

ANNUAL REPORT 2020

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 19 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 2020

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, 2020, 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 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting (AGM) of the shareholders of FAS Finance & Investment Limited will be held on Tuesday, November 30, 2021 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, 2020;
02. To declare dividend for the year ended December 31, 2020;
03. To elect/re-elected Directors;
04. To appoint the Auditors for auditing Financial Statements for the year ended on December 31, 2021 and to fix their remuneration;
05. To appoint the Auditors for auditing Corporate Governance for the year ended on December 31, 2021 and to fix their remuneration;
06. To confirm the re-appointment of Mr. Prithish Kumar Sarker as Managing Director & CEO of FFIL;
07. To confirm the appointment of Mr. Mohammed Nurul Amin, Dr. Muhammad Saifuddin Khan, Brigadier General Abu Sayeed Mohammad Ali (LPR), Dr. Syed Abdulla Al Mamun FCMA and Mr. Salim as Independent Directors in the Board of FFIL;
08. 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: November 15, 2021

Notes

1. November 14, 2021 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 24th 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

To become a premier financial institution for providing innovative and credible financial products & services for every community of our country.

Our Mission

1. To inspire & enable customers for making healthy business relationships of mutual benefit and create customers' loyalty, shareholders' value and employees' satisfaction.
2. To strengthen capital base and to secure a sustainable business growth on long term basis.
3. To maintain strong risk management & compliance, high underwriting standards and internal control using best banking practices, including timely recovery of all loans.
4. To contribute to the development of our community by providing wide variety of financial products, services and solutions with special emphasis to CMSME.
5. To introduce and maintain state of the art technology for enhancing digitalization, further tailoring of financial services ensuring quick delivery of customers' need.

Our Objectives

1. Raising of Capital base of Tk. 500 crore in long term (phase by phase) from multiple sources through issuance of bonds/right shares etc. jointly by Treasury and Accounts departments under the guidance of company secretariat.
2. Launching new & customized products and services (for deposit, credit & others) by Treasury/Credit department and promoting it in co-ordination with corporate branding department.
3. Expansion of credit & investment portfolio comprising of a balanced mix of quality credit/investment by Tk. 1000 crore in long term with special focus on CMSME sector with a view to increasing profitability of the company led by credit department.
4. Deposit being considered as the blood stream of any financial institution, extensive promotional campaign & marketing drive to be given by all departments led by top management to increase the deposit to Tk. 2000 crore within next 5-7 years.
5. Following comprehensive recovery guidelines by Special Asset Management department, to facilitate systematic & timely recovery of all kinds of loan in order to arrest from non-performing as well as to bring that to below 10% within 2025.

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
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	: 54
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 International Leasing Securities Limited Be Rich Limited
Memberships	: Bangladesh Leasing & Finance Companies Association (BLFCA) Bangladesh Association of Publicly Listed Companies (BAPLC) The Institute of Bankers, Bangladesh (IBB)

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

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

Retail Finance

- Home Loan
 - i) Apartment Purchase
 - ii) Building Construction
- Auto Loan
- Personal Loan
- Loan against TDR

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

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 2020.

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 2020, the Capital Market of Bangladesh, was much stable than 2019 and last few years. DSE broad index DSEX started at 4,453 point on 1 January, 2020 and closed at 5,402 point on December 30, 2020. DSEX increased by almost 21.31 percent throughout the year. DSEX's the lowest point was 3,604 and the highest point was 5,117 which indicates that there was fluctuation of almost 1,513 points. The daily average market turnover was BDT Tk. 648.94 crore in 2020. The market price of share of FAS Finance & Investment Limited was quite stable. The highest price was recorded at BDT 9.40 on September 27, 2020 and lowest one was BDT 3.40 on March 09, 2020. 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 completed the 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 2020 was Tk. 160.24 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 2020 the company earned Tk. 0.41 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 9,094.04 million as on 31 December 2020 compared to BDT 8,949.14 million of the previous year, registering growth of 1.62 percent. The growth was made due to high standard products and services along with competitive interest rate offered to customers.

