√		
3(13)(1)(c)b)	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			
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	√		
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	√		
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	√		
4(ii)	Nomination and Remuneration Committee	√		As explained in note under condition number 6, since no NRC was formed

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members	√		There was no independent director in the audit committee meeting held on 30.10.2019 and the members of audit committee reduced to 02 (two) on 24.12.2019 because of resignation of Chairman of Audit Committee.
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	√		There was no independent director in the audit committee meeting held on 30.10.2019 and the position of Chairman of Audit Committee become vacant on 24.12.2019.
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)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee		√	The position of Chairman of Audit Committee becomes vacant on 24.12.2019 and not filled-up within stipulated time.
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		There was no independent director in the audit committee meeting held on 30.10.2019 and the meeting was held without quorum.
5(3)	Chairperson 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)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM) 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	√		

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		There was no independent director in the audit committee meeting held on 30.10.2019 and the meeting was held without quorum.
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor choice of accounting policies and principles	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5(5)(d)	Oversee hiring and performance of external auditors	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(h)	Review the adequacy of internal audit function	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	Review statement of all related party transactions submitted by the management	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission. Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	√		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors	√		
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board	√		
5(6)(a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(6)(a) (ii) (a)	Conflicts of interests	-	-	Not Applicable
5(6)(a) (ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements	-	-	Not Applicable
5(6)(a) (ii) (c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations	-	-	Not Applicable
5(6)(a) (ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	-	-	Not Applicable
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	-	-	Not Applicable
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.	-	-	Not Applicable
6	Nomination and Remuneration Committee (NRC)	As per Bangladesh Bank DFIM Circular Letter No. 18 dated 26 October 2011 no financial institution will form any other Board Committee except Audit Committee and Executive Committee		
6(1)	Responsibility to the Board of Directors			
6(1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-	-	Not Applicable
6(1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-	-	Not Applicable
6(1) (c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	-	-	Not Applicable
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-	-	Not Applicable
6(2)(b)	All members of the Committee shall be nonexecutive directors;	-	-	Not Applicable
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-	-	Not Applicable
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-	-	Not Applicable

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	-	Not Applicable
6(2)(f)	he Chairperson of the Committee may appoint or coopt any external expert and/or member(s) of staff to the Committee as advisor who shall be nonvoting 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;	-	-	Not Applicable
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-	-	Not Applicable
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-	-	Not Applicable
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-	-	Not Applicable
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-	-	Not Applicable
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	Not Applicable
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	-	-	Not Applicable
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-	-	Not Applicable
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	Not Applicable
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-	-	Not Applicable
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-	-	Not Applicable
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	-	Not Applicable
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;	-	-	Not Applicable
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following;	-	-	Not Applicable

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-	-	Not applicable
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-	-	Not applicable
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;	-	-	Not applicable
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	-	Not applicable
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	-	Not applicable
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-	-	Not applicable
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	-	-	Not applicable
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	-	-	Not applicable
6(5)(b)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-	-	Not applicable
7	External or Statutory Auditors			
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 or special audit services	√		
7 (1) (vii)	Any 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 –			

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	-	-	This will be effective from 22nd Annual General Meeting of the Company.
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.	√		

Statement of Compliance with Good Governance Guideline Issued by Bangladesh Bank

The Statement of compliance with the good governance guidelines issued by the Bangladesh Bank vides DFIM Circular No. 7, dated 25 September 2007 regarding the policies on the responsibility & accountability of the Board of Directors, Chairman & Chief Executive of financial institution. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines. A status report on compliance with those guidelines is stated below:

Sl. No.	Particulars Status of Compliance	Status of Compliance
1.	Responsibilities and authorities of the Board of Directors:	
	(a) Work-planning and strategic management:	
	(i) The Board shall determine the Vision/ Mission of the institute. In order to enhance operational efficiency and to ensure business growth, they shall chalk out strategies and work-plans on annual basis. The Board shall review such strategies on quarterly rests and shall modify accordingly, if required. If any structural modification is required, shall bring those changes with consultation with the management.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual report as regard to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders on future plans and strategies.	Complied
	(iii) The Board will set the Key Performance Indicator (KPI)s for the CEO and other senior executives and will appraise those on half yearly basis.	Complied
	(b) Formation of sub-committee:	
	Executive Committee may be formed in combination with directors of the Company for rapid settlement of the emergency matters (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities. Except the Executive Committee and Audit Committee, no other committee or sub-committee can be formed, even in temporary basis.	Complied
	(c) Financial management:	
	(i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recover overdue loan/lease.	Complied
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board to the maximum extend shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget.	Complied
	(iv) The Board shall adopt the process of operation of bank accounts. To ensure transparency in financial matters, groups may be formed among the management to operate bank accounts under joint signatures.	Complied
	(d) Management of loan/lease/investments:	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	Complied

Sl. No.	Particulars Status of Compliance	Status of Compliance
	(ii) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied
	(iii) Any large loan/lease/investment proposal must be approved by the Board.	Complied
	(e) Risk Management:	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
	(f) Internal Control and Compliance Management:	
	An 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 auditors, external auditors and Bangladesh Bank Inspection team as well.	Complied
	(g) Human Resource Management:	
	Board shall approve the policy on Human Resources Management and Service Rule. The Chairman and directors of the Board shall not interfere on the administrative job in line with the approved Service Rule.	
	Only the authority for the appointment and promotion of the Managing Director/Deputy Managing Director/ General Manager and other equivalent position shall lie with the Board 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.	Complied
	(h) Appointment of CEO:	
	The Board shall appoint a competent CEO for the institution with the prior approval of the Bangladesh Bank and shall approve the proposal for increment of his salary and allowances.	Complied
	(i) Benefits offer to the Chairman:	
	For the interest of the business, the Chairman may be offered an office room, a personal secretary, a telephone at the office and a vehicle subject to the approval of the Board.	Complied
2.	Responsibilities of the Chairman of the Board of Directors:	
	(a) 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;	Complied
	(b) The minutes of the Board meetings shall be signed by the Chairman;	Complied
	(c) The Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied
3.	Responsibilities of Managing Director & CEO:	
	(a) Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied
	(b) For day to day operations, Managing Director shall ensure compliance with the rules and regulation of the Financial Institutions Act, 1993 and other relevant circulars of Bangladesh Bank;	Complied
	(c) All recruitment/promotion, except those of DMD, GM and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance the approved HR Policy of the institution;	Complied

Sl. No.	Particulars Status of Compliance	Status of Compliance
	(d) Managing Director may re-schedule job responsibilities of employees;	Complied
	(e) Except for the DMD, GM and equivalent positions, power to transfer and to take disciplinary action shall vest to the Managing Director.	Complied
	(f) 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 MD.	Complied

Compliance of Meeting & Remuneration

Board Meeting held during 2019 and attendance of each Director

Sl. No.	Name	Meeting Held	Meeting Attended	Total (Tk)	%
1	Mr. Anjan Kumer Roy	12	11	79,200	91.67
2	Mr. Md. Abul Shahjahan	12	12	86,400	100.00
3	Dr. Uddab Mallick	12	11	79,200	91.67
4	Mr. Md. Atharul Islam	12	11	79,200	91.67
5	Mr. Arun Kumer Kundu	12	10	72,000	83.33
6	Ms. Soma Ghosh	12	0	0	0
7	Mr. Pradip Kumar Nandi*	12	04	28,800	33.33
8	Mr. Birendra Kumar Shome**	12	08	57,600	66.67
9	Mr. Md. Siddiqur Rahman ***	01	01	7,200	100.00
10	Ms. Mahfuza Rahman Baby ****	01	0	0	0
	Total			489,600	65.83

* Mr. Pradip Kumar Nandi resigned from the Board of FFIL on December 24, 2019.

** Mr. Birendra Kumar Shome resigned from the Board of FFIL on December 24, 2019.

*** Mr. Md. Siddiqur Rahman resigned from the Board of FFIL on February 07, 2019.

**** Ms. Mahfuza Rahman Baby Nominated by Reptiles Farm Limited was withdrawn from the Board of FFIL on February 07, 2019.

Note: Directors who could not attend meeting were granted leave of absence by the Board.

Executive Committee (EC) meeting held during 2019 and attendance of each Member

Sl. No.	Name	Meeting Held	Meeting Attended	Total (Tk)	%
1	Mr. Arun Kumer Kundu	0	0	0	0
2	Mr. Anjan Kumer Roy	0	0	0	0
3	Dr. Uddab Mallick	0	0	0	0
	Total	0	0		

Audit Committee (AC) meeting held during 2019 and attendance of each Member

Sl. No.	Name	Meeting Held	Meeting Attended	Total (Tk)	%
1	Mr. Md. Abul Shahjahan	5	5	36,000	100.00
2	Mr. Pradip Kumar Nandi	5	3	21,600	60.00
3	Mr. Md. Atharul Islam	5	5	36,000	100.00
4	Mr. Anjan Kumer Roy*	1	1	7,200	100.00
				237,600	73.33

* Mr. Anjan Kumer Roy was withdrawn from the Committee on February 20, 2019.

Note: Members who could not attend meeting were granted leave of absence by the Committee.

Shareholder's Information as on December 31, 2019

Distribution of Shareholdings

Category	Number of Share	% of total Paid up Capital
Sponsor/Director	19,682,870	13.20
Govt.	0	0
Institute	31,660,786	21.24
Foreign	0	0
General Public	97,733,708	65.56
Total	149,077,364	100.00

Shareholdings of the Directors

Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit.

Sl. No.	Name	Shares Hold	% of Holding
1	Ms. Soma Ghosh (Nominated by P&L International Limited)	8,004,150	5.37
2	Mr. Md. Abul Shahjahan (Nominated by P&L International Limited)	11,678,720	7.83
3	Mr. Arun Kumer Kundu (Nominated by Reptiles Farm Limited)		
4	Dr. Uddab Mallick (Nominated by Reptiles Farm Limited)		
5	Mr. Md. Atharul Islam (Nominated by Reptiles Farm Limited)		
6	Mr. Anjan Kumer Roy [Chairman(Acting) & Independent Director]	-	-
7	Mr. S.M. Shamsul Alam (Independent Director)	-	-

Sl. No.	Designation	Name	Share Hold	% of Holding
1	Chief Executive Officer	Mr. Prithish Kumar Sarker	Nil	Nil
2	Company Secretary	Mr. Md. Zahid Mahmud	Nil	Nil
3	Chief Financial Officer (CC)	Mr. A.K.M. Shamsheer Ali	Nil	Nil
4	Head of Internal Audit	Mr. Md. Munir Hossain	Nil	Nil

Executives (top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit):

Sl. No	Designation	Name	Share Hold	% of Holding
1	Deputy Managing Director	Mr. Md. Nurul Haque Gazi	Nil	Nil
2	Senior Vice President, Head of Credit Administration, Recovery & Legal Affairs	Mr. Md. Shahjahan Amin	Nil	Nil
3	Senior Vice President, Head of Head of HR & admin	Mr. Abul Kalam Howlader	Nil	Nil
4	Senior Vice President & Head of Liability Marketing	Mr. Md. Harun Ur Rashid	Nil	Nil
5	Assistant Vice President, Finance & Accounts	Mr. Ramendra Nath Kar	Nil	Nil

Shareholders holding ten percent or more voting interest in the company: Nil

Range of Shareholdings as on 31 December 2019 was as under:

Shareholding Range as on December 31, 2018	Number of holders		% of total holding	
	31-Dec-2019	31-Dec-2018	31-Dec-2019	31-Dec-2018
1-500	2741	2878	0.28	0.22
501-5,000	3954	3621	5.03	3.43
5,001-10,000	975	871	4.66	2.43
10,001-20,000	756	607	7.06	3.02
20,001-30,000	279	228	4.50	2.59
30,001-40,000	165	137	3.83	2.20
40,001-50,000	92	90	2.80	2.19
50,001-100,000	214	167	9.88	5.15
100,001-1,000,000	146	138	21.81	19.67
1,000,001 and above	18	15	40.15	59.10
Total	9340	8,752	100.00	100.00

Risk Management



Risk Management of FFIL

CREDIT RISK MANAGEMENT (CRM)

Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximize a financial institution’s risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. FAS Finance and Investment Ltd. (FFIL) has introduced an independent CRM Department to address the credit risk properly and triggering to capture the quality portfolio by mixing of both corporate and SME investment bucket. Credit risk management filter the moot problem of risk factor and excavate the problem flawlessly because wrong assessment at any stage can have consequential adverse effect in smooth continuation and create dire impact which leverage the NPL conundrum in entire loan portfolio. A credit risk is the risk of default on a debt that may arise from a borrower failing to make required payments. In the first resort, the risk is that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. CRM is a continuous effort of identifying, measuring, monitoring and mitigating the credit risk in both pre-sanction as well as post sanction stage. Bank and NBFIs need to manage the credit risk inherent in the entire portfolio as well as the risk in individual credit or transactions. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of any bank & financial institution. While the credit decision is relatively straightforward in principle (a lender must decide whether to give credit or refuse credit to a potential client), in practice it involves experience, judgment and a range of analytic and evaluative techniques that are designed to determine the likelihood that money will be repaid or, equally, that the money will be lost by the credit not being able to repay.

Major Duties and Responsibilities:



Risk management is embedded in the organizational structure, culture, operations, systems and process. Business risks across the Company are addressed in a structured and systematic way through a predefined risk management framework. The Board updates policies to strike a balance between risk and growth. While the Board sets the policies, management is responsible for executing those policies across the organization.

Risk Management Principles

The following principles guide our management of risk:

- Effective balancing of risk and reward by aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risk through preventive controls and transferring risk to third parties.
- Shared responsibility for risk management as business segments are responsible for active management of their risks, with direction and oversight provided by risk management department and other business units.
- Business decisions are based on an understanding of risk as we perform rigorous assessment of risks in relationships, products, transactions and other business activities.
- Avoid activities that are not consistent with our Values, Code of Conduct or Policies, which contributes to the protection of our reputation.
- Proper focus on clients reduces our risks by knowing our clients and ensuring that all products and transactions are suitable for, and understood by our clients.
- Use of judgment and common sense in order to manage risk throughout the organization.

In evaluation of credit risk, following areas are considered-

Borrower risk Analysis: Borrower risk Analysis: The majority shareholders, management team and group or affiliate companies are assessed. Cash flow is the blood line of any business. Revenue generates either in cash based or credit due to nature of any business that refers to the collection, concentration, and disbursement of cash. The goal is to manage the cash balances of an enterprise in such a way as to maximize the availability of cash not invested in fixed assets or inventories and to do so in such a way as to avoid the risk of insolvency. Factors monitored as a part of cash management include a company's level of liquidity, its management of cash balances, and its short-term investment strategies.

Industry risk Analysis: This is another paramount key risk factors of the borrower's rival industry, any issues regarding the borrower's position vis-à-vis rivalry position in the homogeneous industry, overall industry concerns or competitive forces are addressed and the strengths and weaknesses of the borrower relative to its competition, macro environment element, political imbroglio, foreign currency exchange rate etc. should be considered in industry risk.

Supplier/Buyer Analysis: Customer or supplier concentration of borrower is addressed. The demand and supply side, diversification of product, create supply chain, establish distribution network, successor planning, customer base, geographical footprints and outreach capability, established relationship with key suppliers/ key customers lead to stability of supply and demand retain policy, strength of business model to be reflected in proven growth rate of sales/EBITDA/net profit etc.

Historical Financial Analysis: Analysis of minimum 3 years historical financial statements of the borrower is in practice. Business financial statements, the quality and sustainability of earnings, cash flow, leverage, Productivity, liquidity, Safety cushion against liability, coverage position as well as inventory, receivable and payable position, profitability and the strengths of the borrower's balance sheet are also analyzed.

Projected Financial Performance: projection of the borrower's future financial performance is also made. The financial analysis will judge the sufficiency of cash flow to service debt repayments.

Credit Background: Reflection of credit background in CIB is a major criterion for evaluation.

Projected Financial Performance: projection of the borrower's future financial performance is also made. The financial analysis will judge the sufficiency of cash flow to service debt repayments.

Credit Background: Reflection of credit background in CIB is a major criterion for evaluation.

Account Conduct: For existing borrowers, the historic performance in meeting repayment obligations (trade payments, cheques, interest and principal payments, etc.) is assessed. The main constraints faced by SMEs clients include paucity of freehold land; absence of owned premise, fragmented market, low entry barrier, deficient infrastructure and utility services, weak legal and regulatory framework, inadequate access to finance, lack of skilled workforce, poor business support services, risk associated with potential supply disruption for natural calamity or political imbroglio, import dependency, limited internal fund generation capacity due to weaker bottom-line profitability, weaker retained earnings which limits the growth funding capability of the firm by its own, Limited capacity utilization and further capacity enhancement planning may give rise to external borrowing and hike the leverage position while lower the adequate coverage against increased financial cost. etc.

Mitigating Factors: Mitigating factors for identified risks in the credit assessment are explored. Possible risks include, but are not limited to: margin sustainability and/or volatility, high debt load (leverage/gearing), overstocking or debtor issues; rapid growth, acquisition or expansion; new business line/product expansion; management changes or succession issues; customer or supplier concentrations; and lack of transparency or industry issues.

Facility Structure: The amounts and tenors of proposed credit facilities are justified based on the projected repayment ability and facility purpose as excessive tenor or amount relative to business needs increases the risk of fund diversion and may adversely impact the borrower's repayment ability.

Purpose of Credit: It is required to ensure that the credit is used for the purpose it was borrowed. In case of corporate facilities, where borrower owns group of companies, such diligence becomes more important.

Security: Current valuation of collateral is obtained and the quality and priority of security being proposed are assessed internally and preferably by a third party. Facilities are not granted based solely on security. Adequacy and the extent of the insurance coverage are also assessed. The entire amount of loan facilities should be covered the value of collateral. Additionally, the guarantors information should scrutiny in subtle way for safety cushion of credit.

Credit Information Bureau (CIB)

Credit Information Bureau (CIB) is an important tool for credit risk management as it helps us to understand the various dimensions of risk involved in different credit transactions. As a part of the venture to ingrain any financing into the business, practices of banks and FIs, to expand the risk management horizon of them, to properly address the link between probabilities of default with the vulnerabilities of entity, CIB (Credit information bureau) report is indispensable. The CIB report is especially useful when lending institutions make decisions regarding individuals and SME's. While lending to large companies, a detailed analysis of the potential borrower's financial standing and payment history is found to be a sufficiently good predictor of the probability of default of those companies. The expert opined that the CIB report helps to reduce the ex-ante cost and time of loan processing and the ex-post rate of default, which encourages banks to report credit information to the CIB database. The CIB was set up in Bangladesh Bank aiming to improve credit risks and reduce the extent of default loan in the country's banking system by providing the participants with timely reports on credit information based on the enquiry/request about the loan applicants so as to facilitate credit risk analysis by the banks/FIs and decide promptly on the loan applications. In practice, banks are usually more willing to lend to clients based on their borrowing capacity and good repayment histories. The goal of CIB is also to ease problems arising between borrowers and lenders. Formal information exchanges help lenders to identify good borrowers, thus reducing the incidence of adverse selection. The practical consequence is better risk management, which enables banks and FIs to avoid risky large loans and increase their lending volume to small and medium-sized enterprises (SME) thus contributing to economic growth, employment generation and poverty alleviation.

TYPES OF RISKS:

Liquidity risk:

Liquidity risk is the risk that either does not have sufficient financial resources available to meet our obligations as they fall due, or can only access these financial resources at excessive cost.

Liquidity risk management involves not only analyzing on and off-balance sheet positions to forecast future cash flows but also how the funding requirement would be met. The later involves identifying the funding market in which an FI has access, understanding the nature of those markets, evaluating FIs current and future use of the market and monitoring signs of confidence erosion.

The formality and sophistication of risk management process established to manage liquidity risk reflect the nature, size and complexity of FFIL's activities. We have a thorough understanding of the factors that could give rise to liquidity risk and put in place the mitigating controls. Our liquidity risk management procedures are comprehensive and holistic. At the minimum, we should cover formulation of overall liquidity strategy, risk identification, measurement, and monitoring and control process.

FFIL have an agreed liquidity strategy for the day-to-day management of liquidity. This strategy addresses FFIL's goal of protecting financial strength and the ability to withstand stressful events in the market.

Operational Risk:

Operational risk comprises of risk of loss inherent in day to day operation of the organization and caused by inadequate or inappropriate internal processes, inadequate or inappropriate systems, absence of right people at right place, mistakes of people whether such mistakes are deliberate, accidental or natural and by any other external reason.

Strategic Risk:

Business needs a comprehensive, well-thought-out business plan. But it's also a fact of life that things change, and the best-laid plans can sometimes come to look very outdated, very quickly.

Strategic Risk Management (SRM) is a process performed by management for identifying, assessing and managing risks and uncertainties, affected by internal and external events, scenarios and risks that could impede the organization's ability to achieve its strategy and strategic objectives.

Compliance Risk:

Compliance risk is exposure to legal penalties, financial forfeiture and material loss an organization faces when it fails to act in accordance with industry laws and regulations, internal policies or prescribed best practices.

Financial Risk:

Financial risk is the possibility that shareholders will lose money when they invest in a company that has debt, if the company's cash flow proves inadequate to meet its financial obligations. When a company uses debt financing, its creditors are repaid before its shareholders if the company becomes insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money

Market risk

Market risk can be defined as the potential loss of earnings or economic value due to adverse changes in financial market rates or prices. Our exposure to market risk arises principally from customer-driven transactions. The objective of our market risk policies and processes is to obtain the best balance of risk and return whilst meeting customers' requirements.

The primary categories of market risk are:

- Interest rate risk: arising from changes in yield curves, credit spreads and implied volatilities on interest rate options
- Currency exchange rate risk: arising from changes in exchange rates and implied volatilities on foreign exchange options

- Commodity price risk: arising from changes in commodity prices and commodity option implied volatilities; covering energy, precious metals, base metals and agriculture
- Equity price risk: arising from changes in the prices of equities, equity indices, equity baskets and implied volatilities on related options

CREDIT RISK MITIGATION

Managing Problem Credit

Identifying problem credit ahead of time, when there may be more options available for remedial measures is crucial for any financial organization. Once the credit is identified as a problem, it is managed in FFIL under a dedicated remedial process. Our credit risk policies clearly set out how we will manage problem credits. Responsibility for problem credits is assigned to the originating business function, a specialized workout section, or a combination of both, depending upon the size and nature of the credit and the reason for its problems.

A problem credit management process encompasses the following basic elements.

- a. Negotiation & follow up: A proactive effort is taken in dealing with borrowers to implement remedial plans by maintaining frequent contact and internal records of follow-up actions. Rigorous efforts at an early stage may prevent us from litigations and loan losses.
- b. Workout remedial strategies: Sometimes appropriate remedial strategies such as restructuring of the credit facility, enhancement in credit limits, or reduction in interest rates help improve the borrower's repayment capacity. However, it depends upon business conditions, the nature of problems being faced and most importantly the borrower's commitment and willingness to repay the credit. While such remedial strategies often bring up positive results, we exercise great caution in adopting such measures and ensure that such a policy must not encourage borrowers to default intentionally. FFIL's interest should be the primary consideration in case of any such workout plans. Before implementation, the workout plan is always approved by competent authority.

c. Reviewing collateral and security documents: It is preponderant to ascertain the credit recoverable amount by updating the values of available collateral with formal valuation. Security documents are also reviewed to ensure the completeness as well as enforceability of contracts and collateral/guarantee.

d. Status report and review: Problem credits are subject to more frequent review and monitoring. The review should update the status and development of the credit accounts and progress of the remedial plans. Progress made on problem credit is reported to the senior management.

Managing Credit Concentration Risk

Strategies to manage or mitigate the concentration risk may vary. Depending on the current status of the portfolio, we design our short and long term plans to deal with the credit concentration risk. While setting the limits on lending in each group elements, we consider the followings:

- a. Current exposure must be within the prescribed limit set by the regulators (if any);
- b. Credit quality of that group element;
- c. Profitability of that group element;
- d. Current economic trend and prospects as well as risks of that group element; and
- e. Expertise and professionalism to manage that group element.

Depending on such analysis, we set the overall risk appetite for our portfolio. A continuous monitoring on the above issues is in place to assess whether to redefine the strategies.

In credit management, it is conventional that proposals of credit facilities must be supported by a complete analysis of the proposed credit. More importance should be given on refund of loans out of funds generated by the borrower from their business activities (cash flow) instead of realization of money by disposing of the securities held against the advance, which is very much uncertain in present context of Bangladesh, where a number of creditors are willful defaulters.

Statement on NPL Management

Non-Performing Loan (NPL) is a debt obligation where the borrower has not paid previously agreed upon interest and principal repayments to the designated lender for an extended period of time. The nonperforming asset is therefore not yielding any income to the lender in the form of principal and interest payments. Therefore, managing NPL to keep it at the lowest possible level is at the core of our business priorities. We have embedded the essence of asset quality in our business values, therefore, instituted the best local as well as international industry practices throughout our business processes.

Processes and Structures to Facilitate NPL Management

NPL management is one of the topmost priorities of the management. At FFIL, NPL management starts from the very beginning of our business process. Step by step NPL management flow is as under:

- Credit Risk Management (CRM) division independently reviews the credit proposals, approves (as per approved delegated authority) or recommends for onward approval those cases which are screened off of potential risks ensuring adequate protection against any potential NPL. The reporting authority of CRM division is also independent of reporting line of business division.
- The credit proposals recommended by CRM are reviewed by Management Credit Committee (MCC) consisting of the Managing Director, Deputy Managing Director and Heads of business divisions, operations division and CRM division, who put into a wide variety of inputs from different aspects ensuring the least possibility of NPL.
- Thereafter, credit proposals recommended by MCC are reviewed and if found acceptable, approved by the concerned authority which may be the Managing Director, the Board Executive Committee (BEC) or the Board of Directors (BOD) independently.
- The senior management is vigilant to monitor and review all the relevant aspects; provides necessary directions and guidance time to time; all to ensure asset quality maintaining the NPL ratio towards its desired goals outperforming the industry ratio.
- On top of all, the Board of Directors periodically monitors and reviews the NPL movements and performance of the management in arresting NPL; provides necessary directions and guidance, thereby ensures highest quality of assets of the company to ensure a quality asset portfolio thereby maximize business and profitability growth.

Classification of Loan Portfolio

Loans are classified into the following categories:

- Regular payees
- One month overdue accounts
- Two months overdue accounts
- Three months overdue accounts
- Four months overdue accounts
- Five months overdue accounts
- Six months and above overdue accounts
- Written off accounts

The above mentioned classification is based on the age of the loan portfolio. The strategy of recovery is based on the age of overdue of the loan facility.

Recovery Processes

The various recovery actions in order of intensity is given below:

- Phone Call/ SMS
- Letter/ E-mail
- Visit
- Reminder
- 2nd Reminder
- Visit conducted by higher level employee/s
- Letter to guarantor/s
- Final letter for legal notice
- Legal Notice
- Report to Central Bank and to other agencies
- Terminate the loan
- Ask the guarantor of payment/ encashment of security
- Litigation

NPL Status as on December 31, 2019

During the year 2019, the NPL ratio of the Company significantly increased to 73.15% from previous year's 15.21%. The absolute figures show the increase in classified portfolio from BDT 2,335.35 million in 2018 to BDT 13,114.55 million in 2019. Special efforts were made during the course of the year, which were further intensified during last quarter of the year and it helped reduce the impact of stressful economy on NPL to a sizable extent comparing to the industry.

Report on Going Concern

Going concern is one of the fundamental assumptions in the preparation of financial statements. As per the requirements of International Accounting Standards, Companies Act, Listing Rules and Bangladesh Securities & Exchange Commission Guidelines, management and directors should satisfy themselves about the appropriateness of using going concern assumption in the preparation of the financial statements. The management of an entity therefore has a responsibility to assess the entity's ability to continue as a going concern in the foreseeable future. Under the going concern assumption, an entity is normally viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. The management and directors of the Company has made annual assessment for the year ended December 31, 2019 of whether the Company is a going concern involves making appropriate inquiries including review of budget and future outcome of inherent risk associated in the business. The management and directors of the Company are satisfied from the following factors that the preparation of financial statement for the year ended December 31, 2019 on the basis of going concern assumption is appropriate.

The following indicators underline the company's ability to continue as a going concern:

High Interest Coverage Ratio: During the year 2019, interest coverage ratio stood at (0.76) times, which means the company has strong debt servicing capacity.

Less Dependency on Bank Borrowings: As at December 31, 2019 total bank borrowing of the Company was BDT 1,034.66 million which is 5.19% of the total liabilities. This indicates that Company has no significant dependency on bank borrowings.

Continuous Support from the Depositors: The Company has a very good relationship with the depositors and a good track record and reputation in settling its obligation to its depositors. As at December 31, 2019 total deposits stood at BDT 8,949.14 million. The depositors continued to keep strong confidence on us which is reflected in higher acquisition rate and renewal rates of deposits. This trend is expected to continue in coming days.

Favorable Key Financial Ratios: The Company's financial ratios (Please see the Key Financial and Operating Performance) revealed the sound financial strength and prospect of the Company.

Consistent Payment of Dividend: FAS Finance & Investment Limited has been paying dividend consistently on a regular basis to the shareholders since 2006 which reflect Company's long-term viability in operational existence.

Strong Capability in Settling of Obligation: The Company has strong credibility in terms of settlement of obligation to the lenders. Company has no default payment history for settlement of its obligation.

Growth in Operating Profit: In the year 2019, FFIL achieved (413.57)% growth of operating profit compared to year 2018 which reflects the growth in profitability from regular operation.

Expansion of Business: Company introduced new loan product category such as consumer white goods finance during the year 2019. Furthermore, FFIL has carried out various IT development as well as expansion of head office and reallocation of branches which will help drive future growth.

Employee Satisfaction and Working Environment: FFIL is an employee friendly organizations. There exists a very good corporate environment in the Company. The Company pays a very competitive compensation package with fringe benefits like provident fund, performance bonus, gratuity, group insurance, hospitalization insurance, reward and recognition program etc.

Based on the review of the major indicators, the management and Directors of the Company is of the view that the preparation of the financial statements of the Company for the year ended 31 December 2019 on the basis of "going concern assumption" is appropriate.

Management Discussion & Analysis

- Global Economy in 2019
- Bangladesh Economy in 2019
- Performance of NBFIs in 2019
- Performance analysis of FFIL
- Pursuant to the Corporate Governance Code, 2018
- Strategy for achievement of targeted profit
- Challenges for 2020
- Going Forward

Management Discussion & Analysis

The Bangladesh's financial services sector, comprising of a range of institutions from Commercial and Specialized Banks (private and public), Non-Banking Financial Institutions (NBFIs), Insurance Companies, Co-operative Societies etc., are diverse and expanding rapidly. Over the years, the Government of Bangladesh has initiated several reforms to liberalize this industry and expand its reach to the un-Bank people in the rural and remote areas popularly termed it as Financial Institution. Adding a further dimension, the Government and Bangladesh Bank have also allowed new entities such as Mobile Financial Services Provider to enter the financial sector. Despite many challenges FAS Finance & Investment Limited consolidates its strength to weather subdued performance of financial sector. Last year financial sector of Bangladesh experienced the scarcity of liquidity stemmed from widening savings-investment gap amid robust demand for capital, current and balance of payment deficits. The scenario, in case of NBFIs was also worsen because of lack of confidence as arisen from some reporting on banking sector in some daily newspapers. However, Regulators remain careful in maintaining macroeconomic stability that results into controlled inflation at the end of the year and sense of austerity in excessive credit expansion. As we graduate from low to middle income country, we focus on increasing productivity and efficient deployment of assets under FFIL's management.

Global Economy in 2019

In 2019 about 78% of the global GDP of \$ 86.31 trillion is attributable to the sixteen economies in the trillion dollar club. The top five countries in terms of nominal GDP: the U.S., China, Japan, Germany and India contribute a whopping 55% to the world's GDP. The United States, the world's largest economy with a nominal GDP of \$21.44 trillion, constitutes one-fourth of the world economy. China, is the second-largest economy in the world and the fastest-growing trillion-dollar economy. With a GDP of \$14.14 trillion in 2019, it makes up 16.38% of the global economy. With a GDP of \$3.86 trillion, Germany is the fourth-largest economy in the world and the largest economy in Europe. The World Bank estimates that approximately 47.4% of its GDP is dependent on the export of goods and services, which makes it vulnerable to external shocks. India, the fifth largest economy has often been dubbed as the 'bright spot in the global economy. India's growth has been impacted by country-specific issues such as stress in the non-bank financial sector, decline in credit growth, cooling private consumption, slowing industrial activity and stagnant investments.

Bangladesh Economy in 2019

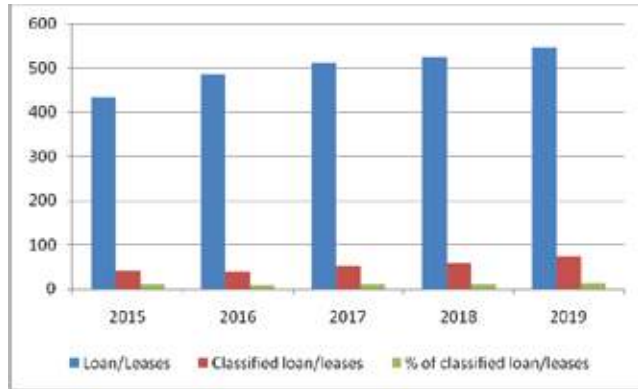
Bangladesh economy enjoys one of the happiest years in 2019 in respect to economic freedom, which will helps to achieve a GDP growth at 8.13%. In 2019, the share of agriculture in Bangladesh's gross domestic product was 12.68 percent, industry contributed approximately 29.65 percent and the services sector contributed about 52.85 percent. In 2019, the unemployment rate in Bangladesh was at approximately 4.19 percent. After a decrease from 2010 through 2011, Bangladesh's unemployment has been steady at around 4.3 percent. The average inflation rate has increased by 0.04 percentage points for the 12 months in the just-concluded year 2019 to 5.59 per cent due to some volatility in commodity markets in the country. The average inflation rate was 5.59 per cent in 2019 as against 5.55 per cent for the previous calendar year 2018.

Performance of NBFIs in 2019

Non-Bank Financial Institutions (NBFIs), have been playing a crucial role by providing additional financial services that is not usually provided by the banks. The total sector's Loans & Advances mounted at BDT 544.93 billion as on Sep 2019 compared to BDT 525.19 billion as on Sep 2018 and BDT 541.15 billion in December 2018. In the competitive run of deposit collection with the banks, the overall NBFIs industry failed to grow their portfolio. The total Deposit of the NBFIs Sector logged- 2.8% (YOY) and-1.0% (YTD) growth in 9 months of 2019. The total Deposits stood at BDT 501.39 billion as on Sep 2019 compared to BDT 516.01 billion as in Sep 2018 and BDT 506.40 billion in December 2018. The total Assets of the NBFIs industry logged 1.9% growth (YOY) and-0.6% growth (YTD) in 9 months of 2019 which was backed by the restrained growth in Loans & Advances. On the other hand, total liabilities of the sector recorded 3.5% (YOY) and 0.9% (YTD) growth in 9 months of 2019. Net interest income decreased by 13.2% YoY in 9 months of 2019 while net interest margin reached at 1.89% in 1st 9 months of 2019 compared to 2.27% in 9 months of 2018. Overall Interest Expense has increased in 9 months of 2019 due to the higher weighted average cost of deposit. Moreover, NBFIs are running less efficiently in 9 months of 2019 with 47.6% efficiency ratio compared to 34.9% efficiency ratio in 9 months of 2018. Most of the NBFIs experienced negative growth in the Income from Investments due to the low-spirited performance of the capital market in 2019 so far. Besides, Commission, Exchange & Brokerage income was decreased by 15.1% (YoY) in 9 months of 2019. Total operating income decreased by 18.4% (YoY) in 9 months of 2019 and total operating expense increased by 7.6% (YoY) in 9 months of 2019. The NBFIs sector has provisioned BDT

3,149 million against classified loans in 9 months of 2019 compared to BDT 2,749 million in 9 months of 2018. Net Profit after Tax stood at BDT 1,369 million in 9 months of 2019 compared to BDT 5,726 million in 9 months of 2018. Current NPL (as on September '19) is 11.7% which was 7.9% by the end of December '18.