Call Money Transactions

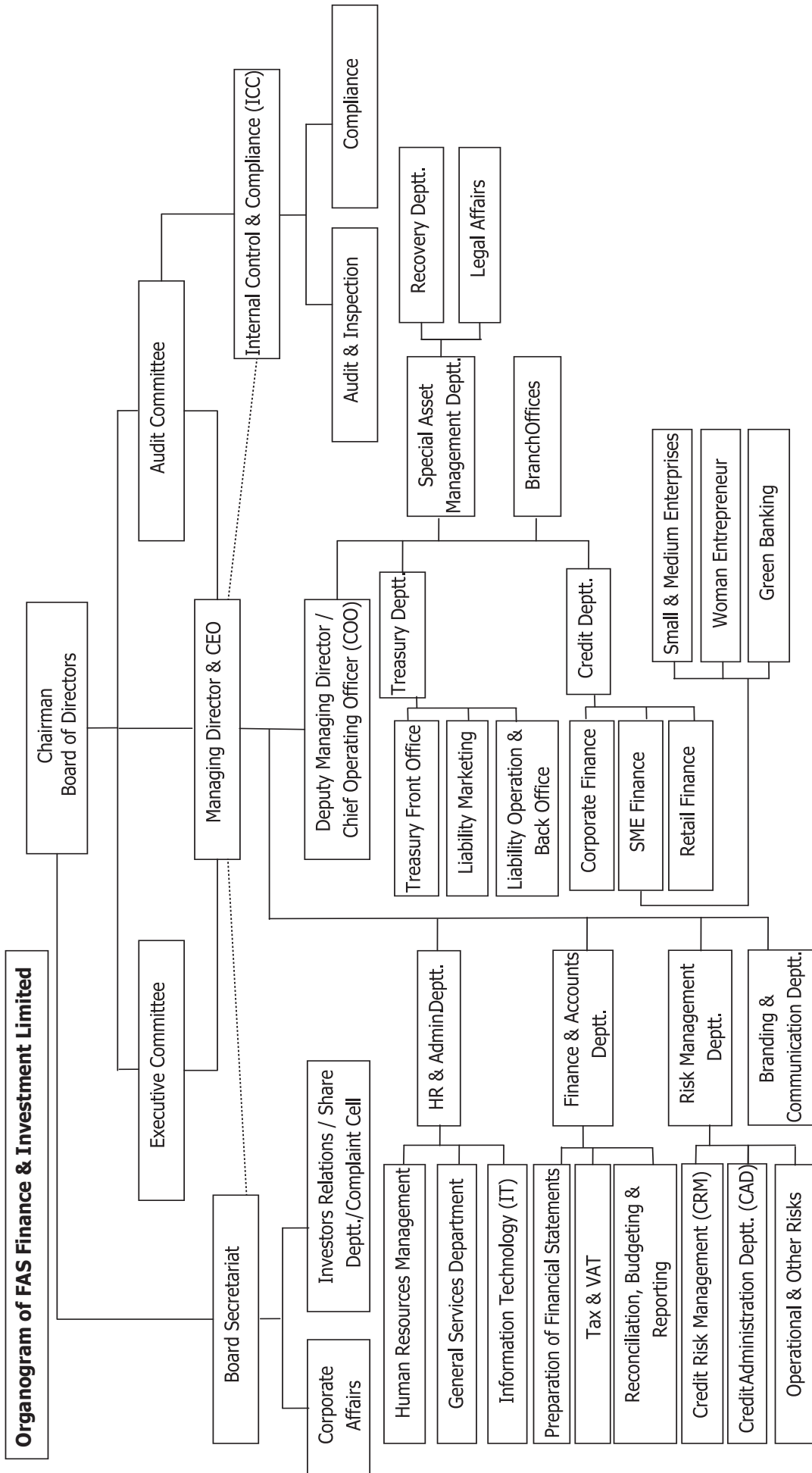
As a financial Institution FAS Finance & Investment Limited actively participates in money market on a regular basis and has been dealing both borrowing and lending activities with different banks/financial institutions to manage its liquidity position in an effective way. FAS Finance & Investment Limited 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.