Trends of Total loan Lease and classified loan Lease



(billion BDT)

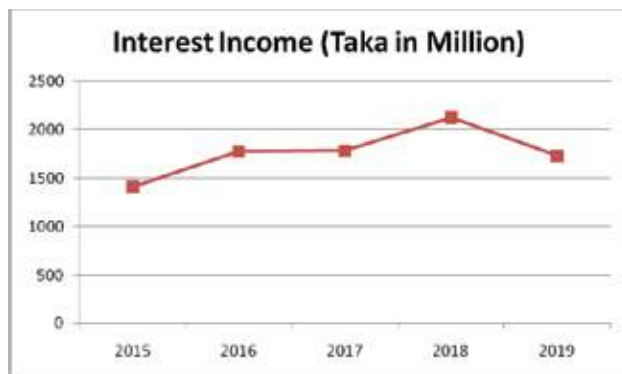
Particulars	2012	2013	2014	2015	2016	2017	2018	2019
Loan /Lease	252.1	273.6	372.8	432.5	485.7	510.4	525.19	544.93
Classified Loan/Lease	13.7	16.8	19.7	40	38.7	52.1	59.2	73.7
Classified Loan/Lease % of Total	5.4%	6.1%	5.3%	8.9%	7.3%	9.0%	9.2%	13.5%

As of 30 September 2019

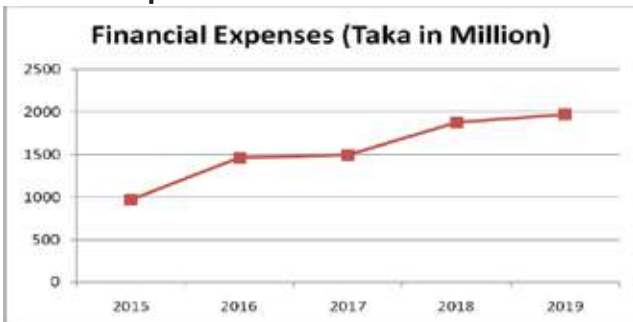
Performance analysis of FFIL

The financial year 2019 has been challenging one with an operating environment, constrained margins and rate volatility both deposits and loans rate. Although there are some moderate growth in deposit & loan/leases the FFIL's performance has generally suffered in 2019 due to excessive increase of Non-Performing loans.

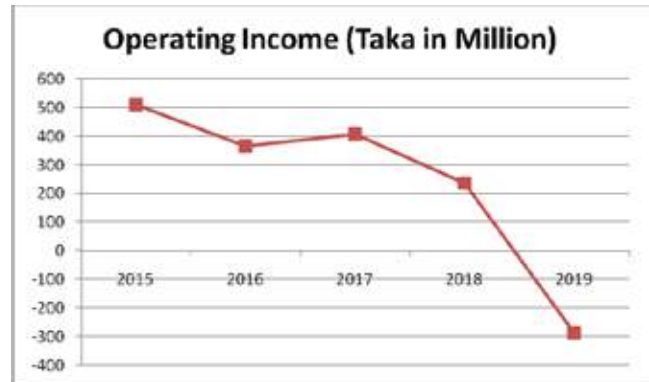
Last 5 years Operating Performance of FFIL Interest Income



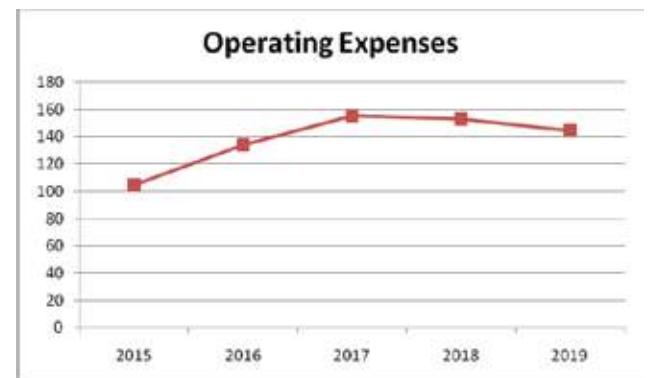
Financial Expenses



Operating Income



Operating Expenses



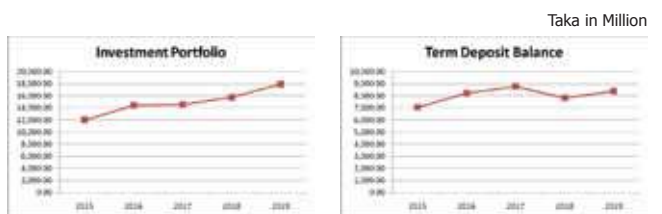
Total Asset

Total assets of the FFIL's stood at Tk. 20,270.24 million increased by 7.95% of the previous year. In terms of Asset Growth, FFIL's total assets grew faster than the industry average in 2019. The Industry growth recorded at 1.94%.

Total Deposit

Total Deposit of NBFI Industry mainly sourced through Term Deposits. FFIL maintains a well-diversified term deposit portfolio with a good number of products depending on depositors' preference. During the year 2019 the industry average deposit collection decreased by (2.83%) where FFIL's Deposit collection increased by 6.83%.

Last 5 years Loans & Advance and Deposit Performance of FFIL



Leases, Loans and Advances

FFIL offers well-diversified and need-based loan/leases products for its valuable clients. In case of growth in leases, loans and advances portfolio FFIL has been increased substantially in the last five years. During the year 2019 Industry average loans, leases and advances increased by 3.76% where FFIL's total loan, leases and advances portfolio increased by 16.77%.

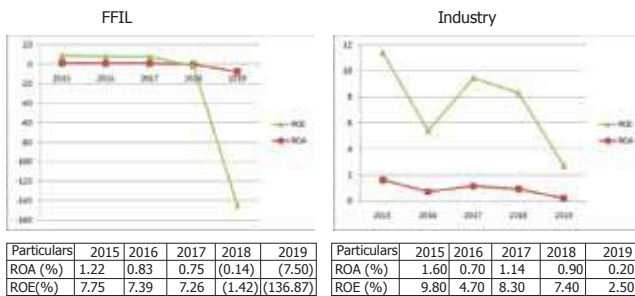
Return on Asset (ROA)

FFIL's ROA for the year 2019 was (7.50)% compared to Industry's ROA 0.2%. During the year 2019 FFIL could not be able to maintain positive return on Assets where the average growth of return on Assets of the industry was shown some positive indicators.

Return on Equity (ROE)

FFIL's ROE for the year 2019 was (136.87)% compared to Industry's ROA 2.5%. During the year 2019 FFIL could not be able to maintain positive return on Equity where the average growth of return on Equity of the industry was shown some positive indicators.

Trends of Profitability



Because of some adverse reporting in the media, liquidity crunch in banking sector had worsened. At the same time continued bearish capital market throughout 2019, our bottom line result has been greatly affected. As profitability is highly affected by increase of NPL's EPS stood significantly negative. FFIL's Earnings per Share stood at BDT (9.83) for the year 2019 compared to BDT (0.17) of 2018. To support the expansion plan in the coming days, we will focus more on Retail Deposits, which are sticky in nature, and other funding arrangements like Government and foreign Funds.

Performance analysis on projected and actual

Taka in Million

Particulars	Year 2018	Year 2019	Year 2019	Growth (%)	Budget variance
	(Actual)	(Actual)	(Budget)		
Lease, Loan & Advance	15,353.56	17,928.10	16,395.40	16.77	9.35%
Deposits	8,376.61	8,949.14	8,840.00	6.83	1.23%
Operational Profit	121.70	(381.61)	324.80	(413.57)	(217.49)%
PBT	42.82	(1,457.67)	200.30	(3,504.18)	(827.74)%
Net Profit after Tax	(25.81)	(1,464.73)	125.20	5,775.05	(1,269.91)%

Pursuant to the Corporate Governance Code, 2018 the management of FFIL has prepared the following analysis in relation to the company's position and operations along with brief discussion of changes in the financial statements among others, focusing on:

1) Accounting policies and estimation for preparation of financial statements

The financial statements have been prepared on a going concern basis and accrual method under historical cost convention and therefore did not take into consideration of the effect of inflation. The preparation and presentation of

the financial statements and the disclosure of information have been made in accordance with the DFIM circular no. 11 dated 23rd December 2009 in conformity with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), the Companies Act 1994, the Financial Institutions Act 1993, Securities and Exchange Rules 1987, the listing rules of Dhaka and Chittagong Stock Exchanges and other applicable laws & regulations in Bangladesh and practices.

As Bangladesh Bank is the primary regulator of Financial Institutions, Bangladesh Bank's guidelines, circulars, notifications and any other requirements are given preference to IAS and IFRS, where any contradictions arises. 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.

2) Changes in accounting policies and estimation

The principle accounting policies had been consistently maintained since inception of the Company except the changes in the Depreciation Method from Reducing Balance Method to Straight Line Method. Thus, the cost of the fixed asset is recovered through charging in Profit & Loss Account within a reasonable time. During the year under consideration, the Company has not adopted any change in the accounting policies and estimates.

3) Comparative analysis of financial performance and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof

Summarized Income Statement

Taka in million

Details	2019	2018	Growth
Net interest income	(222.37)	262.38	(184.75)%
Fee Income	0.16	0.45	(64.44)%
Operating expense	130.39	135.91	(4.06)%
Provision	1,076.06	78.88	1,064.17%
Provision for Taxation	7.06	68.63	(89.71)%
Profit after Tax	(1,464.73)	(25.81)	5,575.05%

Net Interest Income: Net interest income decreased by (184.75)%. Investment income decreased by 496.61%. The main reason of such negative result is the increase of NPL's.

Interest Income: Company's interest income, mostly from corporate loans, decreased by (16.01)%.

Interest Expense: Company's interest expense on deposit and borrowing increased by 8.28%. Bank and FI industry faced a sudden shortage of liquid funds in 2019 which forced banks and FIs to collect deposit at higher rate.

Net Operating Profit: Due to lower interest income the operating expenses also decreased by (4.06)% compared to previous year and the operating income was decreased by (197.52)% compared to previous year, Net operating profit of the company decreased by (413.57)%.

Profit After Tax: Eventually, the profit after tax of the company decreased by 5,575.05% due to the factors mentioned above. As a result, our earnings per share (EPS) in 2019 has also decreased to BDT (9.83).

Provisions for Loans/Investments

Provisions have been maintained for classified loans as per the provisioning policy by the Central Bank. Increase in provision in 2019 exceeded that of 2018 by BDT 1,076.06 million increased by 1,264.17% compared with previous year. The majority of the increase came from Provision for Diminution in Value of Investments arising from some unrealized capital market losses and large number of classified accounts increased during the year.

Provision for Income Tax

The provision for Income Tax during the year 2019 was BDT 7.06 million, which was lower than 2018 BDT 68.63 million.

Total Loan Portfolio

Our core lending portfolio grew by 16.77% reaching BDT 17.93 billion in 2019 from BDT 15.35 billion in 2018. The growth in lending portfolio was majorly driven by Term Finance and Real Estate Finance as well as for accumulation of interest due to low repayment.

Non-Performing Loans (NPL)

During the year 2019, the overall Non Performing Loan (NPL) of the industry was 11.60% where the FFIL NPL

recorded 73.15%. Due to increased the total number of classified large loans accounts our overall NPL percentage increased and the Management of the Company are more focusing on all out efforts to recover from the NPL of the Company.

Base Rate of FFIL

Particulars	2019	2018
Cost of fund	10.83%	10.99%
Cost of CRR & SLR	0.05%	0.04%
Cost of Administration	0.81%	0.86%
Cost of Equity Capital	1.04%	0.98%
Average Base Rate	12.73%	12.87%

Basically the cost of deposit has increased in 2019 due to increase of deposit rates which affects the average base rate of the Company.

Cash Flow Analysis

In BDT million

Particulars	2019	2018
A) Net cash flows from/(used in) operating activities	(1,197.94)	(634.09)
B) Net cash flows from/(used in) investing activities	(58.37)	208.70
C) Net cash flow from financing activities	178.36	(279.97)
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	(1,077.95)	(705.37)
E) Cash and cash equivalents at beginning of the year	2,129.79	2,835.16
F) Cash and cash equivalents at end of the year (D+E)	1,051.84	2,129.79

Overall Scenario

The cash and cash equivalent balance of the Company increased to BDT 17.18 million in 2019 compared to BDT 6.88 million in 2018.

Financial Highlights of FAS Finance & Investment Limited

All figures in BDT million except (%)

Operating Year	2019	2018	2017	2016	2015
Total Assets	20,270.24	18,777.76	18,335.11	17,110.15	13,278.22
Total Liability	19,932.47	16,975.26	16,433.84	15,341.96	11,636.12
Total Loan/Leases	17,928.10	15,353.57	14,560.47	14,424.50	11,989.42
Total Deposits	8,949.14	8,376.61	8,781.68	8,224.28	7,049.85
Operating Income	(251.21)	257.61	372.89	349.54	433.75
Operating Expenses	130.39	135.91	133.48	113.15	88.29
Financial Expenses	1,974.15	1,823.24	1,494.44	1,412.45	948.78
Net Profit After Tax	(1,464.73)	(25.81)	133.12	126.05	126.67
Debt to Equity (times)	59.0	9.40	8.64	8.68	7.09
ROA (%)	(7.50)	(0.14)	0.75	0.83	1.22
ROE (%)	(136.87)	(1.42)	7.26	7.39	7.75
Earnings Per Share (Tk.)	(9.83)	(0.17)	0.94	0.89	0.89
P/E Ratio (Times)	(0.68)	(77.97)	21.07	14.80	11.07
Dividend Payout Ratio (%)	0	(29.41)	9.71	5.10	9.71
Year End Market Price Per Share (Tk.)	6.70	13.50	21.70	14.50	11.40
NAV Per Share (Tk.)	2.27	12.09	13.39	12.45	11.57

4) Comparative financial performances with the peer industry

as at 30th September, 2019 (Un -Audited)										Amount in Million	
Details	FAS Finance	ILFSL	Bay	BD Fin	First Fin	Midas	Lanka Bangla	IDLC	IPDC	Uttara	United
Total Assets	19,862	46,092	17,276	17,996	59,992	11,299	87,727	116,463	58,701	43,358	21,706
Total Liability	17,819	43,245	14,708	14,938	54,436	10,002	78,307	102,838	53,241	35,667	18,596
Operating Income	208	540	148	288	1,460	179	3,238	4,095	1,539	1,874	824
Operating Expenses	109	198	104	209	400	138	2,110	1,815	693	146	460
Interest Income	1,460	4,088	1,165	1,428	4,718	800	7,487	9,718	4,854	3,141	1,840
Interest Expenses	1,249	3,641	1,091	1,068	3,434	695	5,496	6,244	3,455	1,571	1,151
Net Profit After Tax	23	25	35	23	820	(154)	268	1,308	446	1,043	178
Earnings Per Share (Tk.)	0.15	0.11	0.26	0.14	6.12	(1.14)	0.52	3.47	1.52	8.33	0.95
ROA	0.2%	0.1%	0.3%	0.2%	1.8%	-1.8%	0.4%	1.5%	1.0%	3.2%	1.1%
ROE	1.5%	1.2%	1.8%	1.2%	19.7%	-15.9%	3.9%	12.8%	10.9%	18.1%	7.6%
Debt-Equity Ratio	874.7%	1519.1%	572.8%	579.5%	979.8%	770.8%	844.9%	754.8%	975.2%	464.4%	598.0%
NPL	15.21%	4.56%	9.46%	4.41%	0.30%	12.49%	3.35%	2.20%	2.14%	9.93%	2.95%

Compare with other Financial Institutions FFIL could litter to maintain its progress in the year 2019 due to increase large number of classified accounts. The increase of NPL ratio badly affects the profitability at the same time. All financial indicators also goes down simultaneously in the year of 2019 because of the same reason.

The FI industry is still burdened with an alarming amount of non-performing loans (NPLs) that make funds costlier and FIs' operations riskier. FFIL however has tightened its belt and taking coordinated steps to gear up recovery efforts to hold NPL volume to a level where requirements for financial provisions against such loans could be saddled up to a bare minimum with lesser impact on profitability. All this is expected to strengthen business and benefits for all stakeholders over time.

Before the year 2019 FFIL could be able to stand in the position to hold a static point at moderate level, but during the year 2019 FFIL faced several financial problems including increase of large number of classified accounts as well as others challenges. FFIL has been able to make weaker average ROE compared to major competitors in the industry. Despite of a modest growth of its asset base FFIL maintained negative ROA than the industry ROA.

5) Risk and concerns as well as the mitigation plan related to the financial statements

The Company always concentrates on delivering high value to its stakeholders through appropriate tradeoff between risk and return. A well-structured and proactive risk management system is in place within the Company to address the risks relating to credit, market, liquidity and operations. Details of the Risk Management have been described on page no. 91 to 94 of this annual report.

6) Future plan for Company's operation, performance and financial position with justification thereof

The business target of Tk. 16,395.40 million has been projected by Credit Department for the year 2019. This amount will be disbursed in the form of Lease, Term Loan, House Finance, SME & Women Entrepreneurship Finance etc. The actual Loan, Advances & Lease portfolio as on 31-12-2019 was Tk. 17,928.10 million. In the year-2020 main focus will be on SME, Corporate & Industrial financing. In full rhythms of effort in spite of COVID 19 pandemic situation, we are optimistic to achieve our budgeted target in the year-2020 as we did in the year-2019.

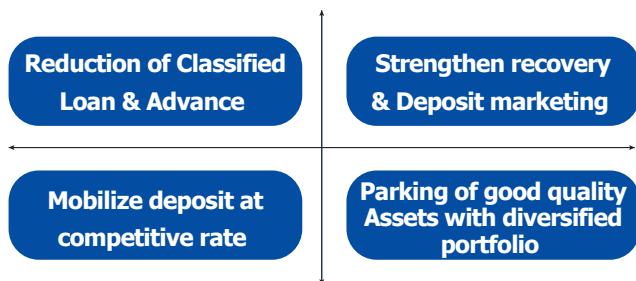
Strategy for achieve targeted profit

Based on our vision, we have chosen to give priority to our overall strategic objectives that creates the foundation for strong growth and focuses on continuous value enhancement. Major strategies are as follows:

- Special attention should be given to evade the threat of upcoming NPLs & avoid deterioration of asset quality
- Recovery of bad debts & written-off loans
- Early settlement of problem loans / bad loans & leases with waiver of some interest
- Early disposal of suits. Settlement outside the court may be another option
- Ensuring quality customer service. Harnessing the power of technology to deliver better customer services
- More business to generate more profit
- Mobilizing deposits at competitive rates increasing the numbers of deposit clients. Exploring potential deposit customers. Activate the door to door liability marketing team with more vibrant team members
- Expanding & Diversifying the loan /Lease portfolio
- More frequent visit to the corporate and individual customers

- Educate with proper training to the marketing team
- Conducting our business with the highest levels of integrity
- Encouraging under-served and under-penetrated communities with tailor-made products and services
- Supporting the spirit of teamwork and collaboration
- Launching of innovative products
- Compliance of all regulatory requirements
- Maintaining of CRR/SLR etc. / Audit Compliance
- Strengthening of Anti-Money Laundering activities
- Preventing fraud & forgery
- Minimizing Operating Expenses.
- Monitoring Performance & Development of Human Resources.
- Ensuring IT Security
- Exercise good working environment
Corporate Social Responsibilities

Key points for optimistic the target outcome



Challenges for 2020

- Recover from large sized NPL's
- Payment of deposit at maturity
- Retaining present depositor's confidence
- Deposit Mobilization at competitive rate
- Maintaining healthy spread
- Retaining brand image & reputation
- Adapt new technology for driving efficiencies and service excellence

Going Forward

Considering the overall situation, we intend to achieve cautious and healthy growth in the following years as we have taken some positive initiatives in recovery of NPL's & increase good loan/leases portfolios. However, we intend to pick up pace in the medium term future by leveraging the opportunities of the country's growing economy. Given the well-tested management excellence, goodwill of the company, relationship with the developers and stakeholders, we are trying to turn around our company in all aspects.

Prithish Kumar Sarker
Managing Director & CEO

Corporate Social Responsibility

Corporate Social Responsibility “CSR” is a corporation’s initiatives to assess and take responsibility for the company’s effects on environmental and social wellbeing. Corporate Social Responsibility (CSR) being an integral part of the long term sustainable strategy has now emerged as a growing practice. A strong perception has developed in recent years among the management that they need to manage their organizations in a socially responsible way for economic viability and long term sustainability in the competitive market place. CSR practices not only improve our own standards but also affect the socially responsible behaviors of other businesses.

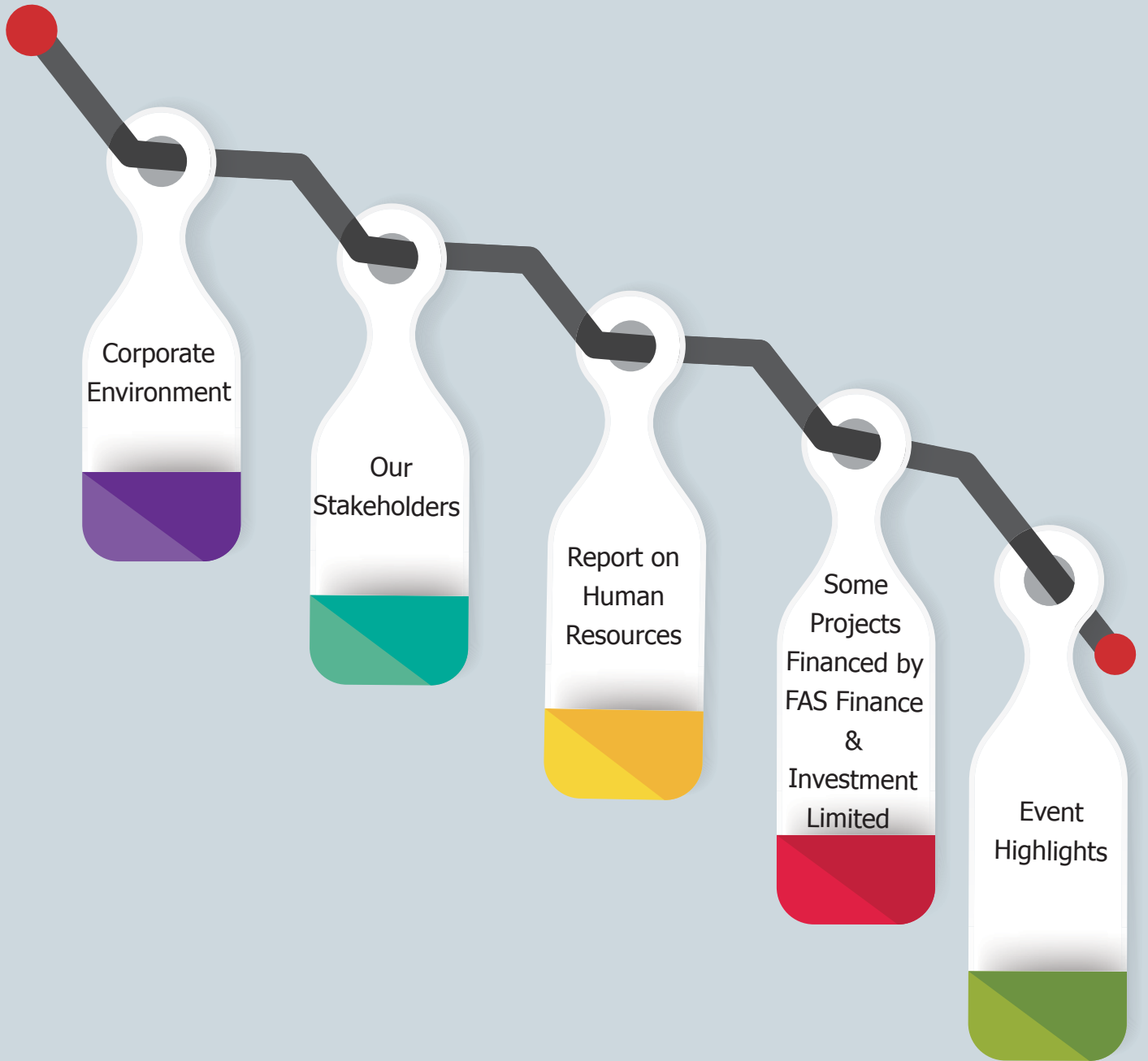
The management believes that successful CSR program cannot be achieved individually. CSR includes the participation of the society, nature and ethics in making strategy that

can improve the competitive position of the company. CSR takes care of the interest of all stakeholders rather than that of the stockholders only. By incurring CSR expenditure, FFIL can strengthen its competitiveness, counter the risk of losing the existing market shares and establish its presence in emerging ones. Instead of thinking CSR as a regulatory or discretionary cost, the management sees it as an investment that brings long-term benefits for the company.

As a part of CSR, FFIL contributed 3.62 lac taka to several societal activities in different arrangement in the recent year. The government of Bangladesh has introduced CSR guidelines for organizations to spend a portion of their profit on social activities under certain bindings and FFIL’s CSR programmers are guided by those policies.



Sustainability Development Report



Corporate Environment

Corporate Environment has an immense impact on FFIL's human resources through knowledge acquisition, job development, training, communication and leading to job satisfaction. In this environment important is placed on effective management, a clear definition of responsibility, straightforward work processes with minimum bureaucracy. In this way FFIL is able to serve its customers at the best helping to achieve their goals.

In order to ensure that our customers are getting the best possible service, we have organized the tenets of its culture into following business principles and these principles are undertaken by all FFIL's operations.

Welcoming change: The business environment is constantly undergoing changes, bringing the company up against new challenges. In order to assist clients in gaining a competitive advantage, we need to keep ourselves abreast of changing business practices and seeks to implement changes ahead of the competition.

Intelligent risk taking: FFIL uses its expertise to advise its clients on the risks they face and enable them to make informed decisions. Up to date information and qualified personnel ensure intelligent risk assessment and decision-making.

Efficient decisions: Effective service to the customers is based on effective and efficient decision-making. This is

achieved through the devolution of power and open communication. This also makes for an exciting and highly motivating work environment that attracts talents and qualified candidates.

Long-term relationships: FFIL's main objective is to develop and maintain long-term relationships with its clients. Their needs and interests are made a priority, since their success consequently fuels our success, thus establishing a common goal.

Teamwork: The best results are achieved only when the employees of FFIL and its customers work together as a team. Effective co-operation and proper communication ensure quick and professional service and provides the basis for efficient teamwork.

Identifying opportunities: By identifying opportunities where others see business as usual, FFIL is able to advise its clients effectively and provide them with exceptional choices. We are confident that our employees are able to perform this task by providing customers building their confidence and encouraging their initiative.

Rewarding talent: To ensure that our clients receive superior services, we reward those employees who perform most successfully. Our greatest resource is our employees and it places great emphasis on retaining good employees, that is, those who provide the greatest benefits to our customers.

Our Stakeholders

At FFIL, being a stakeholder-centric enterprise, our relationship with our stakeholder ecosystem has a direct and indirect impact on our reputation, our business activities and on our license to operate. Our stakeholders include customers, shareholders, employees, suppliers (of finance and credit), the central bank and other government regulators and the communities and societies in which we operate.

We are proactive in our stakeholder responses in the sense that while our individual teams are responsible to engage with each specific stakeholder group with the emergence of material developments, our centralized stakeholder reporting is supervised by the senior management team. As a Company that is bound by regulatory frameworks, we are also proactive in issuing material notifications to the central bank, regulatory authorities and the exchanges as and when they happen.

Stakeholder Management

Safety of Deposits: As a frontline financial services entity with strong controls and governance standards, we enjoy an unmatched reputation with a robust brand recall of being trusted, credible and dependable.

Timely Loan disbursement: A large number of customers, especially SME clients, require speedy loan disbursements. In this context, we are increasingly leveraging technology and service orientation to deliver industry-leading loan turnaround times.

Ensuring Process Simplification: Fostering a culture in which our customers find it convenient to engage with us, we provide a number of options that eases the customer in securing the loan including near paper-less transactions, minimal visits to our offices as well as the contractual agreement that is easy to read and understand.

Investors

Industry Potential: As a Company that is focused on unlocking the developmental potential of Bangladesh, we are closely linked with the growth prospects of the country. While the nation's population stands at about 165-million with attractive demographics, the penetration of financial services is extremely low, which together represent sustainable and structural growth opportunities. Inspired by our legacy and shareholding structure, as mostly represented by the P & L International Ltd. & Reptiles Farm Ltd., we are in a better position to ride the developmental wave that will bring a larger population into the umbrella of formal finance.

Investment Stage of the Company: With the strategic transformation helping financial revival, the Company is still in investment mode, securing IT up gradation and recruiting a large number of resources to drive its business aspirations and growth. However, these investments are made one-time, but will generate sustainable and repeatable benefits in the long-term.

Employees

Well-defined Career Progression Opportunities: With a sustained focus on succession planning, talent development for critical senior management roles and skills development, we constantly provide our employees training opportunities that enable them to progress through their careers. Being a meritocratic organization, we focus on attitude and work ethics above anything else.

Talent Attraction: As an enterprise that is well-known among the country, we are getting hundreds of thousands of applications for job postings. With a well-structured and rigorous screening and selection process, we ensure that we attract the right talent to take forward our corporate goals and aspirations.

Suppliers

Timely Return of Capital: We adhere to our contracts and commitments through the timely disbursement of capital (with interest), which helps us with the smooth access to credit as and when we require it.

Continual Engagement: We continuously engage with our banking channel partners for access to lower-cost credit and for demand projections that strengthens our ability to increasingly balance our assets and liabilities.

Central Bank and other Government Regulators

Engagement in Upcoming Regulations: We engage with the regulators to help them draft policies or comment on upcoming guidelines which help in the development of a more vibrant industry.

Inspire Confidence: As a well-established Company with a strong heritage, we inspire the confidence of our regulators in meeting policy requirements and in fostering a culture that places the highest emphasis on governance and transparency.

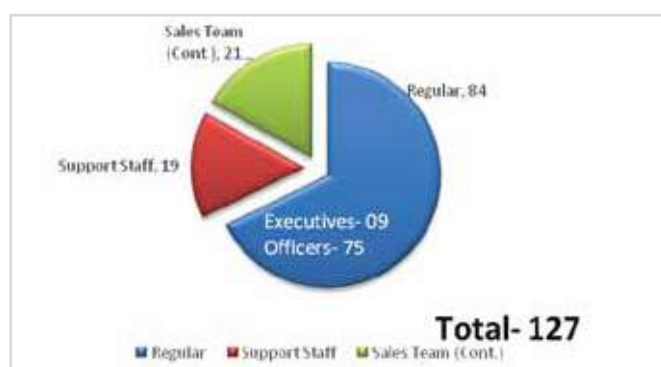
Report on Human Resources

FFIL is an organization which believes its human resources to be one of its best investments. It is the performance and productivity of its manpower which establishes its position. Human resources being one of the highest contributing factors in the success of the company, FFIL focuses on hiring the right person for the right position and also concentrate on the proper development and motivation of the personnel. The company also considers strategy for retention of its top performers seriously.

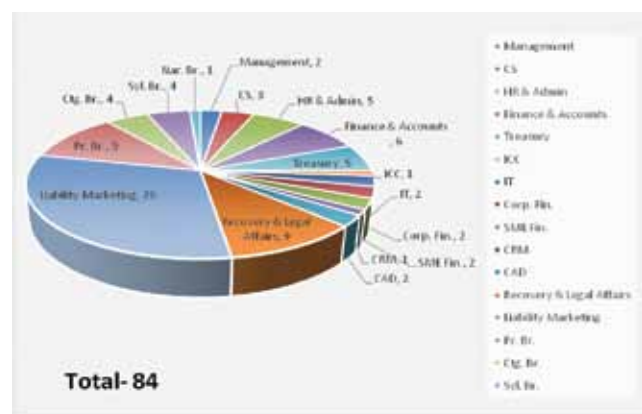
Overview of HR Functions



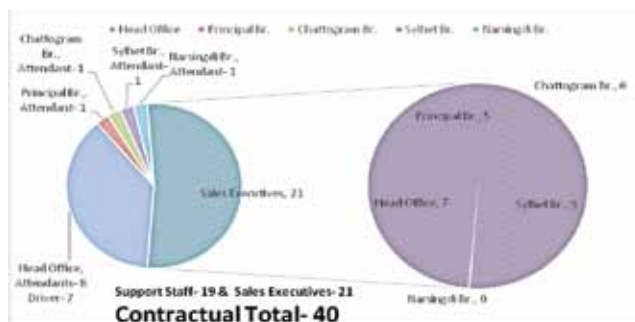
Category wise Employee



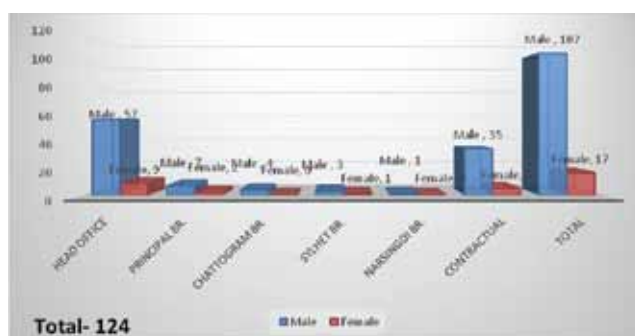
Department s/Branch wise HR Strength



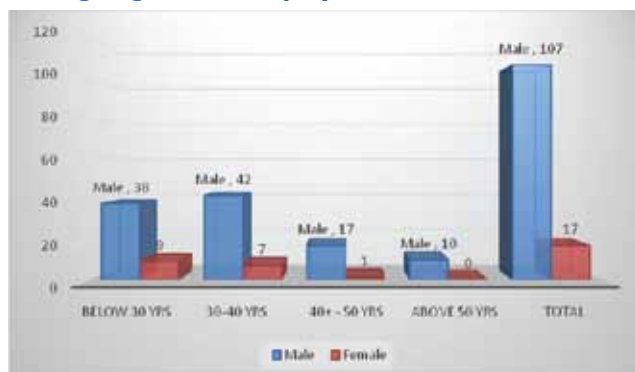
Department s/Branch wise Contractual Employee-40



Male & Female Ratio



Average Age of the Employees



Training Summary



Human capital - our core strength

Effective human resource management has proven to be a critical component in the success of a business. FFIL is focused on recruiting the best resources and implementing programs to develop and retain high quality human resources. FFIL continues to implement human resource

management policies and practices that are aimed at growing and developing employees and ensuring their active contribution towards the achievement of corporate goals. Effective human resources have also been linked to superior Company performance. FFIL believes that its human resources are sophisticated in building and running the Company. Each and every employee is considered, developed and motivated to contribute optimally towards the achievement of corporate goals.

Our Human Resources Department (HRD) mission

FFIL's HRD is committed to work strategically with diverse business segments in identifying and responding to the evolving business needs. As a strategic business partner, FFIL's HRD creates a work environment that thrives on diversity, high individual and organizational productivity and performance, continuous improvement and exceptional customer service. We are dedicated to construct an outstanding service oriented culture as well as maintain a strong work-life balance. Moreover, by encouraging employee engagement, we foster the spirit of teamwork and collaboration with a strong focus on quality in our day-to-day operations.

Our resources are precious to us

At FFIL, we are powered by talents. We consider our human resources as the most important asset and mobilize people and teams by engaging them in cutting-edge financial industry practices. As an attractive employer, we offer a broad spectrum of opportunities for both professional and personal development as well as encourage a work environment that is characterized by respect, trust, co-operation and collaboration. We do so because the skills and enthusiasm of our employees are a major force that helps us to achieve sustainable results.

The right people in the right place at the right time

While the goal is to provide the best candidate for the Company's needs, it is also important that we place people in the right positions at the right time. This requires us to emphasize on the efficiency of our hiring and staffing processes even as we continue to look for ways to create efficiencies in our hiring methodologies. We also recognize the need to use further analytics in our recruitment efforts to enable us to understand our workforce needs, levels and the effectiveness of our recruitment strategies. The purpose of FFIL's merit based recruitment and selection process is to ensure that vacancies are filled by the most competent incumbents. FFIL provides equal employment opportunities to all applicants without any bias to race, religion, gender, age, disability or any other criteria permissible by the statutory laws of the country. Recruitment and selection is based solely on job-related criteria. The recruitment and selection process is consistently applied and promotes fairness, diversity and transparency. The process complies with all state laws, regulations and policies.

Performance appraisal

Performance appraisals can benefit employees and organizations by clarifying goals and expectations, and creating an environment of open communication. The best performance appraisals offer positive feedback and advice for improvement and typically consist of a conversation between the management and the employees. FFIL is a performance-driven Company. Our performance appraisal is the single-most important tool that enables the Company to measure the performance of an individual and plan his/ her career progression accordingly. At FFIL, the sole motive of the performance appraisal system is to maximize efficiency of the Company's objectives with the guidance to achieve each member's career aspirations. The performance appraisal system is fully structured to assess the competency of all full-time employees. This extensive process starts with the circulation of appraisal forms, approved by the management.

Promotion

Promotion opportunities are the life-blood of staffing and retention. Without the proper use of incentives and coaching, employees are likely to refrain from maintaining relationships with a business for an extended period of time. Competitors take the best talent from other companies by offering individuals enhanced pay and benefits. Promotions and bonuses to the personnel help in ensuring that they do not feel the need to leave their employers. At FFIL, promotions signify our management's commitment to recognize and reward outstanding performers. It motivates employees to aspire for advancement opportunities within the Company. It also contributes to employee satisfaction and retention. Employee promotion is made by examining all factors necessary to determine the best qualities and capabilities to fill the position.

Benefits Policy

FFIL has the following benefits and facilities for its employees:

- Festival Bonus
- Provident Fund
- Gratuity
- Employee personal loan facility at a subsidized rate
- Group insurance and health insurance coverage
- Annual Incentive Bonus based on performance
- Reward and recognition for employees' hard work and dedication to the Company

HR Committee

FFIL's HR Committee is a forum for the discussion of various HR-related issues of the Company. The main role and function of the Committee is to assist HRD in developing and administering a fair and transparent procedure for setting policies on the overall human resources strategy of the Company.

The Committee’s responsibility is to ensure that the Company has a wide scope for equal opportunity and transparency in terms of:

- Suitable recruitment;
- Compensation on the basis of merit, qualification and competence;
- Adequate training and development facilities;
- Performance appraisal and promotions based on individual performance and contribution;
- In addition, the Committee looks into any other benefits related issues regarding the Company’s operating results and comparable market statistics.

Fostering a healthy workplace

One of our goals is to move towards a comprehensive approach to creating a healthier workplace. This is in our best interests as individual and the institution as a whole. Employees enjoy favourable working hours so that they can

ensure a balance between professional and personal interests. FFIL ensures that the workplace health and safety complies with internal health and safety policies and procedures. It also develops, co-ordinates and implements strategies to prevent workplace injuries and illnesses and sets standards for health and safety training. In this regard, it organizes training on fire fighting and vaccination programs. FFIL covers hospitalization insurance to ensure holistic medical security of its employees and also, group life insurance schemes cover the unforeseen risk of death as well. Moreover, special accidental issues related to the employee and his/ her family members are reviewed by the HR Committee to compensate them in any way possible.

HR Plans for 2020

Amendments to be proposed in some existing rules and policies and to be formulated some policies as under



Training Calendar-2019

SL	Title of Subject/Training	Apr'20	May'20	Jun'20	Jul'20	Aug'20	Sept'20	Oct'20	Nov'20	Dec'20
1	CIB Business Rules							√		
2	Foundation Course								√	
3	Receptionist Skills									√
4	VAT & Taxation System	√								
5	Land Related Document		√							
6	AML-CFT						√			
7	Code of Conduct				√					
8	Policy & Procedures									√
9	MS-Office up to Advice Level		√							
10	Motivation Approach for Achieving the Target						√			
11	Etiquettes and Manners	√							√	
12	National Integrity Strategy (NIS)									√

Some Projects Financed by FAS FINANCE & INVESTMENT LIMITED



Pharmaceutical Industry



Cable Industry



Power Industry



Jute Industry

Some Projects Financed by FAS FINANCE & INVESTMENT LIMITED



Textile Industry



Energy Industry



Chemical Industry



Shipping Service Industry

EVENT HIGHLIGHTS



22nd Annual General Meeting



Registration of Shareholders



A Partial view of Shareholders



Training on Anti-Money Laundering (AML) & Combating the Financing of Terrorism (CFT)



NID Verification from the Election Commission, Bangladesh

EVENT HIGHLIGHTS



Annual Business Conference-2019 at a Hotel



Participation in the Green & PPP Convention & Expo 2018 at Bangabandhu International Conference Center



Crest Receiving by the Managing Director & CEO in the Green & PPP Convention & Expo 2018



Farewell ceremony for the Company employees



Birthday celebration for the Company employees

Financial Statements of the FAS Finance & Investment Limited

Auditors' Report to the Shareholder

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Independent Auditor's Report

To the shareholders of FAS Finance & Investment Limited

Report on the audit of the consolidated and separate financial statements

Qualified Opinion

We have audited the consolidated financial statements of FAS Finance & Investment Limited and its subsidiary (the "Group") as well as the separate financial statements of FAS Finance & Investment Limited (the "Company"), which comprise the consolidated and separate balance sheet as at 31 December 2019, and the consolidated and separate profit and loss account, consolidated and separate statement of changes in equity and consolidated and separate cash flow statement 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 balance sheet of the Group and the separate balance sheet of the Company as at 31 December 2019, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Financial Institutions Act, 1993, the Rules and Regulations issued by the Bangladesh Bank, the Companies Act, 1994 and other applicable Laws and Regulations.

Basis for Qualified Opinion

1. At the year ended, the company's non-performing (classified) loan stood of TK. 1,311 crore which is 73% of loan advance and lease investment. As a result the required loan provision of loan advance and lease at the year was TK. 514.55 crore. One which, TK 134.59 crore has been accounted for as loan provision and rest of TK. 379.96 crore with equal instalment shall be charged next 07(seven) year. If whole required provision is charged to the profit or loss statement, then loss for the year would be TK. 530.96 crore. And EPS (negative) would be (35.6) consequently, NAV per share at the year ended will also be reduced by the same amount.
2. During the year, the interest income was overcharged by TK. 120.35 crore, as a result of investment suspense was recognized as income. Consequently, the loss for the year was understated by that amount. If the interest income of the company is reduced by that that amount, then loss and EPS for the year, with taking into consideration of under provision described in serial 01 of Basis of qualified opinion paragraph, would be TK 651.31 crore and TK (43.7) respectively. The NAV per share shall be TK (31.5)
3. Bangladesh Bank has made an order to the company for accruing interest income only on realization basis some of loan, advance and lease investment. The balance of said loan, advance and lease investment was TK 498 crore, which was 27.7 total investment.
4. The Financial statements exhibit of TK. 44,665,893 as "Non-current asset held for sales" which was classified as non-current asset held for sale in the year 2010 (nine year ago). No disposal yet taken place since then due to not receiving of minimum offer price as mentioned in the financial statements. The IFRS 05 Non-current Assets Held for Sale and Discontinued Operations requires to sold out the noncurrent asset within one year form the date of classification as " Non-current asset held for sales". Moreover, the poor price of that is sign of impairment as per IAS 36 Impairment of Assets. But no such impairment test was taken place. Consequently, the asset and profit for the year are overstated.
5. At the year end, the current account balance with subsidiary company (Fas Capital Management Ltd.) does not agree due to unrecognized liability of TK 35 lakh by the company.
6. According to Financial Institution Regulations 1994 and FID Circular No. 06 dated 06 November, 2003 and FID Circular No. 02 dated 10 November, 2004. The company should maintain Reserve, 2.5% on `Term or Fixed Deposit,. But company couldn't maintain such provision which is violation of circular.
7. During our audit we did not obtain third party confirmation in respect bank balance, FDR balance and loan balance through third party confirmation. Though we sent the letter of request to bank through the entity but bank didn't respond on our request.

8. The margin loan balance with negative equity of the company is Tk. 157.8 crore as of December 31, 2019. The company has no other security over this margin loan except margin loan holders' share portfolio. The market value of portfolio of negative equity holders is just of Tk. 1.3 crore. There is a significant doubt of collectability of said unsecured loans. As such, the company is required to make provision or written off the long outstanding unsecured loan, which is not less than of Tk. 156.5 crore as of December 31, 2019. The paragraph 5.4.4 of IFRS 9: Financial Instrument requires to written off the entire or part of the financial assets (margin loan with negative equity), which is not recoverable. The company has just maintained of Tk. 8.97 (eight point nine seven) crore as provision for margin loan. The short fall of required margin loan provision is Tk. 147.53 (one forth seven point fifty three). If the whole impairment is adjusted in financial statements then Net Asset Value (NAV) would be Tk. 127.54 (one hundred seven point five four) crore and NAV per share would be Tk. (51.02) (Taka negative fifty one point zero two) Instead of disclosed NAV per share of Tk. 8 (Taka eight). However, the Bangladesh Securities and Exchange Commission directive no. BSEC/CMRRCD/2009-193/196 is required to make provision five equal quarterly instalment starting from December 31, 2019. So, the company is required to maintain provision of Tk. 29.51 (twenty percent or one instalment out of five).
9. During the year, the company had charged to negative equity holder of Tk. 9.66 (nine point six six) crore and Tk. 0.25 (point two five) crore as "Interest on Margin Loan" and "Portfolio Management fee" respectively. The recoverability of margin loan with negative equity and interest charged thereon is very poor. So, charging the interest and portfolio management fee on Margin loan with negative equity of Tk. 9.91 crore is overstated the income of the company for the year. If such income does not consider then loss for the year and EPS would be Tk. (141,788,089) and Tk. (5.67) respectively instated of current disclosed net of Tk. (44, 923,414) and EPS of Tk. (1.80) respectively.
10. The interest on margin loan and other income (e.g. interest on FDR, portfolio management fee) of Tk. 9.66 (nine point six six) crore and Tk. 5.38 (five point three eight) crore respectively was just charged and accrued to the margin loan account and receivable of FDR interest, which has been shown as receipt in the statement of cash flows. On the other hand, interest paid shown in statement of cash flows is overstated by Tk. 8.8 (eight point eight) crore as this interest is just accrued and charged in Books of accounts and no impact was in the company's cash flows. The corresponding error may be in Borrowing from other bank & financial institution and provision for expenses in statement of cash flows.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter Paragraph

We draw your attention to the policy note no. 1(f) where it has been disclosed by company that they record their investment in shares at cost and provision is made for the diminishing in value of investment which is a common local practice in Bangladesh for all banks and merchant bank. Although IFRS 9: Financial Instrument requires the investment to be presented at market value after adjusting provision for diminution losses.

Key audit matters

Risk	Our response to the risk
Measurement of provision for loans and advances	
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end of 2019 for loans and advances of BDT 1,345,973,502.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • 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);

<p>We have focused on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03 August 2002, FID circular no. 03, dated 03 May 2006 and FID circular no.03 dated 29 April 2013; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; • Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates; 	<p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
<p>See note 13.1 of financial statements</p>	

<p>Measurement of deferred tax</p> <p>In 2019, the Company reports net deferred tax liabilities (DTL) amounted to BDT 60,001,846</p> <p>Significant judgment is required in relation to deferred tax assets/liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTLs and the assumptions used in estimating the Group's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTL's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
<p>See note # 13.3 to the financial statements</p>	

Other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

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

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

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 and separate financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Financial Institutions Act, 1993 and the Bangladesh Bank guidelines 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 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 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 financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Report on other legal and regulatory requirements

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

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

- (iii) The consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditures incurred and payments made 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) statement sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e. "Window dressing" to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate their regularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve, and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the Group & Company and we have spent around 920 person hours for the audit of the books and accounts of the Company;
- (xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) the Company has complied with the "First Schedule" of the Financial Institutions Act, 1993 in preparing these financial statements; and
- (xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dated, Dhaka
November 22, 2020


Md. Waliullah, FCA
Malek Siddiqui Wali
Chartered Accountants

FAS Finance & Investment Limited

Consolidated Balance Sheet

As at 31 December 2019

Particulars	Notes	Amount in Taka		
		31-Dec-2019	31-Dec-2018	1-Jan-2018
PROPERTY AND ASSETS				
Cash	2 (a)	17,260,113	6,954,831	52,386,564
In hand (including foreign currencies)		128,401	116,773	86,654
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		17,131,712	6,838,058	52,299,910
Balance with other banks and financial institutions	3 (a)	1,035,566,056	2,126,350,259	2,786,900,934
In Bangladesh		1,035,566,056	2,126,350,259	2,786,900,934
Outside Bangladesh		-	-	-
Money at call and on short notice	4 (a)	-	-	-
Investments	5 (a)	102,829,230	284,303,236	1,106,527,427
Government		-	-	-
Others		102,829,230	284,303,236	1,106,527,427
Loans, advances and leases		17,962,063,855	15,430,518,903	13,979,799,394
Loans, cash credits, overdrafts, and leases etc.	6 (a)	17,962,063,855	15,430,518,903	13,979,799,394
Bills purchased and discounted	7 (a)	-	-	-
Fixed assets including premises, furniture and fixtures	8 (a)	421,297,977	323,519,335	331,700,916
Other assets	9 (a)	545,376,761	601,341,023	596,675,714
Non-Financial Institution's assets	10 (a)	44,665,893	44,665,893	44,665,893
Total Assets		20,129,059,885	18,817,653,480	18,898,656,842
LIABILITIES AND CAPITAL				
Liabilities and agents	11 (a)	7,149,671,046	7,167,736,685	6,715,356,511
Deposits and other accounts	12 (a)	8,399,142,519	7,826,613,857	8,781,681,956
Current deposits and other accounts		-	-	-
Bills payable		-	-	-
Savings bank deposits		-	-	-
Fixed deposits	12 (a)	8,393,854,519	7,824,901,857	8,781,681,956
Bearer certificates of deposit		-	-	-
Other deposits	12 (a)	5,288,000	1,712,000	-
Others liabilities	13 (a)	4,286,750,360	2,020,022,787	1,573,830,982
Total Liabilities		19,835,563,925	17,014,373,329	17,070,869,449
Capital/Shareholders' Equity*		287,931,533	1,796,454,247	1,820,998,010
Paid-up capital	14	1,490,773,640	1,419,784,420	1,290,713,110
Statutory reserve	15	205,579,082	205,579,082	181,811,273
Other reserve	16	315,000	315,000	315,000
Revaluation reserve	17	162,047,766	166,318,514	170,814,039
Retained earnings	18 (a)	(1,570,783,954)	4,457,231	177,344,588
Non-Controlling Interest		5,564,427	6,825,904	6,789,383
Total Liabilities and Shareholders' Equity		20,129,059,885	18,817,653,480	18,898,656,842
Net asset value per share (Last year restated)		1.93	12.05	12.83

FAS Finance & Investment Limited


Consolidated Balance Sheet

As at 31 December 2019

Particulars	Notes	Amount in Taka		
		31-Dec-2019	31-Dec-2018	1-Jan-2018
OFF-BALANCE SHEET ITEMS				
Contingent Liabilities		-	-	-
Acceptances and endorsements		-	-	-
Letters of guarantee		-	-	-
Irrevocable letters of credit		-	-	-
Bills for collection		-	-	-
Other contingent liabilities		-	-	-
Other commitments		639,057,691	2,074,196,208	2,259,084,889
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	19 (a)	639,057,691	2,074,196,208	2,259,084,889
		-	-	-
Total		639,057,691	2,074,196,208	2,259,084,889
Other memorandum items	20 (a)	873,509,166	946,613,314	510,042,679

The Accounting policies and other notes from 01 to 46 form an integral part of the financial statements.


Md. Atharul Islam
 Director


Md. Abul Shahjahan
 Director


Prithish Kumar Sarker
 Managing Director & CEO


Md. Zahid Mahmud
 Company Secretary


A.K.M. Shamsher Ali
 Manager & CFO (CC)

Date: November 22, 2020
 Dhaka


Malek Siddiqui Wali
 Chartered Accountants

FAS Finance & Investment Limited

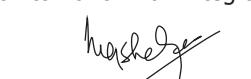
Consolidated Profit and Loss Account

For the Year ended 31 December 2019

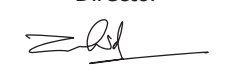
Particulars	Notes	Amount in Taka	
		31-Dec-2019	31-Dec-2018
OPERATING INCOME			
Interest income	22 (a)	1,731,349,804	2,127,657,529
Less: Interest paid on deposits and borrowings, etc.	23 (a)	1,970,066,186	1,872,782,804
Net interest income		(238,716,382)	254,874,725
Investment income	24 (a)	(52,678,371)	(42,517,602)
Commission, exchange and brokerage	25 (a)	157,500	450,000
Other operating income	26 (a)	4,801,924	24,386,135
		(47,718,947)	(17,681,467)
Total operating income (a)		(286,435,329)	237,193,258
OPERATING EXPENSES			
Salary and allowances	27 (a)	73,585,251	71,759,068
Rent, taxes, insurance, electricity, etc.	28 (a)	4,941,885	30,067,872
Legal expenses	29 (a)	439,625	360,290
Postage, stamps, telecommunication, etc.	30 (a)	1,849,947	2,123,743
Stationery, printings, advertisements, etc.	31 (a)	2,736,792	4,794,295
Chief executive's salary & fees		5,600,000	5,517,742
Directors' fees	32 (a)	772,800	1,330,200
Auditors' fees	33 (a)	230,000	207,750
Depreciation and repairs of FI's assets	34 (a)	38,387,971	20,997,657
Other expenses	35 (a)	16,057,223	15,640,141
Total operating expenses (b)		144,601,494	152,798,758
Profit before provision (c=a-b)		(431,036,823)	84,394,500
Provision against loans, advances and leases	36 (a)	1,028,125,130	95,473,485
Provision for diminution in value of investments	37 (a)	(27,675,489)	(65,398,872)
Other provisions		69,990,350	3,924,000
Total provision (d)		1,070,439,991	33,998,613
Profit before taxation (c-d)		(1,501,476,814)	50,395,887
Provision for taxation	38 (a)	8,307,376	74,903,165
Current tax		11,839,491	77,444,298
Deferred tax		(3,532,115)	(2,541,133)
Net profit after taxation		(1,509,784,190)	(24,507,278)
Attributable:		(1,509,784,190)	(24,507,278)
Shareholders of the company		(1,508,522,713)	(24,543,799)
Non-Controlling Interest		(1,261,477)	36,521
Appropriations		-	23,767,809
Statutory reserve	15	-	23,767,809
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		(1,508,522,713)	(48,311,608)
Earnings per share-EPS (Last year restated)	40(a)	(10.12)	(0.16)

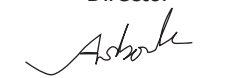
The Accounting policies and other notes from 01 to 46 form an integral part of the financial statements.



Md. Atharul Islam
 Director


Md. Abul Shahjahan
 Director


Prithish Kumar Sarker
 Managing Director & CEO


Md. Zahid Mahmud
 Company Secretary


A.K.M. Shamsheer Ali
 Manager & CFO (CC)


Malek Siddiqui Wali
 Chartered Accountants

Date: November 22, 2020
 Dhaka







FAS Finance & Investment Limited
Consolidated Statement of Changes in Shareholders' Equity
 For the Year ended 31 December 2019

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Total	Non Controlling Interest	Total
Balance as at 01. January 2019	1,419,784,420	205,579,082	166,318,514	315,000	4,457,231	1,796,454,247	6,825,904	1,803,280,151
Prior year adjustment for tax provision	-	-	-	-	-	-	-	-
Restated Balance	1,419,784,420	205,579,082	166,318,514	315,000	4,457,231	1,796,454,247	6,825,904	1,803,280,151
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the Profit and Loss Account	-	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	(1,508,522,713)	(1,508,522,713)	(1,261,477)	(1,509,784,190)
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Stock dividend-2018	70,989,220	-	-	-	(70,989,220)	-	-	-
Transfer of depreciation charged to profit & loss account	-	-	(4,270,748)	-	4,270,748	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	1,490,773,640	205,579,082	162,047,766	315,000	(1,570,783,954)	287,931,533	5,564,427	293,495,960

For the Year ended 31 December 2018

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Total	Non Controlling Interest	Total
Balance as at 01. January 2018	1,290,713,110	181,811,273	228,221,449	315,000	192,902,052	1,893,962,884	6,789,383	1,900,752,267
Prior year adjustment (Note: 31.00)	-	-	(57,407,410)	-	(15,557,464)	(72,964,874)	-	(72,964,874)
Restated Balance	1,290,713,110	181,811,273	170,814,039	315,000	177,344,588	1,820,998,010	6,789,383	1,827,787,393
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-
Prior Adjustment (Provision of AIT-2016)	-	-	-	-	36	36	-	36
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the Profit and Loss Account	-	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	(24,543,799)	(24,543,799)	36,521	(24,507,278)
Transfer to statutory reserve	-	23,767,809	-	-	(23,767,809)	-	-	-
Stock dividend-2018	129,071,310	-	-	-	(129,071,310)	-	-	-
Transfer of depreciation charged to profit & loss account	-	-	(4,495,525)	-	4,495,525	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	1,419,784,420	205,579,082	166,318,514	315,000	4,457,231	1,796,454,247	6,825,904	1,803,280,151

The Accounting policies and other notes from 01 to 46 form an integral part of the financial statements.

					
Md. Atharul Islam	Md. Abul Shahjahan	Pritish Kumar Sarker	A.K.M. Shamsheer Ali	Md. Zahid Mahmud	Malek Siddiqui Wali
Director	Director	Managing Director & CEO	Manager & CFO (CC)	Company Secretary	Chartered Accountants

Date: November 22, 2020

Dhaka

FAS Finance & Investment Limited

Consolidated Cash Flow Statement


For the Year ended 31 December 2019

Particulars	Notes	Amount in Taka	
		31-Dec-2019	31-Dec-2018
Cash flows from operating activities			
Interest receipts		983,342,776	2,124,049,236
Interest payments		(644,011,648)	(1,453,712,401)
Dividend receipts		6,095,020	18,219,142
Fee and commission receipts		157,500	450,000
Recoveries on loans previously written off		1,250,797	-
Payments to employees		(72,396,487)	(77,825,677)
Income taxes paid		(10,860,298)	(60,855,336)
Receipts from other operating activities		(57,370,571)	(32,003,356)
Payment for other operating activities		(587,191)	(51,494,957)
Operating profit before changes in operating assets & liabilities		205,619,898	466,826,651
Increase/decrease in operating assets and liabilities			
Loans, advances and leases to customers		(1,254,314,929)	(1,347,298,407)
Other assets		6,765,761	2,378,524
Deposit from other FI's		730,530,369	(1,097,219,924)
Deposit from customers		(418,757,227)	142,151,825
Other liabilities to customer		11,968,957	12,741,166
Trading liabilities (short-term borrowing)		(547,003,549)	460,137,416
Other liabilities		(416,405)	(4,097,397)
		(1,471,227,023)	(1,831,206,797)
Net cash from/(used in) operating activities (a)		(1,265,607,125)	(1,364,380,146)
Cash flows from investing activities			
Purchase/sale of trading securities, shares, bonds, etc.		189,652,884	862,919,179
Purchase/sale of property, plant and equipment		(133,908,736)	(11,219,996)
Net cash used in investing activities (b)		55,744,148	851,699,183
Cash flows from financing activities			
Increase/(decrease) of long-term borrowings		129,380,115	(193,304,237)
Dividend paid		3,941	2,792
Net cash flow from financing activities (c)		129,384,056	(193,301,445)
Net increase/(decrease) in cash (a+b+c)		(1,080,478,921)	(705,982,408)
Effects of exchange rate changes on cash and cash equivalents			
Cash and cash equivalents at beginning of the year		2,133,305,090	2,839,287,498
Cash and cash equivalents at end of the year*		1,052,826,169	2,133,305,090
*Cash and cash equivalents at end of the year			
Cash in hand and balance with Bangladesh Bank		17,260,113	6,954,831
Balance with other banks		1,035,566,056	2,126,350,259
Money at call and short notice		-	-
Treasury bills		-	-
Prize bond		-	-
		1,052,826,169	2,133,305,090
Net operating cash flow per share-NOCFPS (Last year restated)		(8.49)	(9.15)


The Accounting policies and other notes from 01 to 46 form an integral part of the financial statements.



Md. Atharul Islam
 Director


Md. Abul Shahjahan
 Director


Prithish Kumar Sarker
 Managing Director & CEO


Md. Zahid Mahmud
 Company Secretary


A.K.M. Shamsheer Ali
 Manager & CFO (CC)


Malek Siddiqui Wali
 Chartered Accountants

Date: November 22, 2020
 Dhaka

FAS Finance & Investment Limited

Balance Sheet

As at December 31, 2019

Particulars	Notes	Amount in Taka		
		31-Dec-2019	31-Dec-2018	1-Jan-2018
PROPERTY AND ASSETS				
Cash	2	17,179,374	6,881,038	52,345,461
In hand (including foreign currencies)	2.1	47,662	42,980	45,551
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.2	17,131,712	6,838,058	52,299,910
Balance with other banks and financial institutions³		1,034,657,920	2,122,907,573	2,782,812,721
In Bangladesh	3.1	1,034,657,920	2,122,907,573	2,782,812,721
Outside Bangladesh		-	-	-
Money at call and on short notice	4	-	-	-
Investments	5	66,330,074	132,785,843	297,338,840
Government	5.1	-	-	-
Others	5.2	66,330,074	132,785,843	297,338,840
Loans, advances and leases		17,928,103,014	15,353,565,267	14,020,128,589
Loans, cash credits, overdrafts, and leases etc.	6	17,928,103,014	15,353,565,267	14,020,128,589
Bills purchased and discounted	7	-	-	-
Fixed assets including premises, furniture and fixtures	8	406,148,859	309,056,385	322,293,292
Other assets	9	773,154,125	807,899,727	815,531,092
Non-Financial Institution's assets	10	44,665,893	44,665,893	44,665,893
Total Assets		20,270,239,259	18,777,761,726	18,335,115,888
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions, and agents	11	6,754,352,050	6,691,063,363	6,325,356,511
Deposits and other accounts	12	8,949,142,519	8,376,613,857	8,781,681,956
Current deposits and other accounts		-	-	-
Bills payable		-	-	-
Savings bank deposits		-	-	-
Fixed deposits	12.1	8,943,854,519	8,374,901,857	8,781,681,956
Bearer certificates of deposit		-	-	-
Other deposits	12.1	5,288,000	1,712,000	-
Others liabilities	13	4,228,978,322	1,907,586,695	1,399,768,024
Total Liabilities		19,932,472,891	16,975,263,915	16,506,806,491
Capital/Shareholders' Equity*		337,766,368	1,802,497,811	1,828,309,397
Paid-up capital	14	1,490,773,640	1,419,784,420	1,290,713,110
Statutory reserve	15	205,579,082	205,579,082	181,811,273
Other reserve	16	315,000	315,000	315,000
Revaluation reserve	17	162,047,766	166,318,514	170,814,039
Retained earnings	18	(1,520,949,119)	10,500,795	184,655,975
Total Liabilities and Shareholders' Equity		20,270,239,259	18,777,761,726	18,335,115,888
Net asset value per share (Last year restated)		2.27	12.09	12.88

FAS Finance & Investment Limited

Balance Sheet

As at 31 December 2019


Particulars	Notes	Amount in Taka		
		31-Dec-2019	31-Dec-2018	1-Jan-2018
OFF-BALANCE SHEET ITEMS				
Contingent Liabilities				
Acceptances and endorsements		-	-	-
Letters of guarantee		-	-	-
Irrevocable letters of credit		-	-	-
Bills for collection		-	-	-
Other contingent liabilities		-	-	-
Other commitments		639,057,691	2,074,196,208	2,259,084,889
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	19	639,057,691	2,074,196,208	2,259,084,889
Total		639,057,691	2,074,196,208	2,259,084,889
Other memorandum items	20	-	-	-

The Accounting policies and other notes from 01 to 46 form an integral part of the financial statements.


Md. Atharul Islam
 Director



Md. Abul Shahjahan
 Director


Prithish Kumar Sarker
 Managing Director & CEO


Md. Zahid Mahmud
 Company Secretary


A.K.M. Shamsher Ali
 Manager & CFO (CC)

Date: November 22, 2020
 Dhaka


Malek Siddiqui Wali
 Chartered Accountants

FAS Finance & Investment Limited

Profit and Loss Account

For the Year ended 31 December 2019

Particulars	Notes	Amount in Taka	
		31-Dec-2019	31-Dec-2018
OPERATING INCOME			
Interest income	22	1,751,775,729	2,085,629,844
Less: Interest paid on deposits and borrowings, etc.	23	1,974,151,155	1,823,244,488
Net interest income		(222,375,426)	262,385,356
Investment income	24	(31,684,409)	(5,312,610)
Commission, exchange and brokerage	25	-	-
Other operating income	26	2,844,720	536,949
		(28,839,689)	(4,775,661)
Total operating income (a)		(251,215,115)	257,609,695
OPERATING EXPENSES			
Salary and allowances	27	66,521,355	63,271,568
Rent, taxes, insurance, electricity, etc.	28	4,536,669	25,293,713
Legal expenses	29	422,375	283,240
Postage, stamps, telecommunication, etc.	30	1,581,050	1,773,712
Stationery, printings, advertisements, etc.	31	2,685,503	4,597,992
Chief executive's salary & fees		5,600,000	5,517,742
Directors' fees	32	690,000	1,233,600
Auditors' fees	33	172,500	144,500
Charge on loan losses		-	-
Depreciation and repairs of FI's assets	34	33,106,096	18,884,597
Other expenses	35	15,078,188	14,910,458
Total operating expenses (b)		130,393,736	135,911,122
Profit before provision (c=a-b)		(381,608,851)	121,698,573
Provision against loans, advances and leases	36	1,028,125,130	95,473,485
Provision for diminution in value of investments	37	(22,054,909)	(20,517,065)
Other provisions	13.09	69,990,350	3,924,000
Total provision (d)		1,076,060,571	78,880,420
Profit before taxation (c-d)		(1,457,669,422)	42,818,153
Provision for taxation	38	7,062,020	68,629,739
Current tax	13.2	10,527,723	71,078,927
Deferred tax	13.3	(3,465,703)	(2,449,188)
Net profit after taxation		(1,464,731,442)	(25,811,586)
Appropriations		-	23,767,809
Statutory reserve	15	-	23,767,809
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		(1,464,731,442)	(49,579,395)
Earnings per share-EPS (Last year restated)	40	(9.83)	(0.17)

The Accounting policies and other notes from 01 to 46 form an integral part of the financial statements.



Md. Atharul Islam

Director



Md. Zahid Mahmud

Company Secretary

Date: November 22, 2020

Dhaka



Md. Abul Shahjahan

Director



A.K.M. Shamsher Ali

Manager & CFO (CC)



Prithish Kumar Sarker

Managing Director & CEO



Malek Siddiqui Wali

Chartered Accountants

FAS Finance & Investment Limited
Statement of Changes in Shareholders' Equity

For the Year ended 31 December 2019

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Total
Balance as at 01 January 2019	1,419,784,420	205,579,082	166,318,514	315,000	10,500,795	1,802,497,811
Effects of changes in accounting policy	-	-	-	-	-	-
Restated Balance	1,419,784,420	205,579,082	166,318,514	315,000	10,500,795	1,802,497,811
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the Profit and Loss Account	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	(1,464,731,442)	(1,464,731,442)
Transfer to statutory reserve	-	-	-	-	-	-
Stock dividend-2018	70,989,220	-	-	-	(70,989,220)	-
Transfer of depreciation charged to profit & loss account	-	-	(4,270,748)	-	4,270,748	-
Issue of share capital	-	-	-	-	-	-
Balance as at 31 December 2019	1,490,773,640	205,579,082	162,047,766	315,000	(1,520,949,119)	337,766,368
Balance as at 31 December 2018	1,419,784,420	205,579,082	166,318,514	315,000	10,500,795	1,802,497,811

For the Year ended 31 December 2018

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Total
Balance as at 01 January 2018	1,290,713,110	181,811,273	228,221,449	315,000	200,213,439	1,901,274,271
Prior year adjustment (Note: 31.00)	-	-	(57,407,410)	-	(15,557,464)	-
Restated Opening Balance	1,290,713,110	181,811,273	170,814,039	315,000	184,655,975	1,828,309,397
Effects of changes in accounting policy	-	-	-	-	-	-
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the Profit and Loss Account	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	(25,811,586)	(25,811,586)
Transfer to statutory reserve	-	23,767,809	-	-	(23,767,809)	-
Stock dividend-2017	129,071,310	-	-	-	(129,071,310)	-
Transfer of depreciation charged to profit & loss account	-	-	(4,495,525)	-	4,495,525	-
Issue of share capital	-	-	-	-	-	-
Balance as at 31 December 2018	1,419,784,420	205,579,082	166,318,514	315,000	10,500,795	1,802,497,811

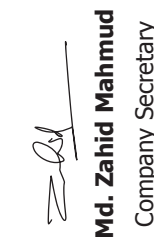
The Accounting policies and other notes from 01 to 46 form an integral part of the financial statements.


Md. Atharul Islam
 Director


Md. Abul Shahjahan
 Director


Prithish Kumar Sarker
 Managing Director & CEO


A.K.M. Shamsheer Ali
 Manager & CFO (CC)


Md. Zahid Mahmud
 Company Secretary


Malek Siddiqui Waii
 Chartered Accountants

Date: November 22, 2020

Dhaka

FAS Finance & Investment Limited

Cash Flow Statement

For the Year ended 31 December 2019

Particulars	Notes	Amount in Taka	
		31-Dec-2019	31-Dec-2018
Cash flows from operating activities			
Interest receipts		912,459,826	2,031,887,063
Interest payments		(592,941,076)	(1,403,820,196)
Dividend receipts		3,646,324	2,424,834
Recoveries on loans previously written off		1,250,797	-
Payments to employees		(65,332,591)	(68,325,825)
Income taxes paid		(9,409,100)	(54,200,769)
Receipts from other operating activities		(36,579,160)	(6,834,705)
Payment for other operating activities		492,465	(45,408,555)
Operating profit before changes in operating assets & liabilities		213,587,485	455,721,847
Increase/decrease in operating assets and liabilities			
Loans, advances and leases to customers		(1,225,592,548)	(1,155,899,360)
Other assets		6,822,184	(1,652,264)
Deposit from other FI's		730,530,369	(1,097,219,924)
Deposit from customers		(418,757,227)	692,151,825
Other liabilities to customer		11,968,957	12,741,166
Trading liabilities (short-term borrowing)		(517,003,549)	460,137,416
Other liabilities		499,760	(72,051)
		(1,411,532,054)	(1,089,813,192)
Net cash from/(used in) operating activities (a)		(1,197,944,569)	(634,091,345)
Cash flows from investing activities			
Purchase/sale of trading securities, shares, bonds, etc.		69,698,650	212,884,004
Purchase/sale of property, plant and equipment		(128,067,919)	(4,187,463)
Net cash used in investing activities (b)		(58,369,269)	208,696,541
Cash flows from financing activities			
Increase/(decrease) of long-term borrowings		178,358,580	(279,977,559)
Dividend paid		3,941	2,792
Net cash flow from financing activities (c)		178,362,521	(279,974,767)
Net increase/(decrease) in cash (a+b+c)		(1,077,951,317)	(705,369,571)
Effects of exchange rate changes on cash and cash equivalents			
Cash and cash equivalents at beginning of the year		2,129,788,611	2,835,158,182
Cash and cash equivalents at end of the year*		1,051,837,294	2,129,788,611
*Cash and cash equivalents at end of the year			
Cash in hand and balance with Bangladesh Bank		17,179,374	6,881,038
Balance with other banks		1,034,657,920	2,122,907,573
Money at call and short notice		-	-
Treasury bills		-	-
Prize bond		-	-
		1,051,837,294	2,129,788,611
Net operating cash flow per share-NOCFPS (Last year restated)		(8.04)	(4.25)

The Accounting policies and other notes from 01 to 46 form an integral part of the financial statements.