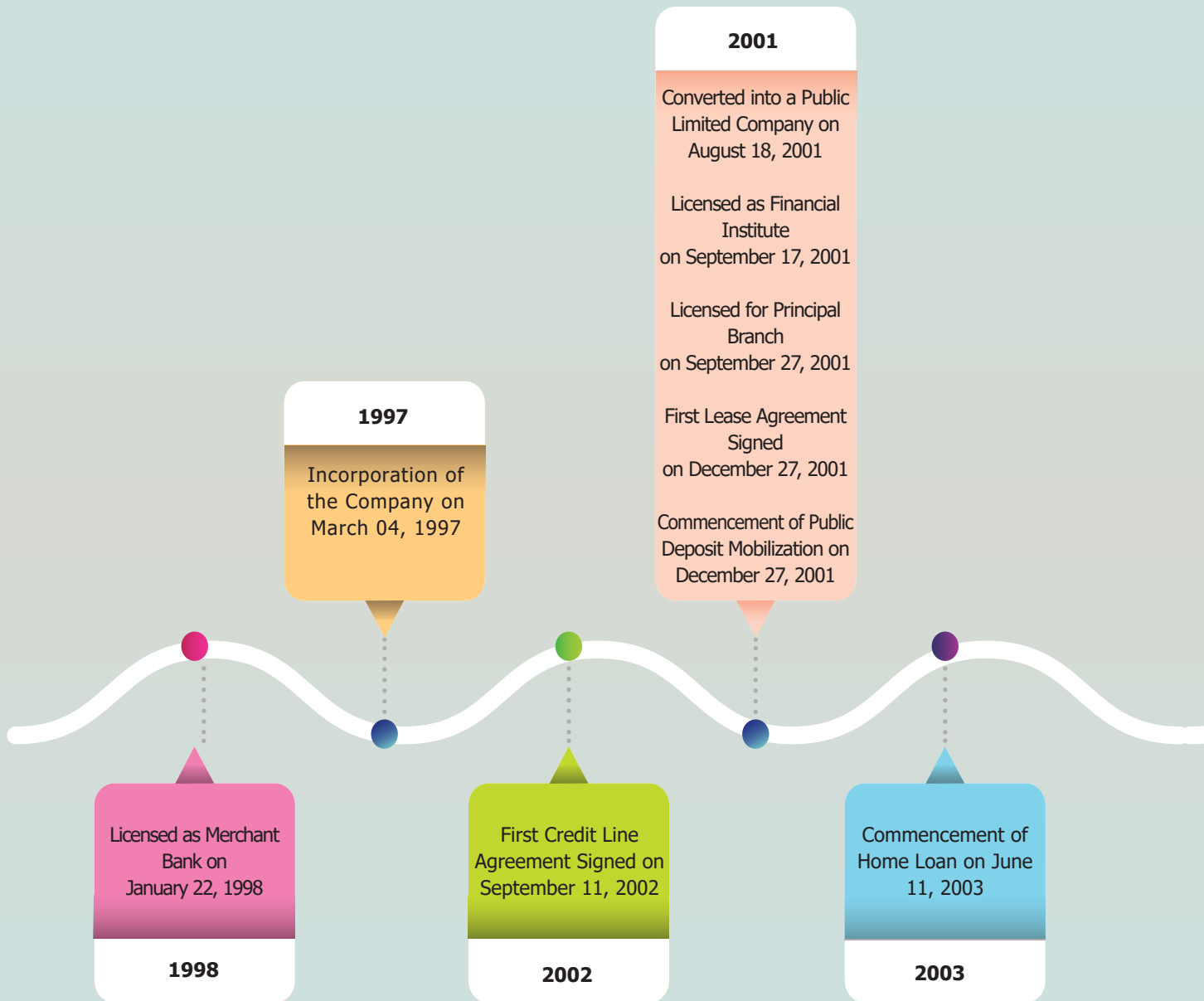
Operational Hub

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



Straight Line : Functional Reporting
 Dotted Line : Administrative Reporting

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, 2018

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

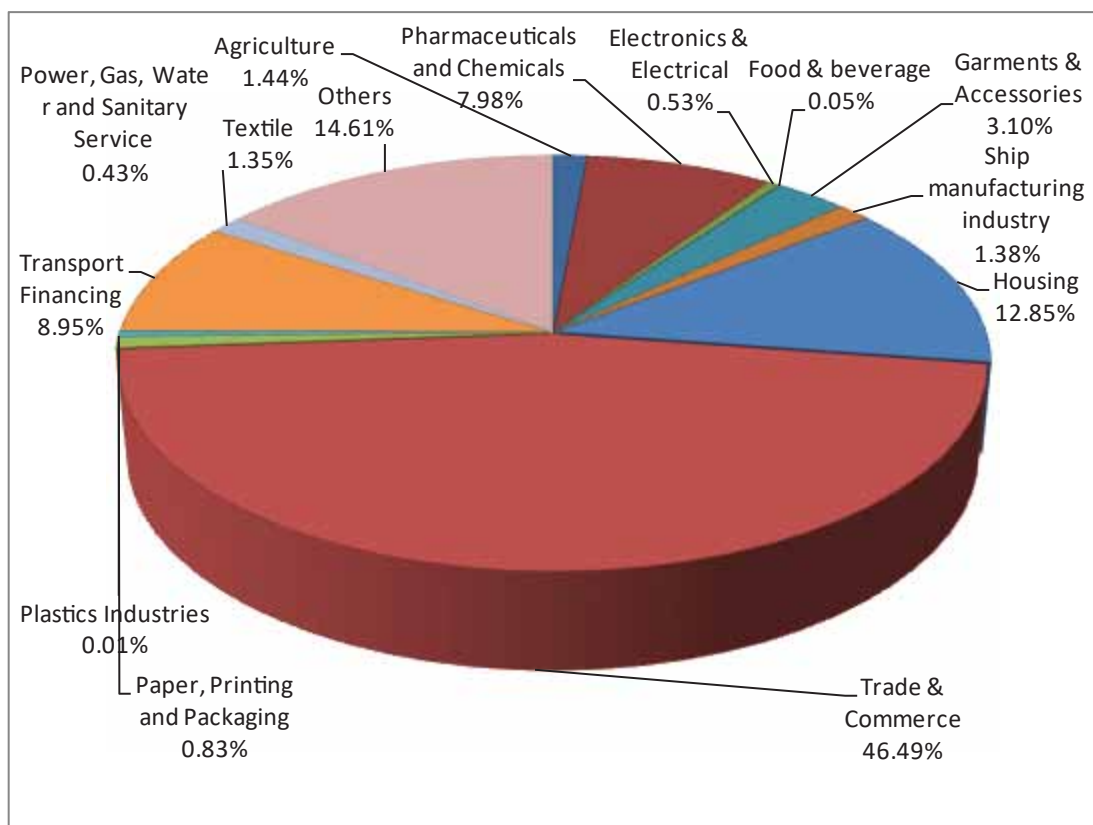
Historical Record of Dividend Payments

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

Sector Wise Investment

Taka in million

Sl. No	Sector Wise Investment	Investment in 2020	% in 2020
01	Agriculture	2,761.02	1.44
02	Pharmaceuticals and Chemicals	15,313.23	7.98
03	Electronics & Electrical	1,022.99	0.53
04	Food & beverage	88.10	0.05
05	Garments & Accessories	5,947.07	3.10
06	Ship manufacturing industry	2,645.74	1.38
07	Housing	24,664.63	12.85
08	Trade & Commerce	89,213.49	46.49
09	Paper, Printing and Packaging	1,603.88	0.83
10	Plastics Industries	25.82	0.01
11	Power, Gas, Water and Sanitary Service	813.45	0.43
12	Transport Financing	17,176.02	8.95
13	Textile	2,600.97	1.35
14	Others	28,031.56	14.61
Total		191,907.99	100