Md. Atharul Islam
 Director


Md. Abul Shahjahan
 Director


Prithish Kumar Sarker
 Managing Director & CEO


Md. Zahid Mahmud
 Company Secretary


A.K.M. Shamsher Ali
 Manager & CFO (CC)


Malek Siddiqui Wali
 Chartered Accountants

Date: November 22, 2020

Dhaka

FAS Finance & Investment Limited
Liquidity Statement
 (Asset and Liability Maturity Analysis)
 As at 31 December, 2019

Particulars	Amount in Taka					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	
Assets						
Cash in hand (including balance with Bangladesh Bank)	47,662	-	17,131,712	-	-	17,179,374
Balance with other banks and financial institution	902,153	100,000,000	933,755,767	-	-	1,034,657,920
Money at call and on short notice	-	-	-	-	-	-
Investments	1,158,993	2,264,494	9,949,511	52,957,076	-	66,330,074
Loan, advances and leases	714,437,389	447,155,227	2,106,546,564	1,537,269,080	13,122,694,754	17,928,103,014
Fixed assets including premises, furniture and fixture	-	-	-	-	406,148,859	406,148,859
Other assets	-	-	-	-	773,154,125	773,154,125
Non-Financial Institution's assets	-	-	-	-	44,665,893	44,665,893
Total assets	716,546,197	549,419,721	3,067,383,554	1,590,226,156	14,346,663,631	20,270,239,259
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	255,687,097	1,262,280,707	2,640,894,110	2,595,490,136	-	6,754,352,050
Deposits and other accounts	628,325,022	983,565,600	7,140,755,905	191,450,454	5,045,538	8,949,142,519
Provision and other liabilities	89,017,604	106,089,554	634,346,748	3,399,524,415	-	4,228,978,322
Total liabilities	973,029,723	2,351,935,861	10,415,996,763	6,186,465,005	5,045,538	19,932,472,891
Net liquidity excess/(shortage)	(256,483,526)	(1,802,516,140)	(7,348,613,209)	(4,596,238,849)	14,341,618,093	337,766,368

FAS Finance & Investment Limited

Notes to the financial statements

As at and for the year ended 31 December 2019

1.00 Legal status and Nature of the Company:

FAS Finance & Investment Limited (formerly named as Fidelity Assets & Securities Company Limited) is a Non-Banking Financial Institution (NBFI) formed under the Financial Institutions Act, 1993. FAS Finance & Investment Limited (FFIL) was incorporated as a Private Limited Company on 04 March 1997 under the Companies Act, 1994 and was converted into Public Limited Company on 18 August 2001. Initially the Company was registered as a Merchant Bank with the Bangladesh Securities and Exchange Commission on 22 January 1998. It started lease financing operation after obtaining license from Bangladesh Bank on 17 September 2001. FAS Finance & Investment Limited (FFIL) obtained license for principal branch vide Bangladesh Bank letter dated September 26, 2001 and 1st lease agreement & commencement of public deposit mobilization commenced on December 27, 2001. FAS Finance & Investment Limited (FFIL) obtained license for Chattogram, Narsingdi and Sylhet branches under section 4(1) of the Financial Institution Act, 1993 on 14 February 2007, 18 July 2007 and 09 July 2008 respectively. The Company is listed with both Dhaka and Chittagong Stock Exchanges (09 January 2008). It launched its first trading of shares in Dhaka and Chittagong Stock Exchange on 16 January 2008.

The Head Office of FAS Finance & Investment Limited (FFIL) is situated at Suvastu Imam Square (4th & 5th floor), 65 Gulshan Avenue, Gulshan, Dhaka-1212.

Subsidiary Company:

FAS Finance & Investment Limited (former Fidelity Assets & Securities Company Limited) started its activity as a Merchant Bank in 1997. In the year 2010 BSEC (letter no. SEC/Reg/MD- Policy/Part-VI/2008/286 Dated 26 July 2010) instructed to form a separate subsidiary company for Merchant Banking within 30th September, 2010. Accordingly a separate subsidiary Merchant Banking Company named as FAS Capital Management Limited (FCML) was formed. Due to formulation of a new Merchant Banking Company FAS Finance and Investment Limited transferred the entire investment portfolio amounting Tk.97.20 crore to FAS Capital Management Limited. The FAS Capital Management Limited applied on 26.09.10 to BSEC in order to transfer the Merchant Banking license in favor of the newly formed subsidiary company and got the license from BSEC on 16 May 2012.

The FAS Finance & Investment Limited acquired 97.20% shares of its subsidiary: "FAS Capital Management Limited" (24,300,000 shares of Tk.10 each). The subsidiary is a private limited company, incorporated with the Registrar of Joint Stock Companies vide registration no. C-87541/10 dated 13th October 2010 under the companies Act, 1994.

1.01 Financial Activities:

a) Lease financing:

FAS Finance & Investment Limited provides lease finance under simple terms and conditions for acquisition of capital machineries for industrial undertakings, industrial equipments, office equipments, medical equipments and construction equipments etc.

b) Transport financing:

FAS Finance & Investment Limited has a significant presence in Commercial Transport Sector. We provide various trade & commercial entities to procure vehicles to operate commercially. Also we provide corporate financing to the reputed Dealer or Distributor of the commercial vehicle to their operators. Besides this corporate clients may also apply to acquire vehicles for official purpose under the scheme.

c) Term financing:

FAS Finance & Investment Limited provides loan to the customers within the period of series from one year to five years or more in the manufacturing industries. The Company also extends financing in the processing industries of the agricultural products depending on the nature of a product, profitability of the project and socioeconomic factors. The range of finance can be between one year to five years or more based on the cash flow analysis.

d) Project financing:

FAS Finance & Investment Limited offers financing of long term infrastructure and industrial projects based upon a complex financial structure under its project financing scheme where the projects seem to be financially sound. FAS Finance & Investment Limited also participated in syndicated loan with other FIs/Banks.

e) House financing (Real Estate Finance):

FAS Finance & Investment Limited provides loans for construction of house both land owner & developer, purchase of flat & renovation of existing house/flat to different classes of people in the country at a competitive rate of interest. At present, the Company is providing loan facility to the client for a maximum period of fifteen years. FAS Finance & Investment Limited also provides financing for the construction of housing project.

f) Small and Medium Enterprise (SME) refinancing:

FAS Finance & Investment Limited provides finance in the SME sectors from its own sources & in some cases under refinance scheme of Bangladesh Bank after compliance with the terms and conditions. It also encourages women entrepreneurs by providing loan facilities under this scheme as per the rules and regulations given by Bangladesh Bank as per ACSPD circular no. 08, dated 26 May 2008.

i) Finance to other sectors:

FAS Finance & Investment Limited also encourages to provide loans to cottage & micro industries, services sector, small, medium & micro businesses.

ii) Service sector financing:

FAS Finance & Investment Limited extends finance in the form of short term loan as well as long term loans to different service providing companies ranging from large categories to medium, SME & micro level businesses.

g) Working capital financing:

Working capital gives investors an idea of the companies underlying operational efficiency. Upon measuring the company's efficiency & its short-term financial needs FAS Finance & Investment Limited provides working capital to some selective business enterprise to meet-up their both short & long term liabilities. By availing this finance from FAS Finance & Investment Limited the borrower company is able to pay off their short & long term liability which keeps the business running smoothly.

h) Factoring:

FAS Finance & Investment Limited is offering to purchase accounts receivable (i.e. invoice) at discount under its purchasing option of financial assets.

i) Deposit mobilization:

FAS Finance & Investment Limited has got a number of deposit products like Term Deposits ageing from 3 months to 1 year, double money benefit scheme, monthly earner scheme & deposit pension scheme etc. The company provides attractive interest rates the different firms, companies, Banks, NBFIs and individual depositors.

1.02 Significant accountings policies and basis of preparation of financial statements:

1.02.01 Statement of compliance:

The financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993, Securities and Exchange Rules, 1987 & the (Listing) Regulations, 2015 of Dhaka & Chittagong Stock Exchanges 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 (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

1.02.02 Components of the financial statements:

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

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

1.02.03 Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance with Bangladesh Bank's requirement:

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Financial Institutions 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 contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed in Annexure-4 along with financial impact where applicable.

1.02.04 Directors' responsibility statement:

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements as per section 183 of companies Act 1994.

1.02.05 Changes in significant accounting policies:

a) Leases:

In the current year, the Company has applied IFRS 16 (as issued by the IASB in January 2016 that is effective for annual periods that begin on or after 1 January 2019) for FAS Finance & Investment Limited.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described below. The impacts of the adoption of IFRS 16 on the FAS Finance & Investment Limited financial statements are described below.

The date of initial application of IFRS-16 for the FAS Finance & Investment Limited is 1 January 2019.

The FAS Finance & Investment Limited applied IFRS-16 using the modified retrospective approach, under which the cumulative effect of initial application (if any) is recognized in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

b) Impact of the new definition of a lease:

FAS Finance & Investment Limited has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

FAS Finance & Investment Limited applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the company.

c) Impact on lessee accounting:

Former operating lease:

As a lessee, the company leases branches and head office premises. IFRS 16 changes how the company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet. Under IFRS 16, the company:

- i) Recognizes right-of-use assets and lease liabilities in both the separated and consolidated statement of financial position, initially measured at the present value of the future lease payments; i.e. these leases are on-balance sheet;
- ii) Recognizes depreciation of right-of-use assets and interest on lease liabilities in profit or loss of both separate and consolidated statement of profit and loss account;
- iii) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in both the separated and consolidated statement of cash flows

However, any intra-group transaction regarding lease of any asset between groups entities are totally eliminated both from Profit & Loss account and Statement of Financial Position.

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

On transition, for these leases, lease liabilities and Right-of-use assets were measured at the present value of the remaining lease payments, discounted at the company's incremental borrowing rate (weighted average) as at 1 January 2019. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

The company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the company:

-relied on its assessment of whether leases are onerous under IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review;

-did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;

-used hindsight when determining the lease term.

d) Former finance lease:

The main differences between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the company recognizes as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the company's consolidated financial statements.

e) Impact on lessor accounting:

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

The company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor

f) Financial impact of the initial application of IFRS 16:

i) Impact on transition:

On transition to IFRS 16, As Right of use of assets was equivalent to the lease liabilities at the date of initial application, no cumulative effect was necessary in retained earnings at the date of initial application. The impact on transition as at 1 January 2019 is summarized below.

Particulars	Amount in BDT
	FAS Finance & Investment Limited
Right-of-use assets	122,512,515
Advance for Office Premises	(20,873,476)
Lease liabilities-Office premises	101,639,039

When measuring lease liabilities for leases that were classified as operating leases, FAS Finance & Investment Limited discounted lease payments using its incremental borrowing rate at 1 January 2019.

ii) Impact on profit or loss for the year ended 31 December 2019:

Particulars	Amount in BDT
	FAS Finance & Investment Limited
Increase in depreciation of right-of-use asset	17,454,837
Increase in finance costs	11,123,122
Decrease in Rent expenses	(21,054,166)
Decrease in Deferred Tax	(2,817,209)
Increase/ (Decrease) in profit for the year	(4,706,584)

iii) Impact on assets & liabilities as at 31 December 2019:

Particulars	Amount in BDT
	FAS Finance & Investment Limited
Right-of-use assets	105,057,678
Net impact on total assets	105,057,678
Lease liabilities-Office premises	97,805,643
Net impact on liabilities	97,805,643

1.02.06 Consistency:

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, FAS Finance & Investment Limited applies the accounting disclosure principles consistently from one period to the next. In case of selecting and applying new accounting policies, changes in accounting policies applied and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8.

1.02.07 Basis of consolidation:

The Consolidated Financial Statements include the Financial Statements of FAS Finance and Investment Ltd and its Subsidiary, FAS Capital Management Limited made up to end of the reporting year. The consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS)-10: Consolidated Financial Statements. The Consolidated Financial Statements are prepared to a common reporting year ended 31 December 2019.

1.02.08 Compliance with local laws:

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Financial Institution Act 1993, Guidelines from Bangladesh Bank, the Bangladesh Securities and Exchange Ordinance 1969, the Bangladesh Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchange and other relevant local laws and regulations as applicable for its operation.

1.02.09 Materiality of financial statements:

Each material item as considered by management significant has been presented separately in the financial statements wherever applicable.

1.02.10 Statement of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS-7 Statement of Cash Flows and the cash flow from the operating activities have been presented under direct method as prescribed by the Bangladesh Securities and Exchange Rules, 1987 and the considering the provisions of Paragraph 18(b) of IAS which prescribed that Enterprise of changes encourage to report Statement of Cash Flows from operating activities using the direct method.

1.02.11 Statement of Changes in Equity:

Statement of Changes in Equity is prepared principally in accordance with IAS-1 "Presentation of Financial Statements" and under the guidelines of Bangladesh Bank's DFIM Circular No.11 dated December 23, 2009.

1.02.12 Liquidity statements:

The liquidity statement of assets and liabilities as on the reporting date has been prepared on the following basis:

- a) Cash in hand (including balance with Bangladesh Bank)
- b) Balance with other banks and financial institutions
- c) Money at call and on short notice
- d) Investments
- e) Loans, advances and leases
- f) Fixed assets including premises, furniture and fixtures
- g) Other assets
- h) Non-Financial Institution's assets
- i) Borrowings from Bangladesh Bank, other banks, financial institutions and agents
- j) Deposits and other accounts
- k) Other liabilities

1.02.13 Status of compliance of International Accounting Standards and International Financial Reporting Standards:

In addition to compliance with local regulatory requirements, in preparing the Consolidated Financial Statements and Separate Financial Statements, FAS Finance & Investment Limited applied following IAS and IFRS:

Sl.	Name of IAS	IAS No.	Status
1	Presentation of Financial Statements	1	Partially Complied
2	Inventories	2	Not Applicable
3	Statement of Cash Flows	7	Partially Complied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
5	Events after the Reporting Period	10	Complied
6	Income Taxes	12	Partially Complied
7	Property, Plant and Equipment	16	Complied
8	Employee Benefits	19	Complied
9	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
10	The Effects of Changes in Foreign Exchange Rates	21	Complied
11	Borrowing Costs	23	Complied
12	Related Party Disclosures	24	Complied
13	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
14	Separate Financial Statements	27	Complied
15	Investments in Associates and Joint Ventures	28	Not Applicable
16	Financial Reporting in Hyperinflationary Economics	29	Not Applicable

Sl.	Name of IAS	IAS No.	Status
17	Interests in Joint Ventures	31	Not Applicable
18	Financial Instruments: Presentation	32	Partially Complied
19	Earnings per share	33	Complied
20	Interim Financial Reporting	34	Complied
21	Impairment of Assets	36	Complied
22	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
23	Intangible Assets	38	Complied
24	Investment Property	40	Not Applicable
25	Agriculture	41	Not Applicable

Sl.	Name of IAS	IAS No.	Status
1	First-time Adoption of International Financial Reporting Standards	1	Not Applicable
2	Share Based payment	2	Not Applicable
3	Business combinations	3	Complied
4	Insurance Contracts	4	Not Applicable
5	Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
6	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
7	Financial Instruments: Disclosures	7	Partially Complied
8	Operating Segments	8	Complied
9	Financial Instruments	9	Partially Complied
10	Consolidated Financial Statements	10	Complied
11	Joint Arrangements	11	Not Applicable
12	Disclosure of Interests in Other Entities	12	Complied
13	Fair Value Measurement	13	Partially Complied
14	Regulatory Deferral Accounts	14	Not Applicable
15	Revenue from Contracts with customers	15	Complied
16	Leases	16	Complied

Partially Complied standards are those requirements which are different from those of Bangladesh Bank. Annexure-4 contains details about such departure from IFRS requirements to comply with Bangladesh Bank.

1.02.14 Use of estimates and judgments:

The preparation of financial statements 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.

Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- The Company has a legal or constructive obligation as a result of past event.
- It is probable that an outflow of economic benefit will be required to settle the obligation.
- A reliable estimate can be made for the amount of the obligation.

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.

1.02.15 Contingent asset and contingent liability:

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

1.02.16 Current maturity:

Current maturity of long term debts, lease receivables, term financing and house financing has been shown in the financial statements.

1.02.17 Reporting period:

These financial statements cover for the period from 01 January 2019 to 31 December 2019.

1.02.18 Director of the Company:

At the end of the year under audit, there were six Directors (excluding MD & CEO) in the Board of Directors of the Company excluding the Managing Director. The Managing Director is the Chief Executive and Ex-officio Director of the Company.

1.02.19 Comparative information:

Comparative information has been disclosed in respect of the year 2018 for all numerical information in the financial statements for understanding of current year financial statements.

1.02.20 Presentational and reporting currency:

The presentation of financial statements has been made in accordance with the DFIM No. 11 dated 23 December 2009 of Bangladesh Bank. These financial statements have been prepared in Bangladesh Taka (BDT) which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka. The financial statements are stated in Taka unless or otherwise signified.

1.02.21 Assets and basis of their valuations:

a) Fixed assets:

Fixed assets are capitalized at cost of acquisition and subsequently stated at cost/ valuation less accumulated depreciation in compliance with the Benchmark treatment of IAS-16 "Property, Plant and Equipment". The cost of acquisition of assets comprises purchase price and any direct attributable cost of bringing the assets within the operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes; if any.

b) Subsequent expenditure of fixed assets:

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

c) Disposal of fixed assets:

On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the profit and loss account, which is determined with reference to the net book value of the assets and net sale proceeds.

d) Depreciation on fixed assets:

Fixed assets are depreciated based on diminishing balance method ((except Right of Use Assets) at different rates varying from 5% to 20% per annum.

Additions of fixed assets are depreciated when it is available for use at the applicable rates and depreciation is charged up to the date of disposal.

Sl. No.	Category of assets	Rate of depreciation
1	Office buildings	5%
2	Furniture and fixtures	10%
3	Office decoration	10%
4	Office equipment	15%
5	Motor vehicles	20%
6	Electrical installation	15%
7	Computer	15%
8	Telephone line & PABX system	15%
9	Software	15%
10	Right of use assets	Equal Monthly Lease period

Depreciation of right of use assets:

Leased assets in the use and possession of the Company are depreciated in the books of the Company over the lease terms. The principal portions of lease installment paid or due are charged as depreciation in the year to which it relates.

Intangible assets:

Intangible assets comprise the value of computer software. Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization and accumulated impairment losses if any

1.02.22 Other assets:

Any assets which do not appear as separate line item in the face of the balance sheet of the company are categorized as other assets as per DFIM circular No # 11 dated 23 December 2009 issued by Department of Financial Institutions and Market of Bangladesh Bank.

Other assets include advance office rent, payment of advance income tax for which assessment of tax has not been closed yet and all other financial assets, fees and other unrealized income receivable advance for operation and investment in subsidiaries etc. However, investment in subsidiaries is eliminated at time of consolidation in accordance with IFRS -10 'Consolidated Financial Statements'.

1.02.23 Investment:

Investment is carried in Financial Statement at cost. Provision is made for diminishing in value of investment.

1.02.24 Cash and cash equivalents:

Cash and cash equivalents consist of cash in hand and cash at bank, that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

1.02.25 Off balance sheet exposures:

Under general operating transactions, liabilities against acceptance and endorsements, Letters of guarantee, irrevocable letters of credit, Bills for collection, Other contingent liabilities & Commitments have been given and claims exist there against, have been shown as off balance sheet items.

1.02.26 Authorized Share capital:

Authorized Capital is the maximum amount of Share Capital that the Company is authorized by its Memorandum and Article of Association to issue to shareholders.

1.02.27 Paid-up Capital:

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meeting.

1.02.28 Revaluation reserve:

Revaluation reserve arises from the revaluation of property, plant and equipment, when the market price of property, plant and equipment increased significantly from the carrying value. When an asset's carrying amount is increased as a result of revaluation, the increase amount should be credited directly to equity under the heading of revaluation surplus/reserve as per IAS-16 "Property, Plant and Equipment". The Company revalued its land and building during the year 2010 and there arises revaluation surplus of Tk. 313,888,244. The revaluation was done by G.K.Adjusters Ltd.

1.02.29 Borrowings from other banks, financial institutions and agents:

Bank and financial institution borrowings include interest bearing borrowings, which are brought to account at gross value of the outstanding as on 31 December 2019.

1.02.30 Provision for taxation:

Provision for current year income tax has been made @ 37.50% as prescribed in the Finance Act, 2018. The accounting profit has made by the company after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with IAS-12. Assessments completed up to 2018-2019 but some years are in different stages for some legal issues. In assessment year: 1998-1999 to 2003-2004 tax clearance certificates have been issued in favor of FAS Finance& Investment Limited. Assessment year: 2004-2005, 2005-2006 & 2008-2009 are pending at appeal stage. High Court Order already received for the assessment year: 2006-2007, 2007-2008, 2009-2010, 2010-2011 & 2011-2012. Assessment year: 2012-2013, 2013-2014, 2014-2015, 2015-2016 are pending at High Court stage. Assessment year: 2016-2017& 2018-2019 has been completed under section 82BB. A decision has already been taken by the authority for appeal against assessment order year 2017-2018 of Income tax Authority.

1.02.31 Deferred taxation:

Deferred tax is recognized on temporary (taxable and deductible) differences between the carrying amount of assets and liabilities in the balance sheet and the amount attributed to such assets and liabilities for tax purposes. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities is recognized in the profit and loss account as per IAS-12 "Income Taxes" at the year end. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

1.02.32 Non-controlling Interest:

Minority interest is the equity in a subsidiary not attributable, directly or indirectly, to parent. As per IFRS-10 'Consolidated Financial Statements' company presents Non-controlling Interest (NCI) separately in Financial Statements.

1.02.33 Provision on lease, house loan and term finance:

Provision has been made at an estimated rate on outstanding exposures based on lease receivables and other financing(s) against aging of receivables as per FID circular no. 08, dated 03 August 2002 and subsequent to the time it is revised in FID circular no. 11, dated 31 October 2005, FID circular no. 03, dated 03 May 2006, FID circular no. 06, dated 20 August 2006 and DFIM circular no. 03, dated 29 April 2013 of Bangladesh Bank. The provision is considered adequate to meet probable losses. These have been shown under other liabilities in the balance sheet with corresponding effect given in the revenue account over the years.

Basis of classification and rate of percentages for provision thereon:

Lease or Loan up to 5 years:

Limit of overdue rentals & installments	Classification	Provision of percentage
1-2 rentals/installments (up to 2 months) for SME	Standard	0.25%
1-2 rentals/installments (up to 2 months) other than SME	Standard	1%
3-5 rentals/installments (3 to 5 months)	SMA	5%
6-11 rentals/installments (6 to 11 months)	Sub-standard	20%
12-17 rentals/installments (12 to 17 months)	Doubtful	50%
18 and above rentals/installments (18 months and above)	Bad/Loss	100%

Lease or Loan above 5 years:

Limit of overdue rentals & installments	Classification	Provision of percentage
1-5 rentals/installments (up to 5 months) for SME	Standard	0.25%
1-5 rentals/installments (up to 5 months) other than SME	Standard	1%
6-11 rentals/installments (6 to 11 months)	SMA	5%
12-17 rentals/installments (12 to 17 months)	Sub-standard	20%
18-23 rentals/installments (18 to 23 months)	Doubtful	50%
24 and above rentals/installments (24 months and above)	Bad/Loss	100%

House Loan up to 5 years:

Limit of overdue rentals & installments	Classification	Provision of percentage
1-8 rentals/installments (up to 8 months) for SME	Standard	0.25%
1-8 rentals/installments (up to 8 months) other than SME	Standard	1%
9-11 rentals/installments (9 to 11 months)	SMA	5%
12-17 rentals/installments (12 to 17 months)	Sub-standard	20%
18-23 rentals/installments (18 to 23 months)	Doubtful	50%
24 and above rentals/installments (24 months and above)	Bad/Loss	100%

House Loan above 5 years:

Limit of overdue rentals & installments	Classification	Provision of percentage
1-8 rentals/installments (up to 8 months) for SME	Standard	0.25%
1-8 rentals/installments (up to 8 months) other than SME	Standard	1%
9-17 rentals/installments (9 to 17 months)	SMA	5%
18-23 rentals/installments (18 to 23 months)	Sub-standard	20%
24-35 rentals/installments (24 to 35 months)	Doubtful	50%
36 and above rentals/installments (36 months and above)	Bad/Loss	100%

1.02.34 Provision for diminution in value of investment in shares and bonds:

Provision has been made for diminution in value of investment in shares and bonds.

1.02.35 Interest suspense account:

In compliance with Bangladesh Bank FID Circular No. 08, dated 03 August 2002, FID Circular No. 11, dated 31 October 2005, and FID Circular No. 06, dated 20 August 2006, interests on leases, loans and advances overdue beyond three months (in case of loan duration is within 5 years) and overdue beyond six months (in case of loan duration is more than 5 years) are not recognized as revenue and credited to interest suspense account. Interests on mortgage finance overdue beyond nine months are not recognized as revenue and credited to interest suspense account.

1.02.36 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".

1.02.37 Liabilities and provisions:

All material liabilities and provisions have been included in the financial statements

- (i) When the company has a present obligation, legal or constructive result of a past event;
- (ii) When it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and
- (iii) When a reliable estimate can be made of the amount of the obligation.

1.02.38 Write off:

The company follows the guidelines of Bangladesh Bank duly write off its loans/leases.

Recovery against written-off loans/leases 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.

1.02.39 Risk management:

Risk is defined as the possibility of losses, financial or otherwise. Risk management of the Company covers core risk areas of Companies credit risk, liquidity risk, market risk that also includes foreign exchange risk, interest rate risk and equity risk, operational risk and reputation risk arising from operational inefficiencies. The prime objective of the risk management is that the Company evaluates and takes well calculative business risks and thereby safeguarding the Company's capital, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank's guidelines and following some of the best practices as under:

Credit risk:

It arises mainly from lending, trade finance, and leasing and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Company. The failure may result from unwillingness of the counter party or decline in his / her financial condition. Therefore, the Company's credit risk management activities have been designed to address all these issues.

The Company has segregated duties of the officers / executives involved in credit related activities. Separate Corporate / SME / Retail divisions have been formed at Head Office which is entrusted with the duties of maintaining effective relationship with customers, marketing of credit products, exploring new business opportunities etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Credit Risk Management (CRM) Division. These are (a) Credit Risk Management Unit (b) Credit Administration Unit and (c) Credit Monitoring and Recovery Unit. Credit Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending, sanctioning credit, formulating policy / strategy for lending operation, etc.

A thorough risk assessment is done before sanction of any credit facility at risk management units. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the credit facility etc. The assessment process starts at the relationship level and ends at Credit Risk Management Unit when it is approved / declined by the competent authority.

Liquidity risk:

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Company is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under the leadership of the management as per approved policy guidelines.

Market risk:

The exposure of market risk of the Company is restricted to interest rate risk and equity risk.

Interest rate risk:

Interest rate risk may arise either from trading portfolio and non-trading portfolio. The trading portfolio of the Company consists of Government treasury bills and bonds of different maturities. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost.

Portfolio risk:

Portfolio risk arises from movement in market value of equities held.

Operational risk:

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Company. Internal Control and Compliance Division undertakes year call and special audit of the Company for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

Implementation of BASEL –II:

To comply with International Best Practice and to make the Company's Capital more risk-sensitive as well as to build the Financial Industry more shock absorbent and stable , Bangladesh Bank provide revised regulatory capital framework "Risk Based Capital Adequacy" for Company's which is effected from January 2012.

- a. Standardized Approach for calculating Risk Weighted Assets (RWA) against Credit Risk;
- b. Standardized (Rule Based) Approach for calculating Risk Weighted Assets (RWA) against Market Risk;
- c. Basic Indicator Approach for calculating Risk Weighted Assets (RWA) against Operational Risk;

Under the Standard Approach of the Risk Based Capital Adequacy Framework (BASEL-II) credit rating is to be determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs).

As per CDMD guideline, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10% of Risk Weighted Assets (RWA).

Internal Capital Adequacy Assessment Process (ICAAP):

Internal Capital Adequacy Assessment Process (ICAAP) represents the Company's own assessment of its internal capital requirements. The Company's approach to calculating its own internal capital requirement has been to take the minimum capital required for credit risk, market risk and operational risk under Pillar-I as the starting point, assess whether this is sufficient to cover those risks and then identify other risks (Pillar-II) and assess prudent level of capital to meet them.

The assessment is undertaken using time series of data and Bangladesh Bank's guidelines on Risk Based Capital Adequacy for Company to assess the likelihood of occurrence and potential impact. Purposes of Internal Capital Adequacy Assessment Process are to:

- i) inform the Board of Directors about:
 - assessing risks
 - initiatives to mitigate identified risks
 - Capital requirement to support the operations in light of identified risks.
- ii) comply with Bangladesh Bank's requirement.

1.02.40 Statutory reserve:

This represents 20% of net profit after tax which is set aside in compliance with clause 6 of the Financial Institution Regulations, 1994.

1.02.41 Employees benefits:

There were two benefit schemes for FAS Finance & Investment Limited employees, provident fund and gratuity fund. Both of these benefit plans are operated in compliance with IAS-19 "Employees Benefits" and stated as under;

1.02.42 Provident fund:

The Company operates a contributory provident fund scheme for its employees, which is recognized by the National Board of Revenue under Clause 2(1) of the First Schedule Part B of the Income tax Ordinance, 1984 of (XXXVI)effective from 31 August 2008. Both the company and employees are contributing to the fund.

1.02.43 Gratuity fund:

The Company extends gratuity benefits to its employees, which is recognized by the National Board of Revenue (NBR) under clause 2(1) of the First Schedule Part-B of the Income Tax Ordinance, 1984 of (XXXVI)effective from 25 November 2008. The gratuity is paid on the basis of the last two basic pay and is payable at the rate of two month's basic pay for every completed year of service.

1.02.44 Earnings per share (IAS -33):

Basic earnings per share:

Basic earnings per share have been calculated in accordance with IAS-33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

In computing the basic earnings per share during the year January 1, 2019 to December 31, 2019, the total number of shares including the said bonus shares has been considered as the weighted average no. of shares outstanding during the year January 1, 2019 to December 31, 2019 as per IAS-33 "Earnings Per Share"

1.02.45 Related party disclosure (IAS-24):

The Company transacts with related parties. Parties are considered to be related if one party has the ability to control the other or exercise significant influence in making the financial and operating decisions.

1.02.46 Impairment of assets (IAS-36):

The company has assessed at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the assets recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount by debiting to statement of comprehensive account. Fixed assets are reviewed for impairment whenever events or charges in circumstances indicate that the carrying amount of an asset may be impaired. This is in compliance with the requirement of IAS – 36 "Impairment of Assets".

1.02.47 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR):

Cash reserve requirement and statutory liquidity reserve have been calculated in accordance with Financial Institution Act, 1993 & Financial Institution Regulations 1994 and FID circular number 06 dated November 06, 2003 and FID circular number 02 dated November 10, 2004. Although the SLR has been maintained as per the requirement but in many occasions the CRR maintained shortfall.

1.02.48 Foreign currency transaction (IAS-21):

Translation in foreign currencies are translated in Bangladesh Taka and recorded at the ruling exchange rates applicable on the date of transaction and in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rates"

1.02.49 Revenue recognition:

Revenue is only recognized when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers"

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

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

(a) Lease income:

Finance lease income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on net investment in the finance lease. The unearned lease income is recognized on installment date as revenue on an accrual basis over the terms of the lease. However, lease income is not recognized if capital or interest receivable is in arrears for more than three months.

(b) Interest on term loans and short term finance:

Interest on term loan and short term finance is recognized as revenue on an accrual basis and interest income on term loan is not recognized where any portion of interest is in arrear for more than three months.

(c) Interest on real estate finance:

Interest on real estate finance is recognized as revenue on an accrual basis and no interest on real estate finance is accounted for as revenue where any portion of capital or interest is in arrear for more than nine months.

(d) Overdue interest:

The overdue interest on lease, term & house finance is recognized when interest is received.

(e) Other operational income:

Other operational income is recognized whenever these are received. Such income comprises of the following components of the FAS Finance & Investment Limited;

- i) Appraisal and documentation fees;
- ii) Miscellaneous.

(f) Dividend income:

Dividend is recognized as income when the right to receive income is established.

1.02.50 Operating expenses:

Major component of operating expenses other than salary and allowances are office rent, printing and stationery, postage and stamp, telecommunication, legal and professional fees and other miscellaneous expenses. All expenses are recognized on accrual basis of accounting.

1.02.51 Events after the reporting period (IAS -10):

As per IAS-10 "Events after the reporting period" Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that is indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

There were no materials events have occurred after the reporting period which could affect the values stated in the financial statements.

1.02.52 General:

- a. These financial statements are presented in Taka, which is the Company's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b. Figures of previous year have been rearranged whenever necessary to conform to current year presentation.

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

2 Cash			
Cash in hand (including foreign currency)	2.1	47,662	42,980
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	2.2	17,131,712	6,838,058
		17,179,374	6,881,038

2.1 Cash in hand (including foreign currency)

Local currency		47,662	42,980
Foreign currency		-	-
		47,662	42,980

Cash in hand was physically counted at the end of the year and found in order.

2.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)**Balance with Bangladesh Bank**

Local currency		17,131,712	6,838,058
Foreign currency		-	-
		17,131,712	6,838,058
Agent Bank of Bangladesh Bank		-	-
		17,131,712	6,838,058

2.3 Statutory deposits**2.3.1 Cash reserve requirement (CRR) and statutory liquidity reserve (SLR)**

Cash reserve requirement and statutory liquidity reserve have been calculated in accordance with Financial Institution Act, 1993 & Financial Institution Regulations 1994 and FID circular number 06 dated November 06, 2003 and FID circular number 02 dated November 10, 2004 of Bangladesh Bank.

Cash reserve requirement (CRR) has been calculated at the rate of 2.50% on total term deposits. 'Total term deposit' means term or fixed deposit, security deposit against lease/loan and other term deposits, received from individuals and institutions (except banks & financial institutions).

Statutory liquidity reserve (SLR) has been calculated at the rate of 5.00% on total liabilities (except banks & financial institutions), including CRR of 2.50% on total term deposit. SLR is maintained in liquid assets in the form of cash in hand (notes & coin in BDT), balance with Bangladesh Bank and other banks and financial institutions, investment at call, unencumbered treasury bill, prize bond, savings certificate & any other assets approved by Bangladesh Bank.

(a) Cash reserve requirement (CRR)

Required reserve		67,564,433	68,751,014
Actual reserve maintained		2,248,785	7,149,430
Surplus/(shortage)		(65,315,648)	(61,601,584)

(b) Statutory liquidity reserve (SLR)

Required reserve (Including CRR)		206,766,142	199,827,302
Actual reserve maintained (Including CRR)		1,022,815,747	2,105,241,527
Surplus		816,049,605	1,905,414,225

Total required reserve		206,766,142	199,827,302
Total actual reserve maintained		1,022,815,747	2,105,241,527
Surplus/(shortage)		816,049,605	1,905,414,225

2 (a) Consolidated Cash**i. Cash in hand (including foreign currency)**

FAS Finance & Investment Limited	2.1	47,662	42,980
FAS Capital Management Limited		80,739	73,793
		128,401	116,773

ii. Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)

FAS Finance & Investment Limited	2.2	17,131,712	6,838,058
FAS Capital Management Limited		-	-
		17,131,712	6,838,058
		17,260,113	6,954,831

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

3 Balance with other banks and financial institutions

In Bangladesh	3.1	1,034,657,920	2,122,907,573
Outside Bangladesh		-	-
		1,034,657,920	2,122,907,573

3.1 In Bangladesh**Current deposits**

Al-Arafah Islami Bank Ltd., VIP Road Branch, Nayapaltan, Dhaka	CD-0141020041903	1,523	1,068,253
Bank Asia Ltd., Corporate Branch, Dhaka	CD-00233012221	18,045	-
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	CD-010111100028541	100,329	602,554
Islami Bank Bangladesh Ltd., Foreign Ex. Cor. Br., Dhaka	AWCA-1090100819116	91,782	91,782
NRB Bank Ltd., Corporate Branch, Dhaka	CD-1012010102227	139,313	299,175
Pubali Bank Ltd., Mohakhali Branch, Dhaka	CD-3677901015917	525,309	1,339
Southeast Bank Ltd., Gulshan Branch, Dhaka	CD-001011100017141	25,451	849
Standard Bank Ltd., Gulshan Branch, Dhaka	CD-00933010415	340	1,260
Uttara Bank Ltd., Corporate Branch, Dhaka	CD-154512200212029	61	980
Woori Bank Ltd., Dhaka Branch, Dhaka	CDA-923915855	-	1,652
		902,153	2,067,844

Special notice deposit accounts

Bank Asia Ltd., Paltan Branch, Dhaka	SND-04936000058	3,930,806	-
Bank Asia Ltd., Sonargaon-Janapath Road Branch, Dhaka	SND-07536000033	64,779	60,475
Bangladesh Commerce Bank Ltd., Principal Branch, Dhaka	SND-00232000082	103,470	102,537
BASIC Bank Limited, Bangshal Branch, Dhaka	SND-0616-01-0000635	5,930	8,895
Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka	SND-116120000974	211,205	131,400
Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka	SND-1161200003865	2,467,212	11,101,253
Dutch Bangla Bank Ltd., CDA Avenue Branch, Chittagong	SND-129120000707	1,593	2,699
EXIM Bank Ltd., Gulshan Branch, Dhaka	SND-00713100065009	21,863	22,480
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-010113100001512	364,489	361,122
First Security Islami Bank Ltd., Ring Road Branch, Dhaka	SND-013313100000056	269,625	247,880
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-010113100002301	4,549	5,778
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-13100009342	91,226	487,950
Mercantile Bank Ltd., Main Branch, Dhaka	SND-110113110196932	3,868	5,678
Midland Bank Ltd., Dilkusha Corporate Branch, Dhaka	SND-0001-1090000296	130,285	16,064
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	SND-0022-0320001041	65	1,005
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	SND-0022-0320000131	91,170	388,409
Mutual Trust Bank Ltd., CDA Avenue Branch, CTG	SND-0009-0320000889	60,155	8,758
Mutual Trust Bank Ltd., Sylhet Branch, Sylhet	SND-0023-0320000578	13,430	107,229
NCC Bank Ltd., Bashundhara Branch, Dhaka	SND-0096-0325000017	7,499	2,521
NCC Bank Ltd., Gulshan Branch, Dhaka	SND-0012-0325000802	59,866	59,712
NRB Bank Ltd., Bhulta Branch, Dhaka	SND-1131030002531	2,182	14
NRB Commercial Bank Ltd., Principal Branch, Dhaka	SND-010136000000012	39,659	21,314
One Bank Limited, Ganakbari Branch, Savar	SND-0053000000323	4,931	9,556
Prime Bank Limited, Dhanmondi Branch, Dhaka	SND-14631090025594	1,343	21
Pubali Bank Ltd., Narsingdi Branch, Narsingdi	SND-0722102000518	42,732	500,469
Social Islami Bank Ltd., Begum Rokeya Sarani Br., Dhaka	SND-0131360001027	531	51,090
Padma Bank Ltd., Motijheel Branch, Dhaka	SND-0113000007464	18,688	179,144
The Premier Bank Limited, Gulshan Circle-2 Branch, Dhaka	SND-13100000070	-	174
The Premier Bank Limited, Tejgaon Link Road Br., Dhaka	SND-13100000020	6,946	376
Uttara Bank Ltd., Corporate Branch, Dhaka	SND-154514100041132	701,829	5,702
Woori Bank Ltd., Dhaka Branch, Dhaka	NDA-923000195	9,449	3,207,951
		8,731,375	17,097,656

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018
-	-
577,966,710	554,092,500
-	804,191,165
400,000,000	400,000,000
12,075,000	312,075,000
34,982,682	33,383,408
1,025,024,392	2,103,742,073
1,034,657,920	2,122,907,573

The Bank Balances were confirmed and reconciled with Bank statements and found in order.

3.1.a Account-wise/grouping of balance with other banks and financial institutions

Current deposits	902,153	2,067,844
Special notice deposit accounts	8,731,375	17,097,656
Fixed deposits	1,025,024,392	2,103,742,073
	1,034,657,920	2,122,907,573

3.1.b Maturity grouping of balance with other banks

Repayable-on demand	902,153	2,067,844
-up to 3 months	100,000,000	1,104,672,229
-over 3 months but within 1 year	933,755,767	1,016,167,500
-over 1 year but within 5 years	-	-
-over 5 years	-	-
	1,034,657,920	2,122,907,573

3 (a) Consolidated balance with other banks and financial institutions

i. In Bangladesh:

FAS Finance & Investment Limited	3.1	1,034,657,920	2,122,907,573
FAS Capital Management Limited	3 (a)i	908,136	3,442,686
		1,035,566,056	2,126,350,259

ii. Outside Bangladesh:

FAS Finance & Investment Limited	-	-
FAS Capital Management Limited	-	-
	1,035,566,056	2,126,350,259

3 (a)i Bank balance of FAS Capital Management Limited

Current deposits

Woori Bank Ltd., Dhaka Branch, Dhaka	CDA-923920015	-	7,435
		-	7,435

Special notice deposit accounts

Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka	SND-116.120.1505	3,657	6,581
Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka-LRHR	SND-116.120.4323	120,553	106,449
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	SND-0022-0320000793	43,502	3,534
One Bank Ltd., Principal Branch	SND-0013000001743	331,894	207,969
One Bank Ltd., Principal Branch	SND-0013000001754	67,519	188,214
Prime Bank Ltd., Mohakhali Branch, Dhaka	SND-11031050015284	1	1
Social Islami Bank Ltd., Gulshan Branch, Dhaka	SND-0081360000649	28,616	45,959
The City Bank Ltd., Gulshan Branch, Dhaka	6002-PIAA	2,732	2,006,073
The City Bank Ltd., Gulshan Branch, Dhaka	SND-3101221156001	282,578	814,228
The City Bank Ltd., Gulshan Branch, Dhaka	SND-3101221156003	5,525	39,835
Woori Bank Ltd., Dhaka Branch, Dhaka	NDA-923000208	21,559	16,408
		908,136	3,435,251

Fixed deposits

FAS Finance & Investment Limited	550,000,000	550,000,000
	550,000,000	550,000,000
Less: Inter company transaction	(550,000,000)	(550,000,000)
	-	-
Total	908,136	3,442,686

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

4 Money at call and on short notice

With banks	-	-
With financial institutions	-	-
	-	-

4 (a) Consolidated money at call and on short notice

FAS Finance & Investment Limited	4	-	-
FAS Capital Management Limited		-	-
		-	-

5 Investments

66,330,074	132,785,843
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5.1 In Government securities

Treasury bills	-	-
National investment bonds	-	-
Bangladesh bank bills	-	-
Government notes/bonds	-	-
Prize bonds	-	-
Others	-	-
	-	-

5.2 Other investments

Preference shares	-	-	
Ordinary shares (Quoted and Unquoted)	5.2.a	66,330,074	132,785,843
Debentures	-	-	
Bonds	-	-	
Zero Coupon Bond	-	-	
Other investments	-	-	
Gold, etc.	-	-	
		66,330,074	132,785,843

66,330,074	132,785,843
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66,330,074	132,785,843
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5.2.a Ordinary shares (Quoted and Unquoted)**Quoted**

AB Bank Limited	3,611,496	4,730,751
Aman Cotton Fibrous Ltd.	-	313,840
AND Telecom Limited	569,040	569,040
Appollo Ispat Complex Limited	-	6,245,255
Bashundhara Paper Mills Ltd.	-	864,560
CVO Petrochemical Refinery Limited	-	177
Eastern Lubricants Limited	-	353,482
Esquir Knit Composite Limited	470,025	1,880,100
Golden Son Limited	-	38,308,080
Intraco Refueling Station Limited	-	2,549
Kattali Textile Limited	-	100,640
New Line Clothings Limited	40,266	-
Niloy Cement Industries Limited	67,845	67,845
Nitol Insurance Company Limited	51,288,262	51,288,262
Runner Automobiles Limited	283,140	1,080,825
Saif Powertec Limited	-	583,719
Silva Pharmaceuticals Limited	-	91,930
SK Trims Industries Limited	-	52,785
Union Capital Limited	-	15,974,034
VFS Thread Dyeing Limited	-	38,389
	56,330,074	122,546,263

Unquoted

Achia Sea Foods Limited	10,000,000	10,000,000
Genex Infosys Limited	-	104,660
S.S Steel Limited	-	134,920
	10,000,000	10,239,580

10,000,000	10,239,580
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66,330,074	132,785,843
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(A schedule of investments in share is given in annexure-2)

5.3 Maturity grouping

Repayable-on demand	-	-
-up to 3 months	3,423,487	4,999,152
-over 3 months but within 1 year	9,949,511	62,728,884
-over 1 year but within 5 years	52,957,076	65,057,807
-over 5 years	-	-
	66,330,074	132,785,843

66,330,074	132,785,843
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Amount in Taka		
As at		
	31-Dec-2019	31-Dec-2018
	-	-
	-	-
	-	-
	66,330,074	132,785,843
	36,499,156	151,517,393
	102,829,230	284,303,236
	102,829,230	284,303,236

5 (a) Consolidated Investments**i. In Government securities**

FAS Finance & Investment Limited
FAS Capital Management Limited

ii. Other Investments

FAS Finance & Investment Limited
FAS Capital Management Limited

5.2
5 (a)i

Amount in Taka		
As at		
	31-Dec-2019	31-Dec-2018
	-	-
	-	-
	-	-
	66,330,074	132,785,843
	36,499,156	151,517,393
	102,829,230	284,303,236
	102,829,230	284,303,236

5 (a)i**Ordinary shares (Quoted and Unquoted) of FAS Capital Management Limited**

Amount in Taka		
As at		
	31-Dec-2019	31-Dec-2018
Quoted		
AB Bank Limited	11,205,629	19,681,429
Appollo Ispat Complex Limited	6,995,376	10,678,131
BATBC Limited	90,406	-
BRAC Bank Limited	-	729,683
CVO Petrochemical Refinery Limited	-	92
Esquire Knit Composite Limited	-	1,880,100
Eastern Lubricant Limited	-	270,548
Glaxo Smithkline Bangladesh	-	23,122,776
Golden Harvest Agro Industries Ltd.	189,567	-
IFIC Bank Limited	514,038	-
IFAD Autos Limited	5,585,956	539,475
Indo-Bangla Pharmaceuticals Ltd.	-	2,676
Intraco Refueling Station Ltd.	-	12,157
LR Global BD-MF One	271,088	-
M.L. Dyeing Ltd.	-	35,242
National Feed Mills Ltd.	90,270	-
National Polymer Industries Limited	-	1,836,477
New Line Clothings Limited	40,265	-
Rangpur Dairy Food Ltd.	-	2,354,792
Saif Powertec Limited	-	1,793,052
Simtex Industries Limited	8,257,770	40,401,973
SK Trims & Industries Limited	-	164,268
Square Pharma Limited	736,077	1,284,392
Union Capital Limited	-	37,457,919
United Power GD Company Limited	-	1,473,407
VFS Thread Dyeing Limited	-	38,389
Western Marine Shipyard Ltd.	349,044	-
Zaheen Spinning Ltd.	91,273	-
	34,416,759	143,756,978
	34,416,759	143,756,978
Unquoted		
AND Telecom Limited	569,040	569,040
Aman Cotton Fibrous Limited	-	313,840
Bashundhara Paper Mills Limited	97,582	864,560
Coppertech Industries Ltd.	90,532	-
Esquire Knit Composite Ltd.	391,456	-
Genex Infosys Limited	-	104,660
Indo-Bangla Pharmaceuticals Limited	-	4,500,000
Kattali Textile Limited	-	100,640
Runner Automobile Limited	688,862	1,080,825
S.S. Steel Limited	-	134,920
Sea Pearl Beach Tesort & Spa Ltd.	37,526	-
Silco Pharmaceuticals Ltd.	39,898	-
Silva Pharmaceuticals Limited	167,501	91,930
	2,082,397	7,760,415
	36,499,156	151,517,393
	36,499,156	151,517,393

6 Loans, advances and leases

Amount in Taka		
As at		
	31-Dec-2019	31-Dec-2018
	17,928,103,014	15,353,565,267
	17,928,103,014	15,353,565,267

6.1 Maturity wise grouping's

Amount in Taka		
As at		
	31-Dec-2019	31-Dec-2018
Repayable-on demand	-	-
-not more than 3 months	1,161,592,616	1,620,835,304
-more than 3 months but not more than 1 year	2,106,546,564	6,215,551,132
-more than 1 year but not more than 5 years	1,537,269,080	6,009,032,971
-more than 5 years	13,122,694,754	1,508,145,860
	17,928,103,014	15,353,565,267
	17,928,103,014	15,353,565,267

	Amount in Taka	
	As at	
	31-Dec-2019	31-Dec-2018
6.2 Loans, cash credits, overdrafts, and leases etc		
In Bangladesh		
Loans-General	17,658,135,065	15,061,061,639
Cash credits	-	-
Overdrafts	-	-
Leases	269,967,949	292,503,628
	17,928,103,014	15,353,565,267
Outside Bangladesh	-	-
	17,928,103,014	15,353,565,267
6.3 Loans, advances & leases on the Basis of Significant		
Advance to allied concerns of Directors	-	-
Advance to chief executive officer, other executives and staffs	-	-
Advances to industries	17,173,195,100	789,999,940
Advance to customer groups	754,907,914	14,563,565,327
	17,928,103,014	15,353,565,267
6.4 Industry-wise loans, advances and leases		
Agriculture	255,083,397	256,647,292
Cement and allied industry	-	-
Electronics and electrical products	128,632,739	115,536,545
Food production and processing industry	8,810,073	8,810,073
Garments and knitwear	532,202,499	462,319,540
Glass, glass ware and ceramic industry	-	-
Housing	2,355,372,707	2,255,184,412
Iron, steel and engineering	983,522	3,132,392
Jute & jute products	165,895,497	157,266,256
Leather and leather products	9,187,361	7,685,765
Margin loan	-	-
Merchant banking	2,412,153,280	2,442,610,593
Others	187,775,656	299,080,337
Paper, printing and packaging	190,978,929	168,139,324
Pharmaceuticals and chemicals	1,418,641,260	1,249,901,694
Plastic industry	3,139,983	3,653,559
Power, gas, water and sanitary service	144,604,060	166,583,024
Ship manufacturing industry	264,573,907	264,573,907
Telecommunication and information technology	-	-
Textile	250,307,888	247,097,351
Trade and commerce	8,063,555,358	5,914,296,071
Transport and aviation	1,536,204,898	1,331,047,132
	17,928,103,014	15,353,565,267
6.5 Geographical Location-wise (Division)		
In Bangladesh		
Dhaka	17,789,110,642	15,207,489,898
Chattagram	134,581,173	137,504,890
Sylhet	4,411,199	8,570,479
	17,928,103,014	15,353,565,267
6.6 Classification of loans, advances and leases		
Unclassified		
Standard	4,220,170,160	12,705,927,863
Special mention account	593,382,512	312,288,110
Total unclassified loans, advances and leases	4,813,552,672	13,018,215,973
Classified		
Sub-standard	5,064,217,049	790,527,545
Doubtful	119,060,328	126,221,784
Bad/Losses	7,931,272,965	1,418,599,965
Total classified loans, advances and leases	13,114,550,342	2,335,349,294
	17,928,103,014	15,353,565,267
6.7 Particulars of loans, advances and leases		
i) Loans considered good in respect of which the FI's is fully secured	10,929,123,065	10,686,932,209
ii) Loans considered good against which the FI's holds no security other than the debtors' personal guarantee	5,982,028,813	3,743,873,184
iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	1,016,951,136	922,759,874
iv) Loans adversely classified but provision not maintained there against	-	-
	17,928,103,014	15,353,565,267

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

Note/ Discloser:

Bangladesh Bank vide letter#DFIM(C)/1054/10/2020 date November 12, 2020 has provided NOC for deferral for transfer of interest income for Tk. 140.35 crore to interest suspense account in equal annual installments starting from 2019. At the same they also provided NOC for deferral of shortfall of provision for Tk. 399.96 crore with the condition that Tk. 20.00 crore to be maintained in 2019 and rest 379.96 crore to be maintained in equal annual installments starting from 2020. Accordingly, the instruction has since been complied.

v) Loans due by directors or officers of the FI's or any of them either separately or jointly with any other persons	-	-
vi) Loans due from companies or firms in which the directors of the FI's are interested as Directors, partners or Managing agents or, in case of private companies, as members	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the FI's or any of them either separately or jointly with any other persons	-	782,184
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the FI's are interested as Directors, partners or managing agents or, in the case of private companies, as members	-	-
ix) Due from other FI's	-	-
x) Amount of classified loans on which interest has not been charged:		
a) Increase/decrease of provision (specific)	1,150,314,669	1,799,445
b) Amount of loan written off	-	18,286,599
c) Amount realized against loan previously written off	1,182,257	-
d) Provision kept against loans classified as bad/loss on the date preparing the balance sheet	1,231,274,938	80,960,269
e) Interest creditable to interest suspense account	1,475,439,960	137,562,103
xi) Written off loan		
Opening Balance	244,622,409	226,335,810
During the year	-	18,286,599
Cumulative to date (as per Bangladesh Bank guidelines)	243,440,152	244,622,409
The amount of written off loans for which lawsuits have been filed for its recovery	243,440,152	244,622,409

6 (a) Consolidated loans, cash credits, overdrafts, and leases etc

i. In Bangladesh

FAS Finance & Investment Limited
FAS Capital Management Limited

6.2

17,928,103,014	15,353,565,267
1,593,665,582	1,567,110,196
19,521,768,596	16,920,675,463
(1,559,704,741)	(1,490,156,560)
17,962,063,855	15,430,518,903

Less: Inter company transaction

ii. Outside Bangladesh

FAS Finance & Investment Limited
FAS Capital Management Limited

-	-
-	-
-	-
17,962,063,855	15,430,518,903

7 Bills purchased and discounted

In Bangladesh
Outside Bangladesh

-	-
-	-
-	-

7.1 Maturity grouping

-payable within 1 month
-over 1 month but less than 3 months
-over 3 months but less than 6 months
-6 months or more

-	-
-	-
-	-
-	-
-	-

7 (a) Consolidated bills purchased and discounted

FAS Finance & Investment Limited
FAS Capital Management Limited

7

-	-
-	-
-	-

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

8 Fixed assets including premises, furniture and fixtures**Annexure-1****Cost:**

Land	86,527,860	86,527,860
Office building	309,082,807	309,082,807
Furniture & fixture	8,187,821	7,003,367
Office decoration	8,957,959	6,647,205
Office equipment	9,132,180	9,048,370
Motor vehicles	29,833,880	37,447,840
Electrical installation	2,057,474	1,959,142
Computer	11,408,348	5,638,348
Telephone line & PABX system	1,067,650	1,067,650
Right of use Assets	122,512,515	-
Software	638,421	638,421
	589,406,915	465,061,010

Less: Accumulated depreciation:

Office building	129,587,663	120,140,550
Furniture & fixture	4,095,885	3,641,920
Office decoration	4,086,892	3,545,662
Office equipment	5,693,592	5,086,948
Motor vehicles	16,022,441	17,817,236
Electrical installation	1,533,513	1,441,049
Computer	3,825,559	3,505,655
Telephone line & PABX system	607,745	526,586
Right of use Assets	17,454,837	-
Software	349,929	299,019
	183,258,056	156,004,625
	406,148,859	309,056,385

Written down value at the end of the year**8 (a) Consolidated fixed assets including premises, furniture and fixtures****Annexure-1 (a)**

FAS Finance & Investment Limited	8	406,148,859	309,056,385
FAS Capital Management Limited		15,149,118	14,462,950
		421,297,977	323,519,335

9 Others assets**Income generating**

i) Investment in Shares of subsidiary companies			
-In Bangladesh	9.1	243,000,000	243,000,000
-Outside Bangladesh		-	-
		243,000,000	243,000,000

Non-income generating

ii) Stationery, stamps, printing, materials, etc.		190,753	191,555
iii) Advance rent and advertisement		2,201,488	23,052,463
iv) Interest accrued on investment but not collected, commission & brokerage receivable on shares and debenture and income receivable		144,914,586	160,888,235
v) Security deposit		509,300	509,300
vi) Preliminary, formation and organization expenses, renovation/development and prepaid expenses		20,410,941	26,013,235
x) Advance corporate income tax	9.2	356,837,230	347,428,130
xi) Accounts receivable		5,089,827	6,816,809
		530,154,125	564,899,727
		773,154,125	807,899,727

9.1 Investment in Shares of subsidiary companies

In Bangladesh	9.1.a	243,000,000	243,000,000
Outside Bangladesh		-	-
		243,000,000	243,000,000

9.1.a Investment in Shares of subsidiary companies-In Bangladesh

FAS Capital Management Limited		243,000,000	243,000,000
		243,000,000	243,000,000

Out of the total of 25,000,000 ordinary shares issued and paid up, FAS Finance & Investment Limited holds 24,300,000 ordinary shares of Tk. 10 each.

9.2 Advance corporate income tax

Advance income tax on bank interest		34,516,443	25,992,089
Advance income tax on dividend		7,131,353	6,421,631
Advance income tax (LTU)		308,433,634	308,433,634
Advance income tax on motor vehicle		858,445	683,445
Advance income tax on share placement		5,620,000	5,620,000
Advance income tax (source Tax)		277,355	277,331
		356,837,230	347,428,130

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

9.2 (a) Consolidated advance corporate income tax

FAS Finance & Investment Limited	9.2	356,837,230	347,428,130
FAS Capital Management Limited		5,278,689	3,827,491
		362,115,919	351,255,621

9 (a) Consolidated others assets**i. Income generating**

FAS Finance & Investment Limited	9	243,000,000	243,000,000
FAS Capital Management Limited		-	-
		243,000,000	243,000,000
Less: Investment in subsidiary companies (FAS Capital Management Limited)		(243,000,000)	(243,000,000)
		-	-

ii. Non-income generating

FAS Finance & Investment Limited	9	530,154,125	564,899,727
FAS Capital Management Limited		89,385,781	40,077,084
		619,539,906	604,976,811
Less: Inter company transaction		(74,163,145)	(3,635,788)
		545,376,761	601,341,023
		545,376,761	601,341,023

10 Non-Financial Institution's assets

Land & Building		44,665,893	44,665,893
		44,665,893	44,665,893

10 (a) Consolidated Non-Financial Institution's assets

FAS Finance & Investment Limited	10	44,665,893	44,665,893
FAS Capital Management Limited		-	-
		44,665,893	44,665,893

11 Borrowings from other banks, financial institutions and agents

In Bangladesh	11.1	6,754,352,050	6,691,063,363
Outside Bangladesh		-	-
		6,754,352,050	6,691,063,363

11.1 In Bangladesh

SME Refinancing Loan		-	250,000
Agrani Bank Limited		70,000,000	70,000,000
Al-Arafah Islami Bank Limited		532,077,657	510,432,630
Bangladesh Commerce Bank Limited		204,708,333	200,000,000
Bangladesh Development Bank Limited		158,500,000	158,500,000
Bangladesh Infrastructure Finance Fund Limited (BIFFL)		27,400,000	-
Bank Asia Limited		160,530,296	150,662,112
BASIC Bank Limited		406,254,706	372,588,671
Dhaka Bank Limited		116,050,542	104,259,374
Fareast Finance & Investment Limited		31,375,889	28,000,000
ICB Islamic Bank Limited		9,300,000	20,500,000
International Leasing and Financial Services Limited		358,245,710	452,200,000
Meghna Bank Limited		50,000,000	50,000,000
Mercantile Bank Limited		1,685,797,863	1,500,766,375
Midland Bank Limited		247,991,284	223,314,765
Mutual Trust Bank Limited		350,589,342	309,017,970
NCC Bank Limited		87,975,172	80,417,710
NRB Bank Limited		241,393,884	234,828,309
NRB Commercial Bank Limited		207,508,831	197,448,938
One Bank Limited		159,182,478	144,186,473
Prime Bank Limited		48,321,684	330,792,292
Rupali Bank Limited		31,600,000	37,000,000
Social Islami Bank Limited		85,847,348	77,937,897
Sonali Bank Limited		68,300,000	70,000,000
South Bangla Agriculture & Commerce Bank Limited		719,791,418	699,330,032
State Bank of India		43,617,110	51,396,778
The Premier Bank Limited		419,415,492	378,333,467
UAE-Bangladesh Investment Company Limited		9,633,890	10,515,992
Uttara Bank Limited		180,150,621	170,633,578
Woori Bank Limited		42,792,500	57,750,000
		6,754,352,050	6,691,063,363

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

11.2 Security against Borrowings from other banks, financial institutions and agents

Secured		6,754,352,050	6,690,813,363
Unsecured		-	250,000
		6,754,352,050	6,691,063,363

11.3 Maturity grouping's

Repayable-on demand		-	-
-up to 3 months		1,517,967,804	249,445,095
-over 3 months but within 1 year		2,640,894,110	4,144,099,257
-over 1 year but within 5 years		2,595,490,136	2,297,519,011
-over 5 years		-	-
		6,754,352,050	6,691,063,363

11 (a) Consolidated borrowings from other banks, financial institutions and agents

FAS Finance & Investment Limited	11	6,754,352,050	6,691,063,363
FAS Capital Management Limited		1,955,023,737	1,966,829,882
		8,709,375,787	8,657,893,245
Less: Inter company transaction		(1,559,704,741)	(1,490,156,560)
		7,149,671,046	7,167,736,685

12 Deposits and other accounts

Fixed deposits	12.1	8,943,854,519	8,374,901,857
Others deposits	12.1	5,288,000	1,712,000
		8,949,142,519	8,376,613,857

12.1 Fixed deposits

Deposit from FI's-inside Bangladesh		5,581,613,296	4,723,593,604
Other than FI's-inside Bangladesh		3,367,529,223	3,653,020,253
		8,949,142,519	8,376,613,857

12.1.a Maturity analysis of Fixed Deposits

Deposit from FI's-inside Bangladesh

Repayable-on demand		-	-
-within 1 month		150,000,000	462,375,000
-over 1 month but within 6 months		4,444,309,296	2,231,311,104
-over 6 months but within 1 year		987,304,000	779,907,500
-over 1 year but within 5 years		-	1,250,000,000
-over 5 years but within 10 years		-	-
		5,581,613,296	4,723,593,604

Other than FI's-inside Bangladesh

Repayable-on demand		-	-
-within 1 month		478,325,022	111,036,072
-over 1 month but within 6 months		516,065,714	1,029,507,082
-over 6 months but within 1 year		2,176,642,495	689,325,275
-over 1 year but within 5 years		191,450,454	1,611,691,896
-over 5 years but within 10 years		5,045,538	211,459,928
		3,367,529,223	3,653,020,253
		8,949,142,519	8,376,613,857

12 (a) Consolidated deposits and other accounts

Fixed deposits

FAS Finance & Investment Limited	12.1	8,943,854,519	8,374,901,857
FAS Capital Management Limited		-	-
		8,943,854,519	8,374,901,857
Less: Inter company transaction		(550,000,000)	(550,000,000)
		8,393,854,519	7,824,901,857

Others deposits

FAS Finance & Investment Limited	12.1	5,288,000	1,712,000
FAS Capital Management Limited		-	-
		5,288,000	1,712,000
		8,399,142,519	7,826,613,857

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

13 Others liabilities	Notes	2019	2018	2017
Accumulated provision	13.1	1,345,973,502	317,848,372	237,778,210
Provision for current tax	13.2	444,364,457	433,836,734	362,757,807
Deferred tax liabilities	13.3	60,001,848	63,467,551	65,916,738
Interest suspense account	13.4	962,601,404	468,848,056	339,563,509
Accounts payable		513,593	13,833	85,884
Accrued expenses		3,140,536	684,872	1,866,310
Provision for gratuity	13.5	2,224,973	-	-
Provision against investments	13.6	-	22,054,909	42,571,974
Provident fund	13.7	3,989,442	-	-
Leases advance		1,429,206	1,549,062	1,721,167
Advance installment		52,738,907	44,252,265	33,365,549
Lease liabilities-Office premises	13.8	97,805,643	-	-
Provision for other assets	13.9	76,335,476	6,345,126	2,421,126
Unclaimed dividend		1,280,660	1,276,719	1,273,927
Salary tax		1,162,027	587,678	124,193
Interest payable		1,072,058,229	483,586,509	287,710,537
Tax deduction at source		82,207,445	47,508,353	8,946,038
Vat payable		2,338,216	516,070	481,023
Sundry deposit		18,812,758	15,210,587	13,184,032
		4,228,978,322	1,907,586,695	1,399,768,024

13.1 Accumulated provision for loans, advances and leases**Provision for classified loans, advances and leases**

Opening balance			201,400,163	155,954,693
Fully provided debts written off during the year	(-)		-	(15,403,323)
Recovery of amounts previously written off	(+)		-	-
Specific provision made for the year	(+)		1,073,536,821	60,848,793
Recoveries and provision no longer required	(-)		-	-
Net charge to profit and loss statement	(+)		-	-
Total Provision for classified loans, advances and leases			1,274,936,984	201,400,163

Provision for unclassified loans, advances and leases

Opening balance			116,448,209	81,823,517
Provision for the year			-	34,624,692
Adjustment during the year			(45,411,691)	-
Total provision for unclassified loans, advances and leases			71,036,518	116,448,209
Total provision against loans, advances and leases			1,345,973,502	317,848,372

Provision for

	Required	Maintained	Excess/(Shortage)
Classified loans, advances & leases	5,074,479,331	1,274,936,984	(3,799,542,347)
Un-classified loans, advances & leases	71,036,518	71,036,518	-
	5,145,515,849	1,345,973,502	(3,799,542,347)

Note/ Discloser:

Bangladesh Bank vide letter # DFIM(C)/1054/10/2020 date November 12, 2020 has provided NOC for deferral for transfer of interest income for Tk. 140.35 crore to interest suspense account in equal annual installments starting from 2019. At the same they also provided NOC for deferral of shortfall of provision for Tk. 399.96 crore with the condition that Tk. 20.00 crore to be maintained in 2019 and rest 379.96 crore to be maintained in equal annual installments starting from 2020. Accordingly, the instruction has since been complied.

13.1 (a) Consolidated provision against loans, advances and leases

FAS Finance & Investment Limited	13.1	1,345,973,502	317,848,372
FAS Capital Management Limited		89,668,773	89,668,773
		1,435,642,275	407,517,145

13.2 Provision for current tax

Opening balance		433,836,734	362,757,807
Add: Provision made during the year		10,527,723	71,078,927
Less: Adjustment during the year		-	-
		444,364,457	433,836,734

Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being.

Amount in Taka
As at
31-Dec-2019

B. Market Risk

	Capital Charges for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk
A Interest Rate Related Instruments	-	-	-
B Equities	7807206	7807206	15,614,412
C Foreign Exchange Position	-	-	-
Total (A+B+C)	7,807,206	7,807,206	15,614,412
Risk weighted assets (RWA)	78,072,060	78,072,060	156,144,120

C. Operational Risk

Gross income	471222349
Average gross income	157,074,116
Capital charge for operational risk (15% of Average gross income)	23,561,117
Risk Weighted Assets	235,611,175

Amount in Taka
As at
31-Dec-2019
31-Dec-2018

15 Statutory reserve

Opening balance	205,579,082	181,811,273
Add: Addition during the year	-	23,767,809
	205,579,082	205,579,082

16 Other reserve

Capital reserve	16.1	315,000	315,000
		315,000	315,000

16.1 Capital reserve

Opening balance	315,000	315,000
Add: Addition during the year	-	-
	315,000	315,000

17 Revaluation Reserve

Land	17.1	80,903,546	80,903,546
Office building	17.2	81,144,220	85,414,968
		162,047,766	166,318,514

17.1 Revaluation reserve-Land

Opening balance	80,903,546	84,364,660
Add: Addition during the year	-	-
Prior year adjustment (Note: 39.00)	-	(3,461,114)
	80,903,546	80,903,546

17.2 Revaluation reserve-Office building

Opening balance	85,414,968	143,856,789
Add: Addition during the year	-	-
Prior year adjustment (Note: 39.00)	-	(53,946,296)
	85,414,968	89,910,493
Less: Depreciation on increased value due to revaluation	(4,270,748)	(4,495,525)
	81,144,220	85,414,968

18 Retained earnings

Opening balance	10,500,795	184,655,975
Net profit after taxation	(1,464,731,442)	(25,811,586)
Transfer to statutory reserve	-	(23,767,809)
Stock dividend paid-2017	-	(129,071,310)
Stock dividend paid-2018	(70,989,220)	-
Add: Depreciation on increased value due to revaluation	4,270,748	4,495,525
	(1,520,949,119)	10,500,795

18 (a) Consolidated retained earnings

Opening balance	4,457,231	177,344,588
Prior year adjustment for tax provision & non-controlling interest	-	36
Consolidated net profit after taxation	(1,508,522,713)	(24,543,799)
Transfer to statutory reserve	-	(23,767,809)
Stock dividend paid-2017	-	(129,071,310)
Stock dividend paid-2018	(70,989,220)	-
Add: Depreciation on increased value due to revaluation	4,270,748	4,495,525
	(1,570,783,954)	4,457,231

19 Undrawn formal standby facilities, credit lines and other commitments

Leases, loans & advances commitments outstanding	639,057,691	2,074,196,208
	639,057,691	2,074,196,208

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

19 (a) Consolidated undrawn formal standby facilities, credit lines and other commitments

FAS Finance & Investment Limited	19	639,057,691	2,074,196,208
FAS Capital Management Limited		-	-
		639,057,691	2,074,196,208

20 Other memorandum items

Customers' stocks of securities-Merchant Banking Wing	-	-
	-	-

20 (a) Consolidated other memorandum items

FAS Finance & Investment Limited	20	-	-
FAS Capital Management Limited	20 (a)i	873,509,166	946,613,314
		873,509,166	946,613,314

20 (a)i Other memorandum items of FAS Capital Management Limited

Customers' stocks of securities-Merchant Banking Wing	873,509,166	946,613,314
	873,509,166	946,613,314

This amount consists of portfolio investors' investment at cost price.