Financial Highlights as required by Bangladesh Bank

Sl. No	Particulars		Taka in Million	
			31-Dec-2020	31-Dec-2019
01	Paid up capital	Taka in Million	1,490.77	1,490.77
02	Total capital	Taka in Million	(1,751.97)	327.78
03	Capital surplus/deficit	Taka in Million	(3,104.39)	(1,444.79)
04	Total assets	Taka in Million	21,534.41	20,270.24
05	Total deposits	Taka in Million	9,094.04	8,949.14
06	Total loans, advances and leases	Taka in Million	19,190.80	17,928.10
07	Total contingent liabilities and commitments	Taka in Million	-	639.06
08	Credit deposit ratio	%	211.03	200.33
09	Percentage of classified loans, advances and leases	%	88.76	73.15
10	Profit after tax and provision	Taka in Million	(2,031.73)	(1,464.73)
11	Classified loans, advances and leases during the year	Taka in Million	17,033.03	13,114.55
12	Provisions kept against classified loans	Taka in Million	1,624.15	1,274.94
13	Provision surplus/deficit	Taka	(7,342.30)	(3,799.54)
14	Cost of fund	%	11.81	10.66
15	Interest earning assets	Taka in Million	20,533.65	19,289.27
16	Non-interest earning assets	Taka in Million	1,000.75	980.97
17	Return on investment (ROI)	%	(10.92)	(8.75)
18	Return on asset (ROA)	%	(9.72)	(7.50)
19	Income from investment	Taka in Million	13.94	(31.68)
20	Earnings per share	Taka	(13.63)	(9.83)
21	Net income per share	Taka	(13.63)	(9.83)
22	Price earning ratio (Times)	Times	(0.51)	(0.68)

Five Years Financial Summary

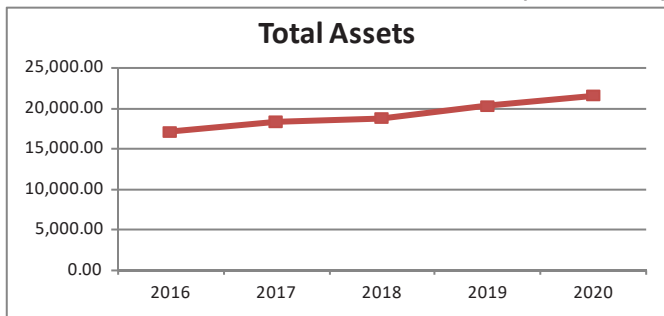
Taka in Million

Operating Year	2020	2019	2018	2017	2016
Total Assets	21,534.41	20,270.24	18,777.76	18,335.11	17,110.15
Total Liability	23,228.37	19,932.47	16,975.26	16,433.84	15,341.96
Financial Liabilities	16,395.77	15,703.49	15,067.67	15,107.04	14,024.95
Investment Portfolio	19,190.80	17,928.10	15,353.56	14,560.47	14,424.50
Term Deposit Balance	9,089.51	8,943.85	8,374.90	8,781.68	8,224.28
Operating Income	(1,604.22)	(251.21)	257.61	372.89	349.54
Operating Expenses	121.60	130.39	135.91	133.48	113.15
Financial Expenses	1,825.52	1,974.15	1,823.24	1,494.44	1,412.45
Profit Before Tax	(2,028.41)	(1,457.67)	42.82	200.54	207.55
Net Profit After Tax	(2,031.73)	(1,464.73)	(25.81)	133.12	126.05
Debt to Equity (times)	(11.69)	109.58	9.40	8.64	8.68
Financial Expenses Coverage (Times)	(1.11)	(0.74)	0.02	1.13	1.15
ROA (%)	(9.72)	(7.50)	(0.14)	0.75	0.83
Earnings Per Share (Tk.)	13.63	(9.83)	(0.17)	0.94	0.89
Dividend Per Share (%)	0	0	5	10	5
P/E Ratio (Times)	(0.51)	(0.68)	(77.97)	21.07	14.80
Dividend Yield (%)	0	0	0.62	0.46	0.34
Dividend Payout Ratio (%)	0	0	(29.41)	9.71	5.10
No. of Shares	149.08	149.08	141.98	129.07	122.93
Year End Market Price Per Share (Tk.)	6.60	6.70	13.50	21.70	14.50
NAV Per Share (Tk.)	(11.36)	2.27	12.09	13.39	12.45
Shareholders' Equity	(1,693.96)	337.77	1,802.50	1,901.27	1,768.15