21 Profit and loss account

Income

Interest, discount and similar income	1,751,775,729	2,085,629,844
Dividend income	3,548,624	1,333,486
Fee, commission and brokerage	-	-
Gains less losses arising from investment securities	(35,233,033)	(6,646,096)
Gains less losses arising from dealing in foreign currencies	-	-
Other operating income	2,844,720	536,949
Gains less losses arising from dealing securities	-	-
Income from Non-FI's assets	-	-
Profit less losses on interest rate changes	-	-
	1,722,936,040	2,080,854,183

Expenses

Interest, fee and commission	1,974,151,155	1,823,244,488
Losses on loans, leases and advances	-	-
Administrative expenses	82,784,852	103,605,331
Other operating expenses	15,078,188	14,910,458
Depreciation on FI's assets	32,530,696	17,395,333
	2,104,544,891	1,959,155,610
	(381,608,851)	121,698,573

22 Interest income

Interest on loans, advances and leases	1,618,101,294	1,840,224,030
Interest on placement with other banks and financial institutions	133,674,435	245,405,814
Interest on foreign currency balance	-	-
	1,751,775,729	2,085,629,844

		Amount in Taka	
		As at	
		31-Dec-2019	31-Dec-2018
22 (a)	Consolidated interest income		
	FAS Finance & Investment Limited	1,751,775,729	2,085,629,844
	FAS Capital Management Limited	102,338,912	159,124,617
		1,854,114,641	2,244,754,461
	Less: Inter company transaction	(122,764,837)	(117,096,932)
		1,731,349,804	2,127,657,529
23	Interest paid on deposits, borrowings, etc.		
	Interest on deposits	1,029,331,750	835,570,741
	Interest on borrowings	933,696,283	987,673,747
	Interest on lease liabilities-Office premises	11,123,122	-
	Interest on foreign bank accounts	-	-
		1,974,151,155	1,823,244,488
23 (a)	Consolidated interest paid on deposits, borrowings, etc.		
	FAS Finance & Investment Limited	1,974,151,155	1,823,244,488
	FAS Capital Management Limited	173,554,942	166,635,248
		2,147,706,097	1,989,879,736
	Less: Inter company transaction	(177,639,911)	(117,096,932)
		1,970,066,186	1,872,782,804
24	Investment income		
	Gain/(loss) on sale of shares	(35,233,033)	(6,646,096)
	Dividend on shares	3,548,624	1,333,486
		(31,684,409)	(5,312,610)
24 (a)	Consolidated investment income		
	FAS Finance & Investment Limited	(31,684,409)	(5,312,610)
	FAS Capital Management Limited	(20,993,962)	(37,204,992)
		(52,678,371)	(42,517,602)
25	Commission, exchange and brokerage		
	Commission	-	-
	Exchange gain/(loss)	-	-
	Brokerage	-	-
		-	-
25 (a)	Consolidated Commission, exchange and brokerage		
	FAS Finance & Investment Limited	-	-
	FAS Capital Management Limited	157,500	450,000
		157,500	450,000
26	Other operating income		
	Gain on sale of fixed assets	1,555,251	(29,037)
	Misc. Income	-	1,463
	Processing fees	10,518	412,156
	Recovery against written off	1,250,797	-
	Residual value	28,154	152,367
		2,844,720	536,949
26 (a)	Consolidated Other operating income		
	FAS Finance & Investment Limited	2,844,720	536,949
	FAS Capital Management Limited	57,204,832	24,874,147
		60,049,552	25,411,096
	Less: Inter company transaction	(55,247,628)	(1,024,961)
		4,801,924	24,386,135
27	Salary and allowances		
	Basic salary, provident fund contribution and all other allowances	62,174,971	55,049,177
	Festival and incentive bonus	4,346,384	8,222,391
		66,521,355	63,271,568

		Amount in Taka	
		for the year ended	
		31-Dec-2019	31-Dec-2018
27 (a) Consolidated salary and allowances			
FAS Finance & Investment Limited	27	66,521,355	63,271,568
FAS Capital Management Limited		7,063,896	8,487,500
		73,585,251	71,759,068
28 Rent, taxes, insurance, electricity, etc.			
Rent, rates, taxes and electricity, etc.		3,204,857	23,857,333
Insurance premium		1,331,812	1,436,380
		4,536,669	25,293,713
Disclosure related to Rent, rate and taxes:			
Actual rent, rates, taxes and electricity, etc.		24,259,023	23,857,333
Less: Reclassification of rent expenses (as per IFRS 16: Leases)		(21,054,166)	-
Rent expenses as reported		3,204,857	23,857,333
In addition to the above mentioned change in rent expense, implementation of IFRS 16 has resulted in charging of depreciation against Right of use assets as disclosed in Annexure-1 and of Interest on Right of use assets as disclosed in Note 23.			
28 (a) Consolidated rent, taxes, insurance, electricity, etc.			
FAS Finance & Investment Limited	28	4,536,669	25,293,713
FAS Capital Management Limited		405,216	4,774,159
		4,941,885	30,067,872
Less: Inter company transaction		-	-
		4,941,885	30,067,872
29 Legal expenses			
Professional & legal fees		422,375	283,240
		422,375	283,240
29 (a) Consolidated legal expenses			
FAS Finance & Investment Limited	29	422,375	283,240
FAS Capital Management Limited		17,250	77,050
		439,625	360,290
30 Postage, stamps, telecommunication, etc.			
Telephone & fax		820,706	771,695
Internet		641,700	869,215
Postage and stamp		118,644	132,802
		1,581,050	1,773,712
30 (a) Consolidated postage, stamps, telecommunication, etc.			
FAS Finance & Investment Limited	30	1,581,050	1,773,712
FAS Capital Management Limited		268,897	350,031
		1,849,947	2,123,743
31 Stationery, printings, advertisements, etc.			
Printing		1,266,841	2,854,027
Stationery & Photocopy		263,415	496,830
Publicity and advertisement		1,155,247	1,247,135
		2,685,503	4,597,992
31 (a) Consolidated stationery, printings, advertisements, etc.			
FAS Finance & Investment Limited	31	2,685,503	4,597,992
FAS Capital Management Limited		51,289	196,303
		2,736,792	4,794,295

		Amount in Taka	
		for the year ended	
		31-Dec-2019	31-Dec-2018
32 Directors' fees			
Directors' fees		690,000	1,233,600
		690,000	1,233,600
32 (a) Consolidated Directors' fees			
FAS Finance & Investment Limited	32	690,000	1,233,600
FAS Capital Management Limited		82,800	96,600
		772,800	1,330,200
33 Auditors' fees			
Statutory audit fees		172,500	144,500
		172,500	144,500
The audit fee represents the fees for auditing the accounts of the Company for the financial year 2019. No other fees was paid to the auditor for any other services.			
33 (a) Consolidated Auditors' fees			
FAS Finance & Investment Limited	33	172,500	144,500
FAS Capital Management Limited		57,500	63,250
		230,000	207,750
34 Depreciation and repairs of FI's assets			
Depreciation			
Office building		9,447,113	9,944,329
Furniture & fixture		453,965	367,833
Office decoration		541,230	344,616
Office equipment		606,644	658,122
Motor vehicles		3,482,470	5,458,573
Electrical installation		92,464	91,428
Computer		319,904	375,501
Telephone line & PABX system		81,159	95,037
Right of use Assets		17,454,837	-
Software		50,910	59,894
		32,530,696	17,395,333
Repairs			
Fixed assets repair and maintenance		575,400	1,489,264
		575,400	1,489,264
		33,106,096	18,884,597
34 (a) Consolidated Depreciation and repairs of assets			
FAS Finance & Investment Limited	34	33,106,096	18,884,597
FAS Capital Management Limited		5,281,875	2,113,060
		38,387,971	20,997,657
35 Other expenses			
A.G.M. expenses		1,698,339	238,272
Bank charge and excise duty		1,607,790	2,048,809
Books, newspaper and periodicals		22,653	25,974
Business promotion		15,900	16,150
CDBL charge		10,999	22,515
Corporate social responsibility		-	367,250
Entertainment		647,608	1,136,204
Fees, subscription and donation		2,677,303	2,852,658
Fuel, oil and lubricants		1,783,675	1,401,012

		Amount in Taka	
		for the year ended	
		31-Dec-2019	31-Dec-2018
		3,000	42,000
		25,400	3,700
		1,301,759	1,899,835
		1,984,091	895,982
		372,553	1,024,961
		161,624	187,155
		1,952,610	1,937,975
		63,462	48,250
		648,911	620,096
		100,511	141,660
		15,078,188	14,910,458
35 (a) Consolidated Other expenses			
FAS Finance & Investment Limited	35	15,078,188	14,910,458
FAS Capital Management Limited		1,351,589	1,754,644
		16,429,777	16,665,102
Less: Inter company transaction		(372,554)	(1,024,961)
		16,057,223	15,640,141
36 Provision against loans, advances and leases	13.1		
On un-classified loans		(45,411,691)	34,624,692
On classified loans		1,073,536,821	60,848,793
		1,028,125,130	95,473,485
36 (a) Consolidated provision against loans, advances and leases			
FAS Finance & Investment Limited	36	1,028,125,130	95,473,485
FAS Capital Management Limited		-	-
		1,028,125,130	95,473,485
37 Provision for diminution in value of investments	13.6		
In quoted shares		(22,054,909)	(20,517,065)
		(22,054,909)	(20,517,065)
37 (a) Consolidated provision for diminution in value of investments			
FAS Finance & Investment Limited	37	(22,054,909)	(20,517,065)
FAS Capital Management Limited		(5,620,580)	(44,881,807)
		(27,675,489)	(65,398,872)
38 Provision for taxation			
Current tax		10,527,723	71,078,927
Deferred tax		(3,465,703)	(2,449,188)
		7,062,020	68,629,739
38 (a) Consolidated provision for taxation			
Current tax			
FAS Finance & Investment Limited	38	10,527,723	71,078,927
FAS Capital Management Limited		1,311,768	6,365,371
		11,839,491	77,444,298
Deferred tax			
FAS Finance & Investment Limited		(3,465,703)	(2,449,188)
FAS Capital Management Limited		(66,412)	(91,945)
		(3,532,115)	(2,541,133)
		8,307,376	74,903,165

Amount in Taka	
for the year ended	
31-Dec-2019	31-Dec-2018

39 Restated Statement:**39.01 Deferred tax on revaluation surplus**

The Company previously did not recognize the deferred tax on revalued assets. For more compliance with Accounting Standard, the company is going to recognize in the current year. The opening balance of the last year's financial statement has been restated, in accordance with IAS-8, "Accounting policies, changes in Accounting Estimates and error" Section-42, by adjusting the Revaluation reserve and Deferred tax liabilities, And movement of deferred tax was adjusted with concerned year profit.

	2019 Taka	2018 Taka	2017 Taka
Revalued assets carrying amount - Building	129,830,753	136,663,950	143,856,789
Tax Base			-
	129,830,753	136,663,950	143,856,789
Tax Rate	37.5%	37.5%	37.5%
Closing Deferred Tax Liability	48,686,532	51,248,981	53,946,296
Opening Deferred Tax Liability	51,248,981	53,946,296	-
Deferred Tax Expense /(Income)	(2,562,449)	(2,697,315)	53,946,296
Base Amount - Land	86,527,860	86,527,860	86,527,860
Tax Base			-
Tax Rate	4%	4%	4%
Closing Deferred Tax Liability	3,461,114	3,461,114	3,461,114.40
Opening Deferred Tax Liability	3,461,114	3,461,114	-
Deferred Tax Expense /(Income)	-	-	3,461,114
Total Deferred Tax Expense /(Income)*	(2,562,449)	(2,697,315)	57,407,410

39.02 Unrecognized TDR interest provision

The company did not maintain accrual basis accounting in respect of TDR interest. In effect, the profit was being overstated and liability was being understated. During the year, the company revised its policy and making required interest provision for term deposit receipts. Interest provision up to December 31, 2017 was adjusted with opening balance of comparative periods retained earnings with corresponding entry TDR interest provision in liability section. As such, the financial statements have been restated to incorporate the TDR interest relating to prior year financial statements. The effect of prior year restatement is given below:

	2018 Taka	2017 Taka
Prior Year Adjustment	(147,347,947)	(15,557,464)
Total	(147,347,947)	(15,557,464)

40 Appropriations

Retained earnings-brought forward	10,500,795	184,655,975
Less: Adjustment for prior year	-	-
Add: Post-tax profit for the year	(1,464,731,442)	(25,811,586)
	(1,454,230,647)	158,844,389
Add: Depreciation on increased value due to revaluation	4,270,748	4,495,525
Less: Stock dividend-2017	-	(129,071,310)
Less: Stock dividend-2018	(70,989,220)	-
Transferred to:	-	(23,767,809)
Statutory reserve	-	(23,767,809)
General reserve	-	-
Proposed dividend	-	-
	(1,520,949,119)	10,500,795

Amount in Taka
As at
31-Dec-2019

B. Market Risk

	Capital Charges for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk
A Interest Rate Related Instruments	-	-	-
B Equities	7807206	7807206	15,614,412
C Foreign Exchange Position	-	-	-
Total (A+B+C)	7,807,206	7,807,206	15,614,412
Risk weighted assets (RWA)	78,072,060	78,072,060	156,144,120

C. Operational Risk

Gross income	471222349
Average gross income	157,074,116
Capital charge for operational risk (15% of Average gross income)	23,561,117
Risk Weighted Assets	235,611,175

Amount in Taka
As at
31-Dec-2019
31-Dec-2018

15 Statutory reserve

Opening balance	205,579,082	181,811,273
Add: Addition during the year	-	23,767,809
	205,579,082	205,579,082

16 Other reserve

Capital reserve	16.1	315,000	315,000
		315,000	315,000

16.1 Capital reserve

Opening balance	315,000	315,000
Add: Addition during the year	-	-
	315,000	315,000

17 Revaluation Reserve

Land	17.1	80,903,546	80,903,546
Office building	17.2	81,144,220	85,414,968
		162,047,766	166,318,514

17.1 Revaluation reserve-Land

Opening balance	80,903,546	84,364,660
Add: Addition during the year	-	-
Prior year adjustment (Note: 39.00)	-	(3,461,114)
	80,903,546	80,903,546

17.2 Revaluation reserve-Office building

Opening balance	85,414,968	143,856,789
Add: Addition during the year	-	-
Prior year adjustment (Note: 39.00)	-	(53,946,296)
	85,414,968	89,910,493
Less: Depreciation on increased value due to revaluation	(4,270,748)	(4,495,525)
	81,144,220	85,414,968

18 Retained earnings

Opening balance	10,500,795	184,655,975
Net profit after taxation	(1,464,731,442)	(25,811,586)
Transfer to statutory reserve	-	(23,767,809)
Stock dividend paid-2017	-	(129,071,310)
Stock dividend paid-2018	(70,989,220)	-
Add: Depreciation on increased value due to revaluation	4,270,748	4,495,525
	(1,520,949,119)	10,500,795

18 (a) Consolidated retained earnings

Opening balance	4,457,231	177,344,588
Prior year adjustment for tax provision & non-controlling interest	-	36
Consolidated net profit after taxation	(1,508,522,713)	(24,543,799)
Transfer to statutory reserve	-	(23,767,809)
Stock dividend paid-2017	-	(129,071,310)
Stock dividend paid-2018	(70,989,220)	-
Add: Depreciation on increased value due to revaluation	4,270,748	4,495,525
	(1,570,783,954)	4,457,231

19 Undrawn formal standby facilities, credit lines and other commitments

Leases, loans & advances commitments outstanding	639,057,691	2,074,196,208
	639,057,691	2,074,196,208

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

19 (a) Consolidated undrawn formal standby facilities, credit lines and other commitments

FAS Finance & Investment Limited	19	639,057,691	2,074,196,208
FAS Capital Management Limited		-	-
		639,057,691	2,074,196,208

20 Other memorandum items

Customers' stocks of securities-Merchant Banking Wing	-	-
	-	-

20 (a) Consolidated other memorandum items

FAS Finance & Investment Limited	20	-	-
FAS Capital Management Limited	20 (a)i	873,509,166	946,613,314
		873,509,166	946,613,314

20 (a)i Other memorandum items of FAS Capital Management Limited

Customers' stocks of securities-Merchant Banking Wing	873,509,166	946,613,314
	873,509,166	946,613,314

This amount consists of portfolio investors' investment at cost price.

21 Profit and loss account

Income

Interest, discount and similar income	1,751,775,729	2,085,629,844
Dividend income	3,548,624	1,333,486
Fee, commission and brokerage	-	-
Gains less losses arising from investment securities	(35,233,033)	(6,646,096)
Gains less losses arising from dealing in foreign currencies	-	-
Other operating income	2,844,720	536,949
Gains less losses arising from dealing securities	-	-
Income from Non-FI's assets	-	-
Profit less losses on interest rate changes	-	-
	1,722,936,040	2,080,854,183

Expenses

Interest, fee and commission	1,974,151,155	1,823,244,488
Losses on loans, leases and advances	-	-
Administrative expenses	82,784,852	103,605,331
Other operating expenses	15,078,188	14,910,458
Depreciation on FI's assets	32,530,696	17,395,333
	2,104,544,891	1,959,155,610
	(381,608,851)	121,698,573

22 Interest income

Interest on loans, advances and leases	1,618,101,294	1,840,224,030
Interest on placement with other banks and financial institutions	133,674,435	245,405,814
Interest on foreign currency balance	-	-
	1,751,775,729	2,085,629,844

		Amount in Taka	
		As at	
		31-Dec-2019	31-Dec-2018
22 (a)	Consolidated interest income		
	FAS Finance & Investment Limited	1,751,775,729	2,085,629,844
	FAS Capital Management Limited	102,338,912	159,124,617
		1,854,114,641	2,244,754,461
	Less: Inter company transaction	(122,764,837)	(117,096,932)
		1,731,349,804	2,127,657,529
23	Interest paid on deposits, borrowings, etc.		
	Interest on deposits	1,029,331,750	835,570,741
	Interest on borrowings	933,696,283	987,673,747
	Interest on lease liabilities-Office premises	11,123,122	-
	Interest on foreign bank accounts	-	-
		1,974,151,155	1,823,244,488
23 (a)	Consolidated interest paid on deposits, borrowings, etc.		
	FAS Finance & Investment Limited	1,974,151,155	1,823,244,488
	FAS Capital Management Limited	173,554,942	166,635,248
		2,147,706,097	1,989,879,736
	Less: Inter company transaction	(177,639,911)	(117,096,932)
		1,970,066,186	1,872,782,804
24	Investment income		
	Gain/(loss) on sale of shares	(35,233,033)	(6,646,096)
	Dividend on shares	3,548,624	1,333,486
		(31,684,409)	(5,312,610)
24 (a)	Consolidated investment income		
	FAS Finance & Investment Limited	(31,684,409)	(5,312,610)
	FAS Capital Management Limited	(20,993,962)	(37,204,992)
		(52,678,371)	(42,517,602)
25	Commission, exchange and brokerage		
	Commission	-	-
	Exchange gain/(loss)	-	-
	Brokerage	-	-
		-	-
25 (a)	Consolidated Commission, exchange and brokerage		
	FAS Finance & Investment Limited	-	-
	FAS Capital Management Limited	157,500	450,000
		157,500	450,000
26	Other operating income		
	Gain on sale of fixed assets	1,555,251	(29,037)
	Misc. Income	-	1,463
	Processing fees	10,518	412,156
	Recovery against written off	1,250,797	-
	Residual value	28,154	152,367
		2,844,720	536,949
26 (a)	Consolidated Other operating income		
	FAS Finance & Investment Limited	2,844,720	536,949
	FAS Capital Management Limited	57,204,832	24,874,147
		60,049,552	25,411,096
	Less: Inter company transaction	(55,247,628)	(1,024,961)
		4,801,924	24,386,135
27	Salary and allowances		
	Basic salary, provident fund contribution and all other allowances	62,174,971	55,049,177
	Festival and incentive bonus	4,346,384	8,222,391
		66,521,355	63,271,568

		Amount in Taka	
		for the year ended	
		31-Dec-2019	31-Dec-2018
27 (a) Consolidated salary and allowances			
FAS Finance & Investment Limited	27	66,521,355	63,271,568
FAS Capital Management Limited		7,063,896	8,487,500
		73,585,251	71,759,068
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Rent, rates, taxes and electricity, etc.		3,204,857	23,857,333
Insurance premium		1,331,812	1,436,380
		4,536,669	25,293,713
Disclosure related to Rent, rate and taxes:			
Actual rent, rates, taxes and electricity, etc.		24,259,023	23,857,333
Less: Reclassification of rent expenses (as per IFRS 16: Leases)		(21,054,166)	-
Rent expenses as reported		3,204,857	23,857,333
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FAS Finance & Investment Limited	28	4,536,669	25,293,713
FAS Capital Management Limited		405,216	4,774,159
		4,941,885	30,067,872
Less: Inter company transaction		-	-
		4,941,885	30,067,872
29 Legal expenses			
Professional & legal fees		422,375	283,240
		422,375	283,240
29 (a) Consolidated legal expenses			
FAS Finance & Investment Limited	29	422,375	283,240
FAS Capital Management Limited		17,250	77,050
		439,625	360,290
30 Postage, stamps, telecommunication, etc.			
Telephone & fax		820,706	771,695
Internet		641,700	869,215
Postage and stamp		118,644	132,802
		1,581,050	1,773,712
30 (a) Consolidated postage, stamps, telecommunication, etc.			
FAS Finance & Investment Limited	30	1,581,050	1,773,712
FAS Capital Management Limited		268,897	350,031
		1,849,947	2,123,743
31 Stationery, printings, advertisements, etc.			
Printing		1,266,841	2,854,027
Stationery & Photocopy		263,415	496,830
Publicity and advertisement		1,155,247	1,247,135
		2,685,503	4,597,992
31 (a) Consolidated stationery, printings, advertisements, etc.			
FAS Finance & Investment Limited	31	2,685,503	4,597,992
FAS Capital Management Limited		51,289	196,303
		2,736,792	4,794,295

Amount in Taka	
for the year ended	
31-Dec-2019	31-Dec-2018

32 Directors' fees

Directors' fees		690,000	1,233,600
		690,000	1,233,600

32 (a) Consolidated Directors' fees

FAS Finance & Investment Limited	32	690,000	1,233,600
FAS Capital Management Limited		82,800	96,600
		772,800	1,330,200

33 Auditors' fees

Statutory audit fees		172,500	144,500
		172,500	144,500

The audit fee represents the fees for auditing the accounts of the Company for the financial year 2019. No other fees was paid to the auditor for any other services.

33 (a) Consolidated Auditors' fees

FAS Finance & Investment Limited	33	172,500	144,500
FAS Capital Management Limited		57,500	63,250
		230,000	207,750

34 Depreciation and repairs of FI's assets

Depreciation

Office building		9,447,113	9,944,329
Furniture & fixture		453,965	367,833
Office decoration		541,230	344,616
Office equipment		606,644	658,122
Motor vehicles		3,482,470	5,458,573
Electrical installation		92,464	91,428
Computer		319,904	375,501
Telephone line & PABX system		81,159	95,037
Right of use Assets		17,454,837	-
Software		50,910	59,894
		32,530,696	17,395,333

Repairs

Fixed assets repair and maintenance		575,400	1,489,264
		575,400	1,489,264
		33,106,096	18,884,597

34 (a) Consolidated Depreciation and repairs of assets

FAS Finance & Investment Limited	34	33,106,096	18,884,597
FAS Capital Management Limited		5,281,875	2,113,060
		38,387,971	20,997,657

35 Other expenses

A.G.M. expenses		1,698,339	238,272
Bank charge and excise duty		1,607,790	2,048,809
Books, newspaper and periodicals		22,653	25,974
Business promotion		15,900	16,150
CDBL charge		10,999	22,515
Corporate social responsibility		-	367,250
Entertainment		647,608	1,136,204
Fees, subscription and donation		2,677,303	2,852,658
Fuel, oil and lubricants		1,783,675	1,401,012

		Amount in Taka	
		for the year ended	
		31-Dec-2019	31-Dec-2018
IPO charge		3,000	42,000
Miscellaneous expenses		25,400	3,700
Office maintenance		1,301,759	1,899,835
Picnic/ Business Conference/ Corporate Day Out		1,984,091	895,982
Portfolio management fees		372,553	1,024,961
Registration and renewal		161,624	187,155
Security service		1,952,610	1,937,975
Staff welfare, training and education		63,462	48,250
TA & DA		648,911	620,096
Uniform & Liveries		100,511	141,660
		15,078,188	14,910,458

35 (a) Consolidated Other expenses

FAS Finance & Investment Limited	35	15,078,188	14,910,458
FAS Capital Management Limited		1,351,589	1,754,644
		16,429,777	16,665,102
Less: Inter company transaction		(372,554)	(1,024,961)
		16,057,223	15,640,141

36 Provision against loans, advances and leases 13.1

On un-classified loans		(45,411,691)	34,624,692
On classified loans		1,073,536,821	60,848,793
		1,028,125,130	95,473,485

36 (a) Consolidated provision against loans, advances and leases

FAS Finance & Investment Limited	36	1,028,125,130	95,473,485
FAS Capital Management Limited		-	-
		1,028,125,130	95,473,485

37 Provision for diminution in value of investments 13.6

In quoted shares		(22,054,909)	(20,517,065)
		(22,054,909)	(20,517,065)

37 (a) Consolidated provision for diminution in value of investments

FAS Finance & Investment Limited	37	(22,054,909)	(20,517,065)
FAS Capital Management Limited		(5,620,580)	(44,881,807)
		(27,675,489)	(65,398,872)

38 Provision for taxation

Current tax		10,527,723	71,078,927
Deferred tax		(3,465,703)	(2,449,188)
		7,062,020	68,629,739

38 (a) Consolidated provision for taxation**Current tax**

FAS Finance & Investment Limited	38	10,527,723	71,078,927
FAS Capital Management Limited		1,311,768	6,365,371
		11,839,491	77,444,298

Deferred tax

FAS Finance & Investment Limited		(3,465,703)	(2,449,188)
FAS Capital Management Limited		(66,412)	(91,945)
		(3,532,115)	(2,541,133)
		8,307,376	74,903,165

Amount in Taka	
for the year ended	
31-Dec-2019	31-Dec-2018

39 Restated Statement:**39.01 Deferred tax on revaluation surplus**

The Company previously did not recognize the deferred tax on revalued assets. For more compliance with Accounting Standard, the company is going to recognize in the current year. The opening balance of the last year's financial statement has been restated, in accordance with IAS-8, "Accounting policies, changes in Accounting Estimates and error" Section-42, by adjusting the Revaluation reserve and Deferred tax liabilities, And movement of deferred tax was adjusted with concerned year profit.

	2019 Taka	2018 Taka	2017 Taka
Revalued assets carrying amount - Building Tax Base	129,830,753	136,663,950	143,856,789
Tax Rate	37.5%	37.5%	37.5%
Closing Deferred Tax Liability	48,686,532	51,248,981	53,946,296
Opening Deferred Tax Liability	51,248,981	53,946,296	-
Deferred Tax Expense /(Income)	(2,562,449)	(2,697,315)	53,946,296
Base Amount - Land Tax Base	86,527,860	86,527,860	86,527,860
Tax Rate	4%	4%	4%
Closing Deferred Tax Liability	3,461,114	3,461,114	3,461,114.40
Opening Deferred Tax Liability	3,461,114	3,461,114	-
Deferred Tax Expense /(Income)	-	-	3,461,114
Total Deferred Tax Expense /(Income)*	(2,562,449)	(2,697,315)	57,407,410

39.02 Unrecognized TDR interest provision

The company did not maintain accrual basis accounting in respect of TDR interest. In effect, the profit was being overstated and liability was being understated. During the year, the company revised its policy and making required interest provision for term deposit receipts. Interest provision up to December 31, 2017 was adjusted with opening balance of comparative periods retained earnings with corresponding entry TDR interest provision in liability section. As such, the financial statements have been restated to incorporate the TDR interest relating to prior year financial statements. The effect of prior year restatement is given below:

	2018 Taka	2017 Taka
Prior Year Adjustment	(147,347,947)	(15,557,464)
Total	(147,347,947)	(15,557,464)

40 Appropriations

Retained earnings-brought forward	10,500,795	184,655,975
Less: Adjustment for prior year	-	-
Add: Post-tax profit for the year	(1,464,731,442)	(25,811,586)
	(1,454,230,647)	158,844,389
Add: Depreciation on increased value due to revaluation	4,270,748	4,495,525
Less: Stock dividend-2017	-	(129,071,310)
Less: Stock dividend-2018	(70,989,220)	-
Transferred to:	-	(23,767,809)
Statutory reserve	-	(23,767,809)
General reserve	-	-
Proposed dividend	-	-
	(1,520,949,119)	10,500,795

Amount in Taka	
for the year ended	
31-Dec-2019	31-Dec-2018

41 Earnings per share

Earning attributable to ordinary shareholders (Net profit after tax)	(1,464,731,442)	(25,811,586)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Earnings per share-EPS (Last year restated)	(9.83)	(0.17)

Earning per share as shown in the face of the profit and loss account is calculated in accordance with IAS-33: Earning per share (EPS).

Earnings per Share (EPS) have been decreased as compare to the last year mainly due to increase of non-performing loan.

41 (a) Consolidated earnings per share

Earning attributable to ordinary shareholders (Net profit after tax & non-controlling interest)	(1,508,522,713)	(24,543,799)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Earnings per share-EPS (Last year restated)	(10.12)	(0.16)

Earning per share as shown in the face of the consolidated profit and loss account is calculated in accordance with IAS-33: Earning per share (EPS).

Earnings per Share (EPS) have been decreased as compare to the last year mainly due to increase of non-performing loan.

42 Net operating cash flow per share-NOCFPS

Net cash from operating activities	(1,197,944,569)	(634,091,345)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Net operating cash flow per share-NOCFPS (Last year restated)	(8.04)	(4.25)

Net operating cash flow per share-NOCFPS have been decreased as compare to the last year mainly due to increase of non-performing loan.

42.a Consolidated Net operating cash flow per share-NOCFPS

Net cash from operating activities	(1,265,607,125)	(1,364,380,146)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Net operating cash flow per share-NOCFPS (Last year restated)	(8.49)	(9.15)

Net operating cash flow per share-NOCFPS have been increased slightly as compare to the last year mainly due to less payment of income tax and controlling of other expenses.

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

43 Net asset value per share

Total assets	20,270,239,259	18,777,761,726
Total liabilities	19,932,472,891	(16,975,263,915)
	337,766,368	1,802,497,811
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Net asset value per share (Last year restated)	2.27	12.09

Net asset value per share-NAV have been decreased as compare to the last year mainly due to increase of non-performing loan.

43 (a) Consolidated net asset value per share

Total assets	20,129,059,885	18,817,653,480
Total liabilities	(19,841,128,352)	(17,021,199,233)
Borrowings from other banks, financial institutions, and agents	(7,149,671,046)	(7,167,736,685)
Deposits and other accounts	(8,399,142,519)	(7,826,613,857)
Others liabilities	(4,286,750,360)	(2,020,022,787)
Non-controlling interest	(5,564,427)	(6,825,904)
	287,931,533	1,796,454,247
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Net asset value per share (Last year restated)	1.93	12.05

Net asset value per share-NAV have been decreased as compare to the last year mainly due to increase of non-performing loan

Amount in Taka	
As at	
31-Dec-2019	31-Dec-2018

44 Reconciliation of Net Profit with Cash Flows from Operating Activities

Net profit after tax	(1,464,731,442)	(25,811,586)
Adjustments for non-cash items:		
Add: Depreciation	32,530,696	17,395,333
Add: provision for leases, loans, advances & investment	1,076,060,571	78,880,420
Add: provision for taxation	7,062,020	68,629,739
Add/(Less): Accrued expenses	995,809,287	324,576,365
Add/(Less): Accrued income	15,973,648	11,004,662
Less: Gain on sale of fixed assets	(1,555,251)	29,037
	2,125,880,971	500,515,556
Changes in operating assets and liabilities		
(Increase)/Decrease in leases, loans and advances	(2,574,537,747)	(1,351,723,277)
(Increase)/Decrease in other assets	24,938,172	2,496,466
Increase/(Decrease) in short term borrowings	(378,836,150)	554,863,426
Increase/(Decrease) in term & other deposits	572,528,662	(405,068,099)
Payment of corporate tax	(9,409,100)	(54,200,769)
Increase/(Decrease) in other liabilities	12,468,717	12,669,115
Increase/(Decrease) in interest suspense	493,753,348	132,167,823
	(1,859,094,098)	(1,108,795,315)
Net cash from/(used in) operating activities	(1,197,944,569)	(634,091,345)

44.a Reconciliation of Net Profit with Cash Flows from Operating Activities (Consolidated)

Net profit after tax	(1,509,784,190)	(24,507,278)
Adjustments for non-cash items:		
Add: Depreciation	37,685,345	19,372,540
Add: provision for leases, loans, advances & investment	1,070,439,991	33,998,613
Add: provision for taxation	8,307,376	74,903,165
Add/(Less): Accrued expenses	940,754,402	323,143,452
Add/(Less): Accrued income	38,428,386	(6,774,570)
Less: Gain on sale of fixed assets	(1,555,251)	29,037
	2,094,060,249	444,672,237
Changes in operating assets and liabilities		
(Increase)/Decrease in leases, loans and advances	(2,531,544,952)	(1,469,006,108)
(Increase)/Decrease in other assets	23,618,619	6,434,636
Increase/(Decrease) in short term borrowings	(408,836,150)	554,863,426
Increase/(Decrease) in term & other deposits	572,528,662	(955,068,099)
Payment of corporate tax	(10,860,298)	(60,855,336)
Increase/(Decrease) in other liabilities	11,457,587	6,918,553
Increase/(Decrease) in interest suspense	493,753,348	132,167,823
	(1,849,883,184)	(1,784,545,105)
Net cash from/(used in) operating activities	(1,265,607,125)	(1,364,380,146)

45 Related Party Disclosure**a. Particulars of Directors and their interest in different entities:**

Sl. No.	Name of Director	Status in FAS Finance & Investment Limited	Name of the firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.
1	Mr. Anjan Kumer Roy	Chairman (Acting) & Independent Director	Finance Accounting Management Experts (FAME) Ltd. (Director) Mak & Company, Chartered Accountants (Partner) FAS Capital Management Limited (Nominated Director)(Director)
2	Mr. Arun Kumer Kundu	Director (Nominated by Reptiles Farm Limited)	ARUN & Company, Chartered Accountants (Managing Partner) PLFS Investments Limited (Nominated Director) Northern Jute Manufacturing Company Ltd. (Independent Director)
3	Mr. Md. Atharul Islam	Director (Nominated by Reptiles Farm Limited)	N/A
4	Dr. Uddab Mallick	Director (Nominated by Reptiles Farm Limited)	N/A
5	Mr. Md. Abul Shahjahan	Director (Nominated by P & L International Limited)	N/A
6	Ms. Soma Ghosh	Director (Nominated by P & L International Limited)	N/A
7	Mr. Pritish Kumar Sarker	Managing Director & Ex-Officio	FAS Capital Management Limited (Nominated Director)

b. Related Party Transaction

The company carried out a number of transactions with related parties in the normal course of business. The nature of transactions and their values are shown below:

Name of the Related Party	Transaction Nature	Relationship	Balance as at 01-Jan-2019		Addition		Adjustment		Balance as at 31-Dec-2019	
			Taka		Taka		Taka		Taka	
FAS Capital Management Limited*	Loan	Subsidiary Company	1,490,156,560		122,764,837		53,216,656		1,559,704,741	
FAS Capital Management Limited	Equity Investment	Subsidiary Company	243,000,000		-		-		243,000,000	
FAS Capital Management Limited	TDR	Subsidiary Company	550,000,000		40,000,000		40,000,000		550,000,000	
FAS Finance & Investment Limited Employee's Contributory Provident Fund	TDR	Common Control	8,903,159		148,015		-		9,051,174	
FAS Capital Management Limited Employees Provident Fund	TDR	Common Control	4,000,000		66,750		-		4,066,750	
FAS Capital Management Limited Employees Gratuity Fund	TDR	Common Control	3,000,000		-		-		3,000,000	

Interest rate is 8% which is lower than cost of fund.

c. Share issued to Directors and Executives without consideration or exercisable at a discount - Nil

d. Lending policy to related parties

Related parties are allowed loans and advances as per General loan policy of the Company.

e. Loans, advances & leases to Directors & their related concern

Name of the Related Party	Transaction Nature	Classification Status	Outstanding Balance	Provision Kept	Security Amount
Nil	Nil	Nil	Nil	Nil	Nil

f. Shares held by Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal

Name	Status	No. of Shares
Mr. Pritish Kumar Sarker	Managing Director & CEO	-
Mr. Md. Munir Hossain	VP & Head of ICC	-
Mr. Zahid Mahmud	AVP & Company Secretary	-
Mr. A.K.M. Shamsher Ali	Manager & Chief Financial Officer (CC)	-

g. Shares held by Top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit

Name	Status	No. of Shares
Mr. Md. Nurul Haque Gazi	Deputy Managing Director	-
Mr. Md. Shahjahan Amin	SVP, Head of Recovery & Legal Affairs	-
Mr. Md. Abul Kalam Howlader	SVP, Head of HR & Admin	-
Mr. Ramendra Nath Kar	AVP, Finance & Accounts	-
Mr. Md. Ahasan Rakib	Manager & In charge, Corporate Finance	-

46 **General**

46.01 **Expenditure incurred on employees**

Salary Range

Below Tk. 8,000

Above Tk. 8,000

31-Dec-2019	
Number of Employees	
Permanent Basis	Contractual Basis

-	-
84	40

Includes all types of benefits paid and provided both in cash and kind other than the re-imbursment of expenses incurred for the company's business.

46.02 **Key management benefits**

Benefits	2019		2018	
	Directors	Executives	Directors	Executives
Salary	Nil	9,816,000	Nil	10,223,292
Festival Bonus	Nil	818,000	Nil	851,941
Provident Fund	Nil	1,243,200	Nil	1,243,200
Gratuity	Nil	Nil	Nil	Nil
Medical Assistance	Nil	1,513,200	Nil	1,486,656
Group Insurance	Nil	12,638	Nil	12,638
Conveyance allowance & Transport	Nil	420,600	Nil	108,000
Total:		13,823,638		13,925,727

46.03 **Disclosure of director remuneration under para - 4 of schedule XI part II of the companies act 1994 :**

Name	Position	2019	2018
Mr. Anjan Kumer Roy	Chairman (Acting) & Independent Director	Nil	Nil
Mr. Md. Abul Shahjahan	Director	Nil	Nil
Dr. Uddab Mallick	Director	Nil	Nil
Mr. Md. Atharul Islam	Director	Nil	Nil
Mr. Arun Kumer Kundu	Director	Nil	Nil
Ms. Soma Ghosh	Director	Nil	Nil
Mr. Pritish Kumar Sarker	Managing Director & CEO	56,00,000	55,17,742

46.04 **Meeting Fees:**

(a) Board Meeting:

During the year, 12 Board Meetings were held and the following fees were paid:

Name	2019		2018	
	No. of Meeting	Attendance Fees	No. of Meeting Attendance	Attendance Fees
Mr. Anjan Kumer Roy	Attendance	92,000	9	82,800
Mr. Md. Abul Shahjahan	10	92,000	11	101,200
Dr. Uddab Mallick	9	82,800	10	92,000
Mr. Md. Atharul Islam	9	82,800	9	82,800
Mr. Arun Kumer Kundu	9	82,800	9	82,800
Ms. Soma Ghosh	-	-	1	10,000
Mr. Md. Siddiqur Rahman	1	9,200	9	82,800
Ms. Mahfuza Rahman Baby	1	9,200	9	82,800
Mr. Pradip Kumar Nandi	4	36,800	5	46,000
Mr. Birendra Kumar Shome	8	73,600	9	82,800
Mr. Md. Zahangir Alam	-	-	9	82,800
Ms. Kazi Mahjaben Momtaz	-	-	8	73,600
Mr. Mohammad A. Hafiz	-	-	3	27,600
Taka:		561,200		930,000

(b) Audit Committee Meeting Fees:

During the year, 5 Audit Committee Meetings were held and the following fees were paid :

Name	2019		2018	
	No. of Meeting Attendance	Attendance Fees	No. of Meeting Attendance	Attendance Fees
Mr. Md. Abul Shahjahan	5	46,000	9	82,800
Mr. Pradip Kumar Nandi	3	27,600	6	55,200
Mr. Md. Atharul Islam	5	46,000	3	27,600
Mr. Anjan Kumer Roy	1	9,200	8	73,600
Mr. Md. Zahangir Alam	-	-	7	64,400
Taka:		128,800		303,600

46.05 **Foreign remittance**

There were no foreign remittance during the year 2019.

Contingent Liabilities :

There were no contingent asset and liabilities during the year 2019.

46.06 **Claims**

31-Dec-2019	31-Dec-2018
Amount in Taka	

(a) Claim against the company acknowledge as debts. 162,844,248 128,708,882

(b) Claim by the company not acknowledge as receivable. 106,138,532 92,582,266

46.07 **Proposal of dividend**

The Board of Directors on 226th Board meeting, agenda no.5 held on November 19,2020 recommended for the shareholders 0% dividend. This will be considered for approval of the shareholders at the 23rd Annual General Meeting to be held on December 28,2020.

46.08 Figures of the previous year have been rearranged, where necessary, to conform to current year

46.09 Approval of the Financial Statements

These financial statements were authorized for issue in accordance with a resolution of the company's board of directors on November 19, 2020 on its 226th Board Meeting.

46.10 Events after Reporting Period

There is no significant event has been occurred for reporting for the period from cut-off date of financial year to the date of signing of the financial statements.

FAS Finance & Investment Limited
Fixed Assets Schedule
As on December 31, 2019

Annexure-1

a. Cost

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2019
	Balance as on 01.01.2019	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2019	Addition during the year	Adj./disposal during the year	
Land	2,163,200	-	-		-	-	-	2,163,200
Office building	79,559,223	-	-	5%	2,613,916	-	29,894,832	49,664,391
Furniture &	7,003,367	1,184,454	-	10%	3,641,920	453,965	4,095,885	4,091,936
Office decoration	6,647,205	2,310,754	-	10%	3,545,662	541,230	4,086,892	4,871,067
Office equipment	9,048,370	83,810	-	15%	5,086,948	606,644	5,693,592	3,438,588
Motor vehicles	37,447,840	-	7,613,960	20%	17,817,236	3,482,470	16,022,441	13,811,439
Electrical installation	1,959,142	98,332	-	15%	1,441,049	92,464	1,533,513	523,961
Computer	5,638,348	5,770,000	-	15%	3,505,655	319,904	3,825,559	7,582,789
Telephone line & PABX system	1,067,650	-	-	15%	526,586	81,159	607,745	459,905
Right of use Assets	-	122,512,515	-		-	17,454,837	17,454,837	105,057,678
Software	638,421	-	-	15%	299,019	50,910	349,929	288,492
Total	151,172,766	131,959,865	7,613,960		63,144,991	25,697,499	83,565,225	191,953,446

b. Revaluation

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2019
	Balance as on 01.01.2019	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2019	Addition during the year	Adj./disposal during the year	
Land	84,364,660	-	-		-	-	-	84,364,660
Office building	229,523,584	-	-	5%	6,833,197	-	99,692,831	129,830,753
Total	313,888,244	-	-		6,833,197	-	99,692,831	214,195,413
Total (a+b) at 31 December 2019	465,061,010	131,959,865	7,613,960		156,004,625	32,530,696	183,258,056	406,148,859
Balance at 31 December 2018	464,438,117	7,896,987	7,274,094		142,144,825	17,395,333	156,004,625	309,056,385

Note: Depreciation on fixed assets (except Right of Use Assets) has been charged at rates varying from 5% to 20% on diminishing balance method.

FAS Finance & Investment Limited
Consolidated Fixed Assets Schedule
As on December 31, 2019

Annexure-1 (a)

a. Cost

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2019
	Balance as on 01.01.2019	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2019	Addition during the year	Adj./disposal during the year	
Land	2,163,200	-	-	-	-	-	-	2,163,200
Office building	79,559,223	-	-	5%	27,280,916	2,613,916	29,894,832	49,664,391
Furniture & Office decoration	10,002,575	1,184,454	-	10%	5,038,238	614,254	5,652,492	5,534,537
Office equipment	15,295,532	2,310,754	-	10%	4,998,172	1,260,812	6,258,984	11,347,302
Motor vehicles	15,256,165	83,810	-	15%	7,434,354	1,185,702	8,620,056	6,719,919
Electrical installation	37,447,840	-	7,613,960	20%	17,817,236	3,482,470	16,022,441	13,811,439
Computer	1,959,142	98,332	-	15%	1,441,049	92,464	1,533,513	523,961
Telephone line & PABX system	7,642,411	5,773,000	-	15%	4,635,354	451,509	5,086,863	8,328,548
Right of use Assets	-	128,350,332	-	15%	1,345,370	97,858	790,835	554,535
Software	2,904,671	-	-	15%	1,747,108	173,634	1,920,742	983,929
Total	173,576,129	137,800,682	7,613,960		71,085,404	30,852,148	96,660,287	207,102,564

b. Revaluation

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2019
	Balance as on 01.01.2019	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2019	Addition during the year	Adj./disposal during the year	
Land	84,364,660	-	-	-	-	-	-	84,364,660
Office building	229,523,584	-	-	5%	92,859,634	6,833,197	99,692,831	129,830,753
Total	313,888,244	-	-		92,859,634	6,833,197	99,692,831	214,195,413
Total (a+b) at 31 December 2019	487,464,373	137,800,682	7,613,960		163,945,038	37,685,345	196,353,118	421,297,977
Balance at 31 December 2018	479,808,947	14,929,520	7,274,094		148,108,031	19,372,540	163,945,038	323,519,335

Note: Depreciation on fixed assets (except Right of Use Assets) has been charged at rates varying from 5% to 20% on diminishing balance method.

FAS Finance & Investment Limited
Investments in Shares and Bonds
As on December 31, 2019

Annexure-2

Shares (quoted)

Name of Share	Number of Share	Market Price Per Share	Market Value	Cost of Share	Provision Amount
AB Bank Limited	175,000	7.90	1,382,500	3,611,496	2,228,996
AND Telecom Limited	18,968	30.00	569,040	569,040	-
Esquir Knit Composite Limited	10,445	28.30	295,594	470,025	174,431
New Line Clothings Limited	4,289	14.80	63,477	40,266	(23,211)
Niloy Cement Industries Limited	500	49.90	24,950	67,845	42,895
Nitol Insurance Company Limited	2,282,244	28.70	65,500,403	51,288,262	(14,212,141)
Runner Automobiles Limited	3,968	59.50	236,096	283,140	47,044

68,072,060 56,330,074 (11,741,986)

Shares (unquoted)

Particulars	Number of shares	Market price per share /Taka	Total Market Price/Taka	Book value	Provisions
Achia Sea Foods Limited	1,000,000	10	10,000,000	10,000,000	-

10,000,000 10,000,000 -

Grand Total:

78,072,060 66,330,074 (11,741,986)

FAS Finance & Investment Limited
Financial Highlights
As on December 31, 2019

Annexure-3

Sl. No.	Particulars	Amount in Taka		
		31-Dec-2019	31-Dec-2018	Change in %
1	Paid up capital	1,490,773,640	1,419,784,420	5.00
2	Total capital	327,779,004	2,026,047,222	(83.82)
3	Capital surplus/(deficit)	(1,444,787,140)	183,918,796	(885.56)
4	Total assets	20,270,239,259	18,777,761,726	7.95
5	Total deposits	8,949,142,519	8,376,613,857	6.83
6	Total loans, advances and leases	17,928,103,014	15,353,565,267	16.77
7	Total contingent liabilities and commitments	639,057,691	2,074,196,208	(69.19)
8	Credit deposit ratio	200.33%	183.29%	9.30
9	Percentage of classified loans, advances and leases	73.15%	15.21%	380.92
10	Profit after tax and provision	(1,464,731,442)	(25,811,586)	(5,574.71)
11	Classified loans, advances and leases during the year	13,114,550,342	2,335,349,294	461.57
12	Provisions kept against classified loans	1,274,936,984	201,400,163	533.04
13	Provision surplus/deficit	(3,799,542,347)	-	-
14	Cost of fund	10.66%	11.12%	(4.14)
15	Interest earning assets	19,289,270,382	17,859,139,721	8.01
16	Non-interest earning assets	980,968,877	918,622,005	6.79
17	Return on investment (ROI)	-20.65%	-0.30%	(6,696.06)
18	Return on asset (ROA)	-7.50%	-0.14%	(5,258.72)
19	Incomes from investment	(31,684,409)	(5,312,610)	(496.40)
20	Earning per share	(9.83)	(0.17)	(5,574.71)
21	Net income per share	(9.83)	(0.17)	(5,574.71)
22	Price earning ration (Times)	(0.68)	(77.97)	99.13

Disclosure of deviations from few requirements of IAS/IFRS

Annexure-4

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS-9 "Financial Instruments"	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	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 and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In separate Financial Statements, an amount of BDT 1,028.13 million has been charged as incremental provision for leases, loans and advances for the year 2019. Also, as at 31 December 2019, accumulated provision for leases, loans and advances stand at BDT total 1,345.97 million. In consolidated Financial Statements, the same amount is BDT 1,028.13 million. Also, as at 31 December 2019, accumulated provision for leases, loans and advances stand at BDT total 1,435.64 million.
2	Valuation of Investments in quoted and unquoted shares	IFRS-9 "Financial Instruments"	Investment in shares falls either under at "fair value through profit/loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year, total market value of all shares invested by FAS Finance & Investment Limited is higher than the cost price & total market value of all shares it's invested by subsidiary is less than the cost price. As on December 31, 2019 there was BDT 16.54 million gross losses on consolidated investment in marketable securities and there is no gross loss on investment by FAS Finance & Investment Limited in marketable securities.
3	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	At the year end, in separate Financial Statements interest suspense account has increased to BDT 962.60 million from BDT 468.85 million resulting increase of BDT 493.75 million of interest suspense. This amount has been shown in other liabilities in note 13.4

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
4	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2019 and corresponding year 2018 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
5	Measurement of deferred tax asset	IAS 12 "Income Taxes"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against the provision for lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for leases, loans and advances.
6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS-1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosures"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor the elements of Other Comprehensive Income allowed include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IAS 39. As	Financial Statements for 2019 and corresponding year 2018 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
7	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2019 and corresponding year 2018 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8	Current/Non-current distinction	IAS "Presentation of Financial Statements"	As per Para 60 of IAS 1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which are applicable for all the Financial Institutions. In this templates there is no current and noncurrent segmentation of assets and liabilities	Financial Statements for 2019 and corresponding year 2018 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/noncurrent portion of assets and liabilities can be observed.
9	Off-balance sheet items	IAS "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2019 and corresponding year 2018 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure but there is a disclosure in the financial statements.
10	Complete set of financial statements	IAS "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are 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, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2019 and corresponding year 2018 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
11	Intangible asset	IAS "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-1 & Annexure-1(a) as separate line item.	Financial Statements for 2019 and corresponding year 2018 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	Other comprehensive income	IAS "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements for 2019 and corresponding year 2018 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account.	Financial Statements for 2019 and corresponding year 2018 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

Team of FAS Capital Management Limited



From the left

Mr. Muh.Mahade Hasan Tusar, Asstt. Manager

Mr. Foiz Ahmed, Manager

Mr. Md. Yeasin Ali, CEO (CC)

Mr. Mohammad Mohiuddin, Sr. Officer

Ms. Bobita Yasmin, Officer

Financial Statements Of Fas Capital Management Limited

Auditors' Report to the Shareholder

Statement of Financial Position

Statement of Profit or Loss & Other
Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements



Independent Auditor's Report
To the shareholders of FAS Capital Management Limited
Report on the Audit of the Financial Statements

Qualified Opinion:

We have audited the financial statements of **FAS Capital Management Limited**, which comprise the Statement of Financial Position as at December 31, 2019, 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, except the effect described in the Basis for Qualified Opinion paragraph the financial statements present fairly, in all material respects, of the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, and other applicable law and regulations.

Basis for Qualified Opinion:

- 1) The margin loan balance with negative equity of the company is Tk. 157.8 crore as of December 31, 2019. The company has no other security over this margin loan except margin loan holders' share portfolio. The market value of portfolio of negative equity holders is just of Tk. 1.3 crore. There is a significant doubt of collectability of said unsecured loans. As such, the company is required to make provision or written off the long outstanding unsecured loan, which is not less than of Tk. 156.5 crore as of December 31, 2019. The paragraph 5.4.4 of IFRS 9: Financial Instrument requires to written off the entire or part of the financial assets (margin loan with negative equity), which is not recoverable. The company has just maintained of Tk. 8.97 (eight point nine seven) crore as provision for margin loan. The short fall of required margin loan provision is Tk. 147.53 (one forth seven point fifty three). If the whole impairment is adjusted in financial statements then Net Asset Value (NAV) would be Tk. 127.54 (one hundred seven point five four) crore and NAV per share would be Tk. (51.02) (Taka negative fifty one point zero two) Instead of disclosed NAV per share of Tk. 8 (Taka eight). However, the Bangladesh Securities and Exchanges Commission directive no. BSEC/CMRRCD/2009-193/196 is required to make provision five equal quarterly instalment starting from December 31, 2019. So, the company is required to maintain provision of Tk. 29.51 (twenty percent or one instalment out of five).
- 2) During the year, the company had charged to negative equity holder of Tk. 9.66 (nine point six six) crore and Tk. 0.25 (point two five) crore as "Interest on Margin Loan" and "Portfolio Management fee" respectively. The recoverability of margin loan with negative equity and interest charged thereon is very poor. So, charging the interest and portfolio management fee on Margin loan with negative equity of Tk. 9.91 crore is overstated the income of the company for the year. If such income does not consider then loss for the year and EPS would be Tk. (141,788,089) and Tk. (5.67) respectively instated of current disclosed net of Tk. (44, 923,414) and EPS of Tk. (1.80) respectively.
- 3) The interest on margin loan and other income (e.g. interest on FDR, portfolio management fee) of Tk. 9.66 (nine point six six) crore and Tk. 5.38 (five point three eight) crore respectively was just charged and accrued to the margin loan account and receivable of FDR interest, which has been shown as receipt in the statement of cash flows. On the other hand, interest paid shown in statement of cash flows is overstated by Tk. 8.8 (eight point eight) crore as this interest is just accrued and charged in Books of accounts and no impact was in the company's cash flows. The corresponding error may be in Borrowing from other bank & financial institution and provision for expenses in statement of cash flows.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter Paragraph

We draw your attention to the policy note no. 1(f) where it has been disclosed by company that they record their investment in shares at cost and provision is made for the diminishing in value of investment which is a common local practice in Bangladesh for all banks and merchant bank. Although IFRS 9: Financial Instrument requires the investment to be presented at market value after adjusting provision for diminution losses.

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

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

In preparing 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, we also report that:

- a) 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;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position and Statement of profit and loss and other comprehensive Income, of the Company dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditures incurred and payments made were for the purpose of the company's business.

Dated, Dhaka
November 22, 2020



Malek Siddiqui Wali
Chartered Accountants

FAS Capital Management Limited

Statement of Financial Position

As at December 31, 2019

Particulars	Notes	As at 31 December 2019	As at 31 December 2018
		Taka	Taka
PROPERTY AND ASSETS:			
Current Assets :			
Cash:		80,739	73,793
In hand	2.00	80,739	73,793
Balance with bank(s)		-	-
Cash at Bank		908,136	3,442,686
In Bangladesh	3.00	908,136	3,442,686
Outside Bangladesh		-	-
Investment		586,499,156	701,517,393
Share Investment	4.00	36,499,156	151,517,393
Other (TDR)		550,000,000	550,000,000
Loans and advances	5.00	1,593,665,582	1,567,110,196
Others assets	6.00	89,385,781	40,077,084
Total Current Assets :		2,270,539,394	2,312,221,152
Fixed Assets	7.00	15,149,118	14,462,950
TOTAL ASSETS		2,285,688,512	2,326,684,102
LIABILITIES AND CAPITAL:			
LIABILITIES:			
Borrowings from other banks, financial institutions and agents	8.00	1,957,399,597	1,966,829,882
Current Liabilities		129,559,323	116,071,880
Provision for Expenses	9.00	18,782,191	197,933
Provision for Income Tax	10.00	3,771,825	2,526,469
Sundry Creditors	11.00	800,896	1,522,487
Others liabilities	12.00	106,204,411	111,824,991
TOTAL LIABILITIES		2,086,958,920	2,082,901,762
CAPITAL/SHAREHOLDERS' EQUITY		198,729,592	243,782,340
Paid-up Capital	13.00	250,000,000	250,000,000
Retained earnings	14.00	(51,270,408)	(6,217,660)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,285,688,512	2,326,684,102

FAS Capital Management Limited

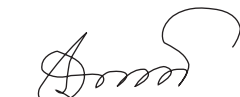
Statement of Financial Position

As at 31 December 2019

<i>Particulars</i>	<i>Notes</i>	As at 31 December	As at 31 December
		2019	2018
		Taka	Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and endorsements		-	-
Letters of Guarantee		-	-
Irrevocable Letters of credit		-	-
Bills for Collection		-	-
Other contingent Liabilities		-	-
Others commitments			
Documentary credits and short term trade-related transaction		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, Credit lines and other commitments		-	-
Other Memorandum Items		873,509,166	946,613,314

These financial statements should be read in conjunction with annexed notes.

The financial statements were approved by the board of directors as on 19/11/ 2020 and were signed on its behalf by:



Md. Yeasin Ali

Chief Executive Officer-CC



Pritish Kumar Sarker

Director



Md. Siddiqur Rahman, FCS

Chairman

Signed in terms of our separate report annexed date even.



Malek Siddiqui Wali

Chartered Accountants

Dated: Dhaka

November 22, 2020

FAS Capital Management Limited

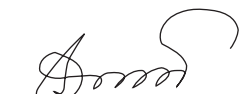
Statement of Profit or Loss and other Comprehensive Income

For the year ended December 31, 2019

Particulars	Notes	For the year ended	For the year ended
		December 31, 2019	December 31, 2018
		Taka	Taka
OPERATING INCOME:			
Interest Income	15.00	102,338,912	159,124,617
Less: Interest paid on deposit and borrowings, etc.	16.00	173,554,942	166,635,248
		(71,216,030)	(7,510,631)
Investment income	17.00	(20,993,962)	(37,204,992)
Commission, exchange and brokerage	18.00	157,500	450,000
Other operating income	19.00	57,204,832	24,874,147
		36,368,370	(11,880,845)
Total operating income (a)		(34,847,660)	(19,391,476)
OPERATING EXPENSES			
Salary and allowances	20.00	7,063,896	8,487,500
Rent, taxes, insurance, electricity, etc.	21.00	405,216	4,774,159
Postage, stamps, telecommunication, etc.	22.00	268,897	350,031
Printing ,Stationery & Advertisement	23.00	51,289	196,303
Audit Fees		57,500	63,250
Directors Fees		82,800	96,600
Legal Expenses		17,250	77,050
Depreciation on Fixed Assets	7.00	5,154,650	1,977,207
Repair of Fixed Assets	24.00	127,225	135,853
Other expenses	25.00	1,351,589	1,754,644
		14,580,312	17,912,597
Total operating expenses (b)		(49,427,972)	(37,304,073)
Profit before provision (c=a-b)			
Provision for diminution in value of investments		(5,620,580)	(44,881,807)
Provisions on Margin Loan		-	-
Other Provision		-	-
Total provision (d)		(5,620,580)	(44,881,807)
Profit before taxation(c-d)		(43,807,392)	7,577,734
Provision for taxation		1,245,356	6,273,426
Current Tax	10.00	1,311,768	2,673,908
Short Provision-2017		-	3,691,463
Deferred Tax		(66,412)	(91,945)
Net profit after taxation		(45,052,748)	1,304,308
Earning Per Share	27.00	(1.80)	0.05

These financial statements should be read in conjunction with annexed notes.

The financial statements were approved by the board of directors as on 19/ 11/ 2020 and were signed on its behalf by:



Md. Yeasin Ali

Chief Executive Officer-CC



Pritish Kumar Sarker

Director



Md. Siddiqur Rahman, FCS

Chairman

Signed in terms of our separate report annexed date even.

Dated: Dhaka

November 22, 2020



Malek Siddiqui Wali

Chartered Accountants

FAS Capital Management Limited

Statement of Changes in Equity
For the year ended December 31, 2019

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Opening Balance as on 01.01.2019	250,000,000	(6,217,660)	243,782,340
Net Profit after Taxation for the Period	-	(45,052,748)	(45,052,748)
Balance as on December 31, 2019	250,000,000	(51,270,408)	198,729,592

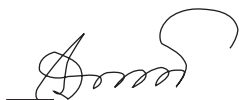
FAS Capital Management Limited

Statement of Changes in Equity
For the year ended December 31, 2018

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Opening Balance as on 01.01.2018	250,000,000	(7,522,004)	242,477,996
Net Profit after Taxation for the Period	-	1,304,308	1,304,308
Prior Adjustment (Provision of AIT-2016)	-	36	36
Balance as on December 31, 2018	250,000,000	(6,217,660)	243,782,340

These financial statements should be read in conjunction with annexed notes.

The financial statements were approved by the board of directors as on 19/11/ 2020 and were signed on its behalf by:



Md. Yeasin Ali
Chief Executive Officer-CC



Prithish Kumar Sarker
Director



Md. Siddiquir Rahman, FCS
Chairman

Signed in terms of our separate report annexed date even.



Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
November 22, 2020

FAS Capital Management Limited
Statement of Cash Flows
For the year ended December 31, 2019

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Particulars	Taka	Taka
Cash Flows From Operating Activities		
Interest receipts	102,338,912	159,124,617
Interest payments	(173,554,942)	(166,635,248)
Investment Income	(20,993,962)	(37,204,992)
Commission, exchange and brokerage	157,500	450,000
Payments to employees	(7,063,896)	(8,487,500)
Other operating income	57,204,832	24,874,147
Payment for other operating activities	(2,361,766)	(17,222,938)
Operating profit before changes in operating assets & liabilities	(44,273,322)	(45,101,914)
Increase/Decrease in operating assets and liabilities		
Margin loan to client	(26,555,386)	(189,178,013)
Other Assets (Receivable)	(49,308,697)	(15,377,750)
Deposit from customers	(721,591)	(8,729,408)
Borrowing from other Bank & Financial Institute	(9,430,285)	158,568,504
Liabilities for Expenses	18,584,258	(1,432,917)
	(67,431,701)	(56,149,584)
Net cash from/ (used in) operating activities (a)	(111,705,023)	(101,251,498)
Cash Flows From Investing Activities		
Purchase/Sale of trading securities, shares, bonds, etc.	115,018,237	657,671,194
Others Investment (FDR)	-	(550,000,000)
Purchase/Sale of property, plant and equipment	(5,840,817)	(7,032,533)
Net cash used in investing activities (b)	109,177,420	100,638,661
Cash Flows from Financing Activities		
Proceeds from issue of ordinary share	-	-
Net cash flow from financing activities (c)	-	-
Net increase/(decrease) in cash (a+b+c)	(2,527,604)	(612,837)
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at beginning of the Year	3,516,479	4,129,316
Cash and cash equivalents at end of the year	988,875	3,516,479

These financial statements should be read in conjunction with annexed notes.

The financial statements were approved by the board of directors as on 19/11/2020 and were signed on its behalf by:


Md. Yeasin Ali
Chief Executive Officer-CC


Pritish Kumar Sarker
Director


Md. Siddiquir Rahman, FCS
Chairman

Signed in terms of our separate report annexed date even.


Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
November 22, 2020

FAS Capital Management Limited
Cash Flow Workings-Direct Method
For The Period ended 31 December 2019

SL.No	Cash Flow from Operating Activities:	Notes	Taka	Taka	Taka
01	Interest Receipts during the period	15	-	-	102,338,912
02	Interest Payments	16	-	-	(173,554,942)
03	Investment Income	17	-	-	(20,993,962)
04	Commission, Exchange and Brokerage	18	-	-	157,500
05	Payment to Employees	20	-	-	(7,063,896)
06	Other Operating Income	19	-	-	57,204,832
07	Payment for other operating activities		-	-	-
	Rent, Taxes, Insurance, Electricity, etc	21	-	405,216	-
	Postage, Stamps, Telecommunication	22	-	268,897	-
	Printing & Stationery	23	-	51,289	-
	Audit Fees		-	57,500	-
	Directors Fees		-	82,800	-
	Legal Fees		-	17,250	-
	Other Expenses	24,25	-	1,478,814	-
	Tax Paid		-	-	(2,361,766)
			-	-	(44,273,322)
08	Margin loan to Client		-	-	-
	Opening Balance	5	1,567,110,196	-	-
	Less: Current Year		1,593,665,582	-	(26,555,386)
09	Other Assets (Receivable)	6	-	-	-
	Accounts Receivable: Broker		-	-	-
	Opening Balance		9,577,420	-	-
	Less: Current Year		6,654,418	2,923,002	-
	Deferred Tax (liability)		-	-	-
	Opening Balance		-	-	-
	Less: Current Year		-	-	-
	Advances, Deposits and Prepayments:		-	-	-
	Opening Balance		3,890,296	-	-
	Less: Current Year		3,486,396	403,900	-
	Receivable: Dividend Income		-	-	-
	Opening Balance		1,021,183	-	-
	Less: Current Year		327,140	694,043	-
	Receivable: Interest on FDR		-	-	-
	Opening Balance		21,760,694	-	-
	Less: Current Year		73,639,138	(51,878,444)	-
	Receivable Underwriting Commission		-	-	-
	Opening Balance		-	-	-
	Less: Current Year		-	-	-
	Advance Income Tax (AIT)		-	-	-
	Opening Balance		3,827,491	-	-
	Less: Current Year		5,278,689	(1,451,198)	(49,308,697)
10	Others Assets (Staff loan):		-	-	-
	Opening Balance		-	-	-
	Less: Current Year		-	-	-
11	Deposit from customers (Payable to Broker)	11	-	-	-
	Opening Balance		-	1,522,487	-
	Less: Current Year		-	800,896	(721,591)
12	Borrowing From other Bank & Financial Institute	8	-	-	-

SL.No	Cash Flow from Operating Activities:	Notes	Taka	Taka	Taka
	Opening Balance		-	1,966,829,882	-
	Less:Current Year		-	1,957,399,597	(9,430,285)
13	Liabilities for Expenses	9	-	-	-
	Opening Balance		-	197,933	-
	Less:Current Year		-	18,782,191	18,584,258
14	Other liabilities(Bills Payable,Others Liabilities-12,13)		-	-	-
	Others Liabilities :		-	-	-
	Opening Balance (Excluding Provision on Shares & Provision on Margin Loan)		-	-	-
	Gratuity Fund		-	-	-
	VAT Expenses		-	-	-
	Source Tax		-	-	-
	Less:Current Year (Exl.Provision on Shares & Margin Loan)		-	-	-
	Gratuity Fund		-	-	-
	VAT Expenses		-	-	-
	Source Tax		-	-	-
	Total:A		-	-	-
	Net cash from/ (used in) operating activities (A)				(111,705,023)
15	(B)Cash flow from investing activities:		-	-	-
	Purchase/Sale of trading securities, shares, bonds, etc.		-	-	-
	Opening Balance		151,517,393	-	-
	Less:Current Year		36,499,156	-	115,018,237
	Other Investment-FDR		-	-	-
	Opening Balance		550,000,000	-	-
	Less:Current Year		-	-	-
16	Purchase/Sale of property, plant and equipment		-	-	-
	Opening Balance		22,403,363	-	-
	Less:Current Year		28,244,180	-	-
	Net cash used in investing activities (B)				(5,840,817)
17	(C)Cash Flows from Financing Activities:		-	-	-
	Proceeds from issue of ordinary share		-	-	-
	Opening Balance		-	250,000,000	-
	Less:Current Year		-	250,000,000	-
	Net Cash Flows from Financing Activities:(C)				-
	Net increase/(decrease) in cash (a+b+c)				(2,527,604)
	Cash and cash equivalents at beginning of the Year				3,516,479
	Cash and cash equivalents at end of the year				988,875

FAS Capital Management Limited

Notes to the Financial Statements (Un-Audited)

For the Period from January to December, 2019

1.00 Significant Accounting Policies and Other Material Information

a. Legal Form of the Enterprise

FAS Capital Management Limited is a subsidiary of FAS Finance & Investment Limited, Incorporated in Bangladesh on 13th October 2010 as a Private Limited company under the Companies Act, 1994. FAS Finance & Investment Limited started its activity as a Merchant Bank in 1997. The Company (Subsidiary) was incorporated as per instruction of BSEC (Letter No. BSEC/Reg./MD-Policy/Part-VI/2008/286 Dated 26 July 2010) to FAS Capital Management Ltd. to form a separate subsidiary company for Merchant Banking alone within 30th September, 2010. Accordingly the then management formed a separate subsidiary-Merchant Banking named as FAS Capital Management Ltd. and applied on 26.09.2010 to SEC in order to transfer the Merchant Banking License in favor of the newly formed subsidiary company. Simultaneously the management of the FAS Finance & Investment Ltd. transferred the entire investor's portfolio amounting Tk.97.20 crore to FAS Capital Management Ltd. Since then the FAS Capital Management Ltd. has been working as a full-pledged subsidiary company with capital of Tk. 25.00 crore.

It may be mentioned here that FCML has received the merchant Banking license from BSEC in its own name on 16.05.2012

b. Nature of Business Activities

The Main Objectives of the company for which it was established are to carry out the business of full-pledged merchant banking activities like issue management, portfolio management, Underwriting, corporate advisory services, etc.

c. Basis of Presentation Financial statements

The following underlying assumptions, measurement base, laws, rules, regulations and Accounting pronouncements have been considered in preparing and presenting the financial statements:

Going Concern;
Accrual; except statement of cash flow
Historical Cost Convention;
International Accounting Standards (IAS);
SEC (Merchant Bankers & Portfolio Manager) Ordinance 1996
SEC Rules 1987

d. Depreciation Policy

Depreciation is charged on fixed assets from during the year of acquisition following reducing balance method for full year at the rate varying from 10% to 20% depending on the nature of assets.

e. Statement of Cash Flows

Statement of Cash Flows (Direct Method) has been prepared as per requirement of IAS-07

f. Investment

Investment is carried in Financial Statement at cost. Provision is made for diminishing in value of investment.

g. Taxation

The Applicable tax rate for Merchant Bank is 37.50 %. The assessment for the assessment year 2019-2020 return has been submitted under Universal Self-Assessment and accordingly, income tax clearance certificates have also been obtained.

h. Reporting Period

These financial statement cover for the year from 01 January 2019 to 31 December, 2019.

i. Gratuity Fund

Gratuity fund provision has been made as per organization's policy .

j. Provident Fund

Provident fund provision has been made as per organization's policy .

k. All financial information is presented in taka has been rounded off to the nearest taka. Comparative figures for balance have been given.

		For the year ended December 31, 2019	For the year ended December 31, 2018
		Taka	Taka
2.00 Cash in hand :			
Cash in Hand		80,739	73,793
		80,739	73,793
3.00 Cash at Bank :	Account No.		
Dutch Bangla Bank Ltd. Gulshan Branch	SND-116.120.1505	3,657	6,581
Dutch Bangla Bank Ltd. Gulshan Branch-LRHR	SND-116.120.4323	120,553	106,449
Mutual Trust Bank Ltd. Gulshan Branch	SND-0022-0320000793	43,502	3,534
Prime Bank Ltd. Mohakhali Branch	SND-11031050015284	1	1
Social Islami Bank Ltd. Gulshan Branch	SND-0081360000649	28,616	45,959
One Bank Ltd. Principal Branch	SND-0013000001743	331,894	207,969
One Bank Ltd. Principal Branch	SND-0013000001754	67,519	188,214
The City Bank Ltd. Gulshan Branch	SND-3101221156001	282,578	814,228
The City Bank Ltd. Gulshan Branch	SND-3101221156003	5,525	39,835
The City Bank Ltd. Gulshan Branch	6002-PIAA	2,732	2,006,073
Woori Bank Ltd.-Gulshan Br.	NDA-923000208	21,559	16,408
Woori Bank Ltd.-Gulshan Br.	CDA-923920015	-	7,435
		908,136	3,442,686
4.00 Share Investment :			
Bank:			
AB Bank Ltd.		11,205,629	19,681,429
BRAC Bank Ltd.		-	729,683
IFIC Bank Ltd.		514,038	-
		11,719,667	20,411,112
Finance:			
Union Capital Ltd.		-	37,457,919
		-	37,457,919
Textile:			
Esquire Knit Composite Ltd.		-	1,880,100
M.L. Dyeing Ltd.		-	35,242
Simtex Industries Ltd.		8,257,770	40,401,973
New Line Clothings Ltd.		40,265	-
VFS Thread Dyeing Ltd.		-	38,389
Zaheen Spinning Ltd.		91,273	-
		8,389,308	42,355,704
Fuel & Power:			
CVO Petro.Ref.Ltd		-	92
Eastern Lubricant Ltd		-	270,548
Saif Powertec Ltd.		-	1,793,052
United Power GD Co.Ltd.		-	1,473,407
		-	3,537,099
Mutual Fund:			
LR Global BD- MF One		271,088	-
		271,088	-
Appollo Ispat Complex Ltd.		6,995,376	10,678,131
Western Marine Shipyard Ltd.		349,044	-
		7,344,420	10,678,131
Pharmaceutical:			
Indo-Bangla Pharmaceuticals Ltd.		-	2,676
Square Pharma Ltd.		736,077	1,284,392
		736,077	1,287,068
Others:			
BATBC Limited		90,406	-
Rangpur Dairy Food Ltd.		-	2,354,792
Glaxo Smithkline Bangladesh		-	23,122,776

	For the year ended December 31, 2019	For the year ended December 31, 2018
	Taka	Taka
Golden Harvest Ago Industries Ltd.	189,567	
IFAD Autos Ltd.	5,585,956	539,475
Intraco Refueling Station Ltd.	-	12,157
National Polymer Industries Ltd.	-	1,836,477
National Feed Mills Ltd.	90,270	
SK Trims & Industries Ltd.	-	164,268
	5,956,199	28,029,945
Quated:		
Aman Cotton Fibrous Ltd.	-	313,840
Bashundhara Paper Mills Ltd.	97,582	864,560
ADN Telecom Ltd.	569,040	569,040
Coppertech Industries Ltd.	90,532	-
Esquire Knit Composite Ltd.	391,456	-
Genex Infosys Ltd.	-	104,660
Kattali Textile Ltd.	-	100,640
Runner Automobile Ltd.	688,862	1,080,825
Sea Pearl Beach Tesort & Spa Ltd.	37,526	-
S.S. Steel Limited	-	134,920
Silva Pharmaceuticals Ltd.	167,501	91,930
Silco Pharmaceuticals Ltd.	39,898	-
Indo-Bangla Pharmaceuticals Ltd.	-	4,500,000
	2,082,397	7,760,415
	36,499,156	151,517,393
5.00 Loans and Advances :		
Margin Loan to Client	1,593,665,582	1,567,110,196
6.00 Others Assets :		
Accounts Receivable (6.01)	6,654,418	9,577,420
Advances, Deposits and Prepayments	3,486,396	3,890,296
Advance Income Tax (6.02)	5,278,689	3,827,491
Receivable Interest on FDR	73,639,138	21,760,694
Receivable Dividend Income	327,140	1,021,183
	89,385,781	40,077,084
6.01 Accounts Receivable :		
Brokerage House (6.1.1)	2,600,413	5,174,838
Receivable From FFIL	3,590,663	3,590,663
Receivable-CDBL-All Broker	463,342	811,919
	6,654,418	9,577,420
6.01.01 Brokerage House :		
Discretionary A/C-BD-0004	-	6,145
KHB Securities Ltd.-Own	-	4,651,025
KHB Securities Ltd.	487,872	-
Khwaja Equity Services Ltd.-Own	10,715	
Khwaja Equity Services Ltd.	1,437,674	488,883
Shah Mohammad Sagir & Co.Ltd	664,152	444
Stock & Bond Ltd.	-	28,341
	2,600,413	5,174,838
6.02 Advance Income Tax (AIT):		
Opening Balance	3,827,491	6,947,972

	For the year ended December 31, 2019	For the year ended December 31, 2018
	Taka	Taka
Add: Addition during the year	1,451,198	6,654,567
	5,278,689	13,602,539
Less: Adjustment during the year	-	9,775,048
	5,278,689	3,827,491

7.00 Fixed Assets :**Cost:**

Opening Balance	22,403,363	15,370,830
Add: Addition during the year	5,840,817	7,032,533
	28,244,180	22,403,363
Less: Disposal of Fixed Assets	-	-
	28,244,180	22,403,363

Accumulated Depreciation

Opening Balance	7,940,413	5,963,206
Add: Charged during the year	5,154,650	1,977,207
	13,095,063	7,940,413
Less: Disposal of Fixed Assets	-	-
	13,095,063	7,940,413
	15,149,118	14,462,950

(Details of the Fixed Assets are shown in Annexure-1)