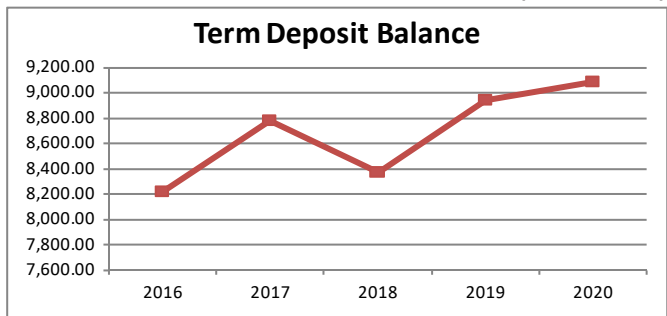
Graphical Presentation of Financial Indicators

Financial Performance

(Taka in Million)

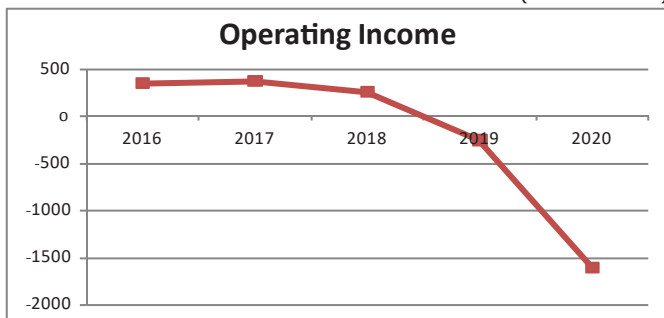


(Taka in Million)

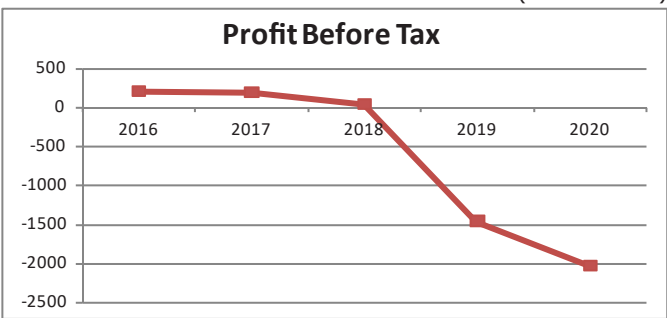


Operational Performance

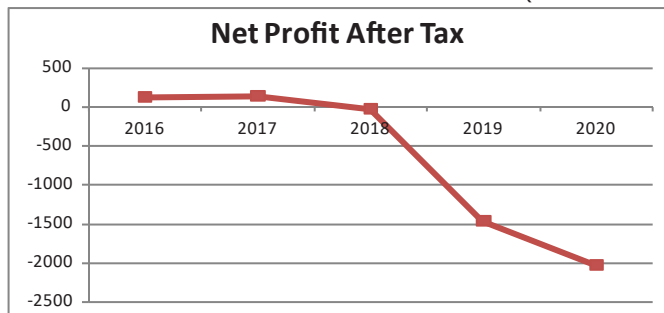
(Taka in Million)



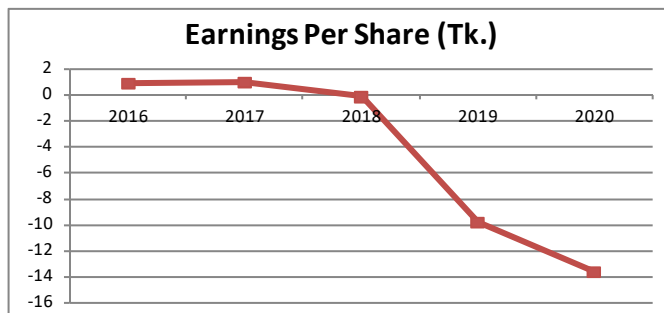
(Taka in Million)



(Taka in Million)

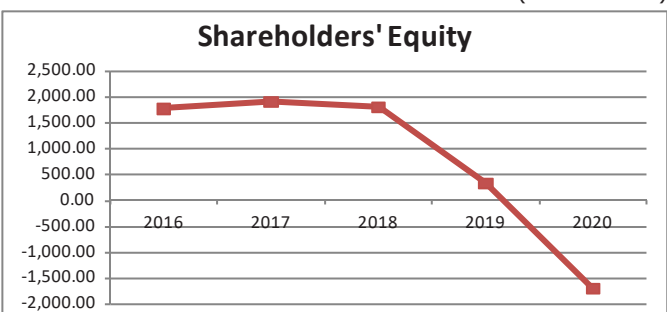