8.00 Borrowings from other banks, financial institutions and agents :

Bank (8.01)	-	30,000,000
Financial institution (8.02)	1,955,023,737	1,936,829,882
Lease liability	2,375,860	-
Total	1,957,399,597	1,966,829,882

8.01 Borrowings from other financial institutions :

Woori Bank (Time Loan)	-	30,000,000
	-	30,000,000

8.02 Short Term Portion of Long Term Loan :

FAS Finance & Investment Ltd.	1,559,704,740	1,490,156,560
Investment Corporation of Bangladesh	35,315,017	86,669,342
International Leasing & Financial Services Ltd.	360,003,980	360,003,980
	1,955,023,737	1,936,829,882

9.00 Provision for Expenses :

Audit Fees	46,000	46,000
CDBL Charges	236,911	136,250
Interest against loan from ICB	646,254	-
Interest against loan from ILFSL	17,837,343	-
Provident Fund-FCML	7,905	7,905
Gratuity Fund-FCML	7,778	7,778
	18,782,191	197,933

10.00 Provision for Income Tax :

Provision for Current Tax (10.01)	3,985,676	2,673,908
Provision for Deferred Tax (10.02)	(213,851)	(147,439)
	3,771,825	2,526,469

10.01 Provision for Current Tax:

Opening Balance	2,673,908	6,083,621
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	For the year ended December 31, 2019	For the year ended December 31, 2018
	Taka	Taka
Add:Provision during the year	1,311,768	2,673,908
	3,985,676	8,757,529
Less:Adjustment during the year	-	6,083,621
	3,985,676	2,673,908

10.01.01 Minimum tax should be charged for making provision of current tax, which is as follows:

Business receipts	Minimum Tax rate	Taxable amount	
Interest Income	0.006	102,338,912	614,033.47
Portfolio Management fee	0.006	1,155,277	6,931.66
Underwriting Commission	0.006	157,500	945.00
Documentation fee	0.006	12,000	72.00
			621,982.13
Other receipts			
Divident Income	0.20	1,754,653	350,930.60
Interest on TDR	0.10	2,226,074	222,607.39
Bank Interest	0.10	671,825	67,182.50
Rental Income	0.10	396,000	39,600.00
Interest on Other Income	0.10	94,656	9,465.60
			689,786
			1,311,768

10.02 Provision for Deferred Tax:

Opening Balance	(147,439)	(55,494)
Add:Provision during the year (12.02.01)	(66,412)	(91,945)
	(213,851)	(147,439)
Less:Adjustment during the year	-	-
	(213,851)	(147,439)

10.02.01 Deferred Tax Liabilities

A. Taxable Temporary Difference:

Carrying Value of Depreciable Fixed Assets	12,735,993
TAX Base Value	(13,099,327)
Deductable Temporary Difference :	(363,334)

B. Taxable Temporary Difference :

Disallowed Expenses:	(3,797,673)
Tax Allowable expenses:	3,590,738
Deductable Temporary Difference :	(206,935)

Total Taxable Temporary Difference (A+B) **(570,269)**

Applicable TAX Rate	37.5%
Deferred TAX (Assets)/Liabilities	(213,851)

Deferred Tax Income/ (Expenses) is arrived at as follows:

Closing Deferred TAX Liabilities/(assets)	(213,851)
Opening Deferred TAX Liabilities/(assets)	(147,439)
Deferred Tax Income/(Expenses) for the Year	(66,412)

11.00 Sundry Creditors :

All Broker-Cash Account	318,482	1,234,647
Discretionary A/C-BD-0001	307,931	97,186
Discretionary A/C-BD-0002	1,013	1,463
Discretionary A/C-BD-0003	4,269	4,719
Discretionary A/C-BD-0004	79,694	-
Discretionary A/C-LRHR-Confident	80,251	-

	For the year ended December 31, 2019	For the year ended December 31, 2018
	Taka	Taka
Mika Securities Ltd.	9,256	9,256
KHB Securities Ltd.-Own	-	175,216
	800,896	1,522,487

12.00 Others Liabilities :

Provision against Share Investment (12.01)	16,535,638	22,156,218
Provision against Margin loan (12.02)	89,668,773	89,668,773
	106,204,411	111,824,991

12.01 Provision for Share Investment:

Opening Balance	22,156,218	67,038,025
Add: Adjustment during the year	(5,620,580)	(44,881,807)
	16,535,638	22,156,218
Less: Adjustment during the year	-	-
	16,535,638	22,156,218

12.02 Provision against Margin loan:

Opening Balance	89,668,773	89,668,773
Add: Provision during the year	-	-
	89,668,773	89,668,773
Less: Adjustment during the year (Write Off)	-	-
	89,668,773	89,668,773

13.00 Share Capital :

13.01 Authorized Capital :

100,000,000 Ordinary Shares of Tk. 10.00 each	1,000,000,000	1,000,000,000
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13.02 Paid Up Capital :

Paid Up Capital	250,000,000	250,000,000
25,000,000 Ordinary Shares of Tk. 10.00 each	250,000,000	250,000,000

13.03 Percentage of Shareholding

	2019(%)	Taka	2018(%)	Taka
Sponsors	2.8	7,000,000	2.80	7,000,000
FAS Finance & Investment	97.2	243,000,000	97.20	243,000,000
	100	250,000,000	100	250,000,000

13.04 Name of directors, Sponsors Shareholders & their shareholding

	Designation	No. of Share	Total Value	%
Mr. Abdul Matlub Ahmad	Director	100,000	1,000,000	0.40
Mr. Abdul Halim	Director	100,000	1,000,000	0.40
Mr. Sudir Chandra Sarker	Director	100,000	1,000,000	0.40
Mr. Uzzal Kumer Nandi	Director	100,000	1,000,000	0.40
Mr. Md.Rakibul Hafiz	Director	100,000	1,000,000	0.40
Mr. Md. Masum Kabir	Director	100,000	1,000,000	0.40
Mr.Sheikh Md.Rezvi Newaz	Director	100,000	1,000,000	0.40
FAS Finance & Investment Ltd.	Director	24,300,000	243,000,000	97.20
		25,000,000	250,000,000	100

	For the year ended December 31, 2019	For the year ended December 31, 2018
	Taka	Taka
14.00 Retained earnings :		
Opening balance	(6,217,660)	(7,522,004)
prior year adjustment (Provision on AIT-Income Year-2016)	-	36
Net Profit after Tax	(45,052,748)	1,304,308
	(51,270,408)	(6,217,660)
15.00 Interest Income :	102,338,912	158,244,841
Interest on Margin Loan	-	879,776
Bank Interest-SND A/c	102,338,912	159,124,617
15.01 Interest on Margin Loan		
Be Rich Ltd.	9,768,867	18,003,986
Discretionary-General A/c	1,358,903	3,859,749
International Leasing Securities Ltd.	2,640,239	10,375,018
KHB Securities Ltd.	9,800,145	21,296,393
Khwaja Equity Services Ltd.	34,137,789	40,915,174
Discretionary-LRHR A/c	5,993	-
Royal Capital Ltd.	19,670,795	21,019,822
Stock & Bond Ltd.	9,786,776	18,634,162
Shah Mohammad Sagir & Co. Ltd.	10,231,683	10,423,668
Western Securities Investment Mgt. Ltd.	4,937,722	13,716,869
	102,338,912	158,244,841
16.00 Interest paid on deposit and borrowings, etc. :		
Bank	544,282	1,959,375
Financial Institute	172,637,680	164,675,873
Finance cost on Lease	372,980	-
	173,554,942	166,635,248
17.00 Investment Income :		
Capital Gain on Share Investment	(22,748,615)	(49,017,837)
Dividend on Shares Investment	1,754,653	11,812,845
	(20,993,962)	(37,204,992)
17.01 Capital Gain on Share Investment	(22,748,615)	(49,017,837)
Less:Interest paid on outside borrowing	-	-
	(22,748,615)	(49,017,837)
18.00 Commission, Exchange and Brokerage		
Trustee Fee	-	200,000
Underwriting Commission	157,500	250,000
	157,500	450,000
19.00 Other Operating Income		
Portfolio Management Fees (19.01)	1,155,277	1,952,170
Documentation Fee	12,000	35,300
Interest on FDR	54,875,074	22,260,694
Interest on Other Income	94,656	119,733
Interest on STD Income	671,825	-
Work Station Rent	396,000	506,250
	57,204,832	24,874,147
19.01 Portfolio Management Fees	1,155,277	1,952,170

For the year ended
December 31, 2019

For the year ended
December 31, 2018

Taka

Taka

20.00 Salary and Allowances

Basic Salary and all other allowances	5,950,662	6,659,395
Provident Fund	309,514	349,552
Festival Bonus	548,220	589,986
Incentive Bonus	-	595,114
Leave fare assistance	255,500	277,770
Provident Fund	-	7,778
Gratuity Fund	-	7,905
	7,063,896	8,487,500

21.00 Rent, Taxes, Insurance, Electricity, etc

Office Rent	-	4,013,289
Service Charge	696	242,853
Electric Bill	398,612	422,200
Generator Bill	5,908	9,017
Insurance Premium	-	86,800
	405,216	4,774,159

22.00 Postage, Stamps, Telecommunication

Internet Bill	152,100	154,600
Stamp & Notary	8,225	7,820
Telephone & Mobile Bill	106,402	183,541
Postage & Courier	2,170	4,070
	268,897	350,031

23.00 Printing, Stationery & Advertisement

Dhaka (Head Office)	51,289	194,803
Chittagong (Branch Office)	-	1,500
	51,289	196,303

24.00 Repairs

Software Maintenance	127,225	135,853
Repair & Maintenance	-	-
	127,225	135,853

25.00 Other Expenses :

Bank Charge & Commission	38,076	71,733
Conveyance allowance	39,790	54,310
Cleaning service bill	90,000	97,500
Documentation Charge	-	11,500
Entertainment	77,534	129,720
Earn Leave Expenses	171,177	382,428
Excise Duty Expenses	116,800	102,300
Fees & Subscription	67,000	56,997
Newspaper & Periodicals	4,900	5,245
Office Maintenance	112,822	92,030
Registration Fees	-	2,385
Renewal Fees	171,505	250,925
Repair & Maintenance	44,760	83,655
Security Service Bill	337,836	374,711
Spare & Accessories	37,735	4,050
TA/DA-Head Office	22,100	-
VAT Expenses	1,920	8,820
Wasa Bill	17,634	26,335
	1,351,589	1,754,644

For the year ended
December 31, 2019

For the year ended
December 31, 2018

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26.00 Net Assets value (NAV) per Share

Total Assets	2,285,688,512	2,326,684,102
Less: Total Outstanding Liabilities	129,559,323	116,071,880
Net Assets Value	2,156,129,188	2,210,612,222
Number of Ordinary Share	25,000,000	25,000,000
	86	88

27.00 Basic earning per share (EPS) discloser under IAS-33

Net Profit for the year	(45,052,748)	1,304,308
Weighted average number of ordinary shares	25,000,000	25,000,000
Basic earning per share (EPS)	(1.80)	0.05

28.00 Net Operating Cashflow per share

Net Operating Cash Flow	(111,705,023)	(101,251,498)
Number of Ordinary Share	25,000,000	25,000,000
	(4.47)	(4.05)

29.00 Event after Reporting Period

The Board of Directors of the company approved the financial statements as on 19/11/2020 and no dividend recommended for the financial year ended December 31, 2019. Except the facts and figures stated above, there is no other entries or notes that has to be disclosed in the financial statements.

30.00 Contingent Liability Disclosure

The company does not have any liability that fall in the definition of contingent liability as per IAS 37.

31.00 Related Party Disclosure

The company, in normal course of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard (IAS) 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transactions with related parties and balances with them as at December 31, 2019 were as follows:

Party Name	Nature of Relationship	Nature of Transaction	Transaction/Adjusted during the year		Balance as on December 31, 2019	Balance as on December 31, 2018
			Dr.	Cr.		
FAS Finance & Investment Ltd.	Holding Company	Loan	122,764,836	53,216,656	1,559,704,740	1,490,156,560
FAS Finance & Investment Ltd.	Holding Company	Paid up Capital	-	-	243,000,000	243,000,000
FAS Finance & Investment Ltd.	Holding Company	Receivable	-	-	3,590,663	3,590,663

For the year ended
December 31, 2019

For the year ended
December 31, 2018

Taka

Taka

32.00 Key Management Benefits Disclosure

The board of directors of the company are fall in the definition of key management employees .

Particulars	2019		2018	
	Directors	Executives	Directors	Executives
Remuneration	-	-	-	-
Meeting fee	82,800	-	96,600	-
House rent	-	-	-	-
Bonus	-	-	-	-
Conveyance	-	-	-	-
Medical	-	-	-	-

33.00 Audit Fees

Statutory audit fee

46,000

46,000

33.01 Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors.

34.00 Employees Minimum Pay Disclosure

Total Number of Employees	9
Number of Employees Earn Above Tk. 20,000	8
Number of Employees Less than Tk. 20,000	1

FAS CAPITAL MANAGEMENT LIMITED

Fixed Assets Schedule

As on December 31, 2019

Annexure-1

Particulars	Cost			Rate (%)	Depreciation / Amortization			Written Down Value as on 31.12.2019	
	Balance as on 01.01.2019	Addition during the year	Adjustment/ disposal during the year		Balance as on 31.12.2019	Addition during the year	Adjustment / disposal during the year		Balance as on 31.12.2019
Computer & Furniture &	2,004,063	3,000	-	15	1,129,699	131,605	-	1,261,304	745,759
Motor Vehicle	2,999,208	-	-	10	1,396,318	160,289	-	1,556,607	1,442,601
Office	-	-	-	20	-	-	-	-	-
Office	8,648,327	-	-	10	1,452,510	719,582	-	2,172,092	6,476,235
Software	6,207,795	-	-	15	2,347,406	579,058	-	2,926,464	3,281,331
Telephone & Right of Use of	2,266,250	-	-	15	1,448,089	122,724	-	1,570,813	695,437
	277,720	-	-	15	166,391	16,699	-	183,090	94,630
		5,837,817				3,424,693		3,424,693	2,413,125
Balance as on 31 December, 2019	22,403,363	5,840,817	-		7,940,413	5,154,650	-	13,095,063	15,149,118
Balance as on 31 December, 2018	15,370,830	7,032,533	-		5,963,206	1,977,207	-	7,940,413	14,462,950

FAS Capital Management Limited

1-Jan-2019 to 31-Dec-2019

Particulars	Debit
Adv.-Asim Sarker-Advisor(INC)	131,000
Adv.-Anjan Kumer-Advisor	60,000
Adv.-Leadsoft Bangladesh Limited	56,000
Adv.-Nutriqual Limited	826,177
Adv. Office Rent- Patuakhali	600,000
Adv.-P & L International Limited	401,819
Adv.ZA Sourcing-Rent	405,000
Security Deposit: CDBL-DP	200,000
Security Deposit:Shezad Pervez & Shezad Javed-Z.P.	266,400
Adv.ZA Sourcing-Security Deposit	540,000
Total	3,486,396

27.00 Related Party Disclosure.

a. Particulars of Directors and their Interest in different entities :

SI No.	Name of Director	Status in FAS Capital Management Limited	Name of the firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.
1	Md. Siddiqur Rahman	Chairman (Nominated by FAS Finance & Investment Ltd.)	Managing Director, Simtex Industries Limited. Chairman, Simtex Textile Limited. Director, Clewiston Foods & Accommodation Limited. Director, Nitol Insurance Company Limited.
2	Mr. Anjan Kumer Roy	Director (Nominated by FAS Finance & Investment Ltd.)	Partner, Mak & Co, Chartered Accountants. Director, Finance Accounting Management Experts (FAME) Ltd. & Proprietor, M/S Myth Corporation.
3	Md. Ensan Ali Sheikh	Director	Director, Simtex Industries Limited
4	Hafiza Khanam	Director	Director, Simtex Industries Limited
5	Shaikh Md. Rezvi Newaz	Director	N/A
6	Md. Yeasin Ali	Chief Executive Officer, C.C	N/A

b. Related Party Transaction

The company carried out a number of transactions with related parties in the normal course of business. The nature of transactions and their values are shown below:

SI.No.	Name of the Related Party	transaction Nature	Balance as at 01-Jan-2019	Addition	Adjustment	Balance as at 31-December-2019
			Taka	Taka	Taka	Taka
1	FAS Finance & Investment	Loan	1,490,156,560	122,764,836	53,216,656	1,559,704,740
2	FAS Finance & Investment	Paid up capital	243,000,000	-	-	243,000,000

FAS Capital Management Limited

Provision against Company's Own Investment

SI	Company Name	No. of shares		Avg. Cost	Total Cost	Market Rate	Market Value	Unrealized gain/(loss)
		Total	Saleable					
1	AB Bank Limited	600,000	600,000	18.68	11,205,629	7.90	4,740,000	(6,465,629)
2	AND Telecom Ltd.	18,968	18,968	30.00	569,040	30.00	569,040	-
3	Appollo Ispat.Co.Ltd.	750,000	750,000	9.33	6,995,376	3.90	2,925,000	(4,070,376)
4	Bashundhara P.M. Ltd	2,000	2,000	48.79	97,582	46.00	92,000	(5,582)
5	BATBC Limited	93	-	972.11	90,406	969.90	90,201	(205)
6	Coppertech Industries LtdLtd.	4,979	-	18.18	90,532	23.50	117,007	26,475
7	Esquire Knit Composit Ltd.	10,445	-	37.48	391,456	28.30	295,594	(95,863)
8	Golden Harvest Agro Ltd	10,000	-	18.96	189,567	19.20	192,000	2,433
9	IFAD Autos Limited	70,000	70,000	79.80	5,585,956	46.20	3,234,000	(2,351,956)
10	IFIC Bank Ltd.	50,000	50,000	10.28	514,038	9.90	495,000	(19,038)
11	LR Global BD MF-One	40,345	40,345	6.72	271,088	6.60	266,277	(4,811)
12	National Feed Mills Ltd.	10,000	-	9.03	90,270	9.00	90,000	(270)
13	New Line Clothings Ltd.	4,289	-	9.39	40,265	14.80	63,477	23,212
14	RUNNER Automobile Ltd.	10,000	6,397	68.89	688,862	59.50	595,000	(93,862)
15	Sea Pearl Beach Resort & Spa Ltd.	3,917	-	9.58	37,526	41.30	161,772	124,246
16	Silco Pharmaceuticals Ltd.	4,377	-	9.12	39,898	30.30	132,623	92,725
17	Silva Pharmaceuticals Ltd.	10,000	-	16.75	167,501	16.80	168,000	499
18	Simtex Industries Ltd	288,480	275,980	28.63	8,257,770	16.10	4,644,528	(3,613,242)
19	Square Pharma Ltd.	3,500	3,500	210.31	736,077	190.00	665,000	(71,077)
20	Western Marine Shipyard Ltd.	30,000	30,000	11.63	349,044	11.20	336,000	(13,044)
21	Zaheen Spinning Ltd.	10,000	-	9.13	91,273	9.10	91,000	(273)
Grand Total					36,499,156		19,963,518	(16,535,638)

Required Share Provision 31.12.2019	16,535,638
Less : Share Provision Last Year	22,156,218
Share Provision Adjusted during the Year	(5,620,580)

FAS CAPITAL MANAGEMENT LIMITED

Tax Calculation

As on 31 December, 2019

Particulars	Amount (Tk.)	Particulars	Amount (Tk.)
Operating Expenses	14,580,312	Interest Income	(71,216,030)
Provision for Expenses	(298,594)	Commision & Brokerage	157,500
Entertainment	(77,534)	Other Operating Income	57,204,832
Dividend Income	1,754,653	Income from Shares investment	(22,748,615)
		Dividend Income	1,754,653
Total	15,958,837		-
Profit	(50,806,497)		-
Total	(34,847,660)	Total	(34,847,660)
		Profit B/F	(50,806,497)
Loss on share Investment	-	Add: Reverse Provisison	5,620,580
Net Profit	(45,185,917)		
Total Income	(45,185,917)	Total Income	(45,185,917)
Tax Calculation			
Net Income	(45,185,917)	37.50%	-
Dividend Income (Separately considered)	1,754,653	20%	350,931
Cash received of TDR Interest D/Y	2,226,074	10%	222,607
Total Tax Liability			573,538

FAS Capital Management Limited

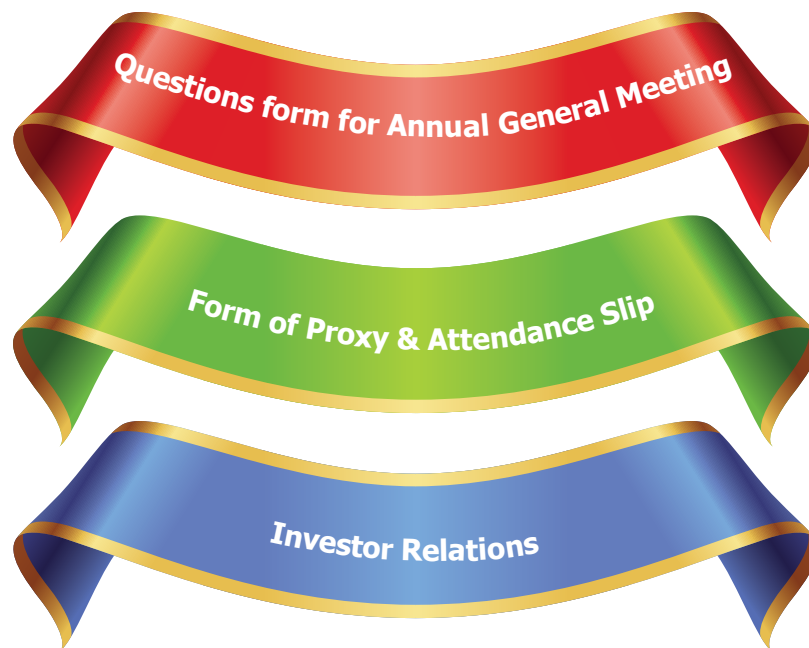
1-Jan-2019 to 31-Dec-2019

Particulars	Debit	Credit
Accum.Depri. on Computer & Accessories		1,129,699
Accum.Depri. on Furniture & Fixture		1,396,318
Accum.Depri. on Office Decoration		1,452,510
Accum.Depri.on Office Equipment		2,347,406
Accum.Depri. on Software		1,448,089
Accum.Depri. on Telephone & PABX		166,392
Advance Income Tax (AIT)	1,081,362	
Advance Income Tax (TDS)	4,197,327	
Adv.-Anjan Kumer Roy-Director	60,000	
Adv.-Asim Sarker-Advisor(INC)	131,000	
Adv.-Leadsoft Bangladesh Limited	56,000	
Adv.-Nutriqual Limited	826,177	
Adv. Office Rent- Patuakhali	600,000	
Adv.-P & L International Limited	401,819	
Adv.Shezad Pervez & Shezad Javed-ZAHED PLAZA	649,200	
Audit Fee	11,500	
Bank Charge & Commission	38,076	
Cash A/C	80,739	
Cleaning Service Bill	90,000	
Computer & Accessories	2,007,063	
Conveyance Allowance	39,790	
Deferred Tax	147,439	
Directors Fees	82,800	
Dutch Bangla Bank Ltd.-LRHR	120,553	
Dutch-Bangla Bank Ltd. STD A/c # 1505	3,657	
Earn Leave Expenses	171,177	
Electricity Bill	398,612	
Entertainment Expenses	77,534	
Excise Duty Expenses	116,800	
Fees & Subscription	67,000	
Festival Bonus-Head Office	548,220	
Furniture & Fixtures	2,999,208	
Generator Bill	5,908	
Income A/c: Dividend on Share		1,754,653
Income A/c: Documentation Fee		12,000
Income A/c:Interest on FDR		53,200,755
Income A/c:Others Income		94,656
Income A/c: Profit on Share Investment	22,748,615	
Income A/c: Underwriting Commission		157,500
Income A/c: Work Station Rent		396,000
Interest on STD A/c		671,825
Internet Bill	152,100	
Int. on Margin Loan-BRL		9,768,867
Int. on Margin Loan-Discretionary A/c-General		1,358,903
Int. on Margin Loan-ILSL		2,640,239
Int. on Margin Loan-KESL		47,076,951
Int. On Margin Loan-KHB		9,800,145
Int. on Margin Loan-LRHR A/c		5,993
Int. on Margin Loan-RCL		19,670,795
Int. on Margin Loan- S & B		9,786,776
Int. on Margin Loan- SMSCL		10,231,683
Int. on Margin Loan-WSIM		4,937,722
Int. on Term Loan:FAS Finance & Investment Ltd.	122,764,836	
Int. on Term Loan:International Leasing & FS Ltd.	28,775,760	
Int.on Term Loan:Investment Corp. of Bangladesh	2,613,487	
Int. On Time Loan-Woori Bank	544,282	
Investors:Be Rich Ltd.	221,428,069	
Investors:Cash Account-All Broker		318,482

Investors:Discretionary A/c-BD0001		307,931
Investors:Discretionary A/c-BD0002		1,013
Investors:Discretionary A/c-BD0003		4,269
Investors:Discretionary A/c-BD0004		79,694
Investors:Discretionary A/c-General	6,310,632	
Investors:Discretionary A/c-LRHR-Confident		80,251
Investors:Discretionary A/c-LRHR-Secure	774,802	
Investors:International Leasing Securities Ltd.	50,798,011	
Investors:KHB Securities Ltd.	180,814,935	
Investors:Khwaja Equity Services Ltd.	173,254,654	
Investors:Royal Capital Ltd.	512,785,936	
Investors:Shah Moh. Sagir & Co. Ltd.	170,535,683	
Investors:Stock & Bond Ltd.	268,379,962	
Investors:Western Securities Invest Manag Ltd.	21,663,412	
KHB Securities Ltd.(Receivable/Payable)	487,872	
Khwaja Equity Services Ltd.-Own(Receivable/Payable)	10,715	
Khwaja Equity Services Ltd. (Receivable/Payable)	1,437,674	
Leave Fare Assistance	255,500	
Loan A/c: FAS Finance & Investment Ltd.		1,559,704,740
Loan A/C:International Leasing & Fin.Services Ltd.		360,003,980
Loan A/c:Investment Corporation of Bangladesh		35,315,017
Mika Securities Ltd.(Receivable/Payable)		9,256
Mutual Trust Bank Ltd- 793	43,502	
Newspaper & Periodicals	4,900	
Office Decoration	8,648,327	
Office Equipments	6,207,795	
Office Maintenance	112,822	
Office Space Rent	3,419,750	
One Bank Limited-Investors # 0013000001743	331,894	
One Bank Limited-Own # 0013000001754	67,519	
Paid Up Capital		250,000,000
Payable A/c: CDBL Charge		236,911
Payable A/c:Provident Fund		7,778
Photocopy & Photograph	719	
Portfolio Management Fee-BRL		132,431
Portfolio Management Fee-FAS Finance		372,554
Portfolio Management Fee-ILSL		5,973
Portfolio Management Fee-KESL		327,595
Portfolio Management Fee-KHB		2,298
Portfolio Management Fee-LRHR		109,665
Portfolio Management Fee-RCL		71,570
Portfolio Management Fee-S & B		8,103
Portfolio Management Fee-SMSCL		33,248
Portfolio Management Fee-WSIML		233,199
Postage & Courier	2,170	
Printing Expense	25,700	
Professional Fees	17,250	
Profit & Loss A/c	3,543,759	
Provident Fund-HO	309,514	
Provision for Gratuity Fund		7,905
Provision for Share Investment(Liab)		22,156,218
Provision on Marqin Loan(Liab)		89,668,773
Receivable A/c:CDBL Charge-All Broker	463,342	
Receivable A/c:Dividend on Shares	327,140	
Receivable A/c:Interest on FDR	71,964,819	
Receivable-FAS Finance & Investment Ltd.	3,590,663	
Renewal Fees	171,505	
Repair & Maintenance	44,760	
Salary & Allowances	5,950,662	
Security Deposit: CDBL-DP	200,000	
Security Deposit:Shezad Pervez & Shezad Javed-Z.P.	806,400	
Security Service Bill	337,836	

Service Charge	171,684	
Shah Mohammad Sagir & Co. Ltd. (Receivable/Payable)	664,152	
Share Investment:AB Bank Ltd.	11,205,629	
Share Investment:ADN Telecom Limited	569,040	
Share Investment:Appollo Ispat Complex Ltd.	6,995,376	
Share Investment:Bashundhara Paper Mills Ltd.	97,582	
Share Investment:BATBC Limited	90,406	
Share Investment:Coppertech Industries Ltd.	90,532	
Share Investment:Esquire Knit Composite Limited	391,456	
Share Investment:Golden Harvest Agro Industries Ltd	189,567	
Share Investment:IFAD Autos Ltd.	5,585,956	
Share Investment:IFIC Bank Ltd.	514,038	
Share Investment:LR Global BD Mutual Fund One	271,088	
Share Investment:National Feed Mill Ltd.	90,270	
Share Investment:New Line Clothings Limited	40,265	
Share Investment:Runner Automobiles Limited	688,862	
Share Investment:Sea Pearl Beach Resort & Spa Ltd.	37,526	
Share Investment:Silco Pharmaceuticals Ltd.	39,898	
Share Investment:Silva Pharmaceuticals Ltd.	167,501	
Share Investment:Simtex Industries Ltd.	8,257,770	
Share Investment:Square Pharma Ltd.	736,077	
Share Investment:Western Marine Shipyard Ltd.	349,044	
Share Investment:Zaheen Spinning Ltd.	91,273	
Social Islami Bank Ltd.-SND A/c	28,616	
Software	2,266,250	
Software Maintenance-MB	127,225	
Spear & Accessories	37,735	
Stamp & Notary	8,225	
Stationery Expense	24,870	
TA/DA (Head Office)	22,100	
TDR-FAS Finance & Investment Ltd.	550,000,000	
Telephone & Mobile Bill	106,402	
Telephone Systems	277,719	
The City Bank Ltd-6002-PIAA	2,732	
The City Bank Ltd.-FCML-6001	282,578	
The City Bank Ltd.-FCML-6003	5,525	
Vat Expenses	1,920	
WASA Bill	17,634	
Woori Bank-NDA A/C # 923000208	21,559	
Grand Total	2,498,704,730	2,498,704,730

DISCLOSURES AND OTHER RELATED INFORMATION





FAS Finance & Investment Limited

Corporate Office: Suvastu Imam Square (4th & 5th Floor)
65, Gulshan Avenue, Gulshan-1, Dhaka-1212

Proxy Form

I.....of.....
.....being member of **FAS Finance & Investment Limited**, hereby appoint
Mr/Ms.....
of..... as my
proxy to attend and vote for me and on my behalf at the 23rd Annual General Meeting (AGM) of the shareholders of FAS Finance
& Investment Limited will be held on Monday, December 28, 2020 at 11:00 a.m. by Virtually through using Digital Platform or at
any adjustment thereof.

Signed this.....

Signature of Proxy.....

Day of.....2020

Revenue
Stamp of Tk
20/-

Signature of Shareholder

BO ID:

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

No. of Shares.....

N.B. Important

1. This Proxy Form, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the shareholders should agree with the specimen signature registered with the Company.



FAS Finance & Investment Limited

Corporate Office: Suvastu Imam Square (4th & 5th Floor)
65, Gulshan Avenue, Gulshan-1, Dhaka-1212

Attendance Slip

I hereby record my attendance at the 23rd Annual General Meeting (AGM) of the shareholders of FAS Finance & Investment Limited will be held on Monday, December 28, 2020 at 11:00 a.m. by Virtually through using Digital Platform.

Name of Member/Proxy

BO ID:

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

Signature.....

Date.....

N.B. Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and deposit the same at the registration counter on the day of the meeting.

Notes to Form of Proxy

Summary of the rights of a shareholder to be represented by proxy as contained in Section 85 of the Companies Act, 1994 and notes to the form of proxy.

1. Each holder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend, participate in, speak and vote or abstain from voting in place of that holder at the Annual General Meeting.
2. A proxy appointment must be in writing, dated and signed by the holder appointing the proxy.
3. A holder's instructions to the proxy have to be indicated by the insertion of the relevant number of votes exercisable by that holder in the appropriate box provided. Failure to comply with this will be deemed to vote in favour of the ordinary resolutions at the Annual General Meeting.
4. A holder or his/her/its/their proxy is not obliged to vote in respect of all the ordinary shares held by such holder or represented by such proxy, but the total number of votes for or against the ordinary resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the holder or his/her/its/their proxy is entitled.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity has to be attached to this form of proxy, unless previously recorded by the Company Secretary. Examples of satisfactory identification include a valid National ID card, a valid driving license or a valid passport.
6. Any alterations or corrections to this form of proxy must be initialed by the authorized signatory/signatories.
7. The completion and lodging of this form of proxy will not preclude the original shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such holder wish to do so, in which case this proxy will be suspended accordingly.
8. Form of Proxy have to be lodged with or posted to the Company Secretary FAS Finance & Investment Limited, Suvastu Imam Square (4th Floor), 65 Gulshan, Avenue Gulshan, Dhaka-1212 before a proxy may exercise any voting rights of a holder at the Annual General Meeting. The Form of Proxy is requested to be received no later than 6:00 p.m. on June 20, 2019.
9. Holders attending the Annual General Meeting will be offered the opportunity of putting questions to the Directors and Management.

Investor Relations

Investor Relation and Corporate Communications

Transparent reporting on our operations and performance is the key to the credibility of our public reporting and investor relation's activities. We are therefore committed to keeping the market informed of relevant information, allowing both existing and potential shareholders to evaluate our business, our performance and our prospects. We believe this commitment to communicating with the public not only reinforce investors' understanding of FFIL and its development, but also enhance shareholder value. Our Shareholder Communications Policy is available on our website and is regularly reviewed to ensure its effectiveness.

Stakeholder Engagement

At a broad level, the Company proactively engages with institutional and retail investors as well as media and other interested groups. Our stakeholders have easy access to our Online Annual Report and we revamped our website to better reach to our investors, customers and other stakeholders.

Communication Channels

We believe that the transparency encouraged by active stakeholder engagement builds recognition of our brand and ultimately enhances shareholders value. We facilitate engagement through the following channels:

Financial Reporting

- Annual and Quarter Reports;
- Online Annual Report;
- Press releases on business activities.

Shareholder Meetings and Hotlines

- Group and one-on-one meetings;
 - Shareholder hotline and e-mail:
- Tel: +88 09604-046565
E-mail: investorrelation@fasbd.com

Investor Perception Studies

We consulted investors and analysts for feedback on our group strategy, executive management team, Annual Report and our corporate communications, investor relations and corporate governance issues by way of telephone and one to one discussion.

Introducing our first ever integrated online report

Our HTML-based online annual report offers our stakeholders an alternative format for accessing our annual report with downloadable data in an environmentally friendly manner that a growing number of people find more convenient. This initiative reflects another evolution in the transparency and accessibility of our reporting, which are key to the credibility of our investor relations activities. Advantages of our online report:

- Downloadable financial data tables and other information in spreadsheet format.
- Hyperlinks to key supporting figures, breakdown analyses and further explanations.
- Environmentally-friendly medium.

Company Website

Our corporate website and external communications now complement our intergraded reporting format. Information includes:

- Profiles of Group's main businesses;
- Board and senior management biographical data;
- Corporate Governance;
- Risk Management and CSR;
- Board Committees' Terms of Reference;
- Financial information

Head Office

Suvastu Imam Square (4th & 5th Floor)
65, Gulshan Avenue
Gulshan-1, Dhaka-1212
Phone: +88-09604-046565, Fax:+88-02-9860531
E-mail: Info@fasbd.com
Web: www.fasbd.com

Chattogram Branch

Ayub Trade Center (4th Floor)
1269/B, Sk. Mujib Road
Agrabad Commercial Area
Chattogram
Phone: +88-031-711938
E-mail: chattogram@fasbd.com

Sylhet Branch

Feroz Center (4th Floor)
Chouhatta, Sylhet Sadar
Sylhet-3100
Phone: +88-0821-721689
E-mail: sylhet@fasbd.com

Extended Head Office

[Liability Marketing Unit]
Zahed Plaza (5th floor), 30, Gulshan Avenue
North C/A, Gulshan, Dhaka-1212
Phone: +88-09604-046565, Fax:+88-02-9860531
E-mail: Info@fasbd.com
Web: www.fasbd.com

Narsingdi Branch

Index Plaza (Mezzanine Floor)
Station Road, Bowakur
Narsingdi
Phone: +88-02-9451659
E-mail: narsingdi@fasbd.com

Subsidiary

FAS Capital Management Limited
(A Full-Fledged Merchant Bank)
Zahed Plaza (5th Floor)
30, Gulshan Avenue, North C/A
Dhaka-1212
Phone: +88-02-8834253-4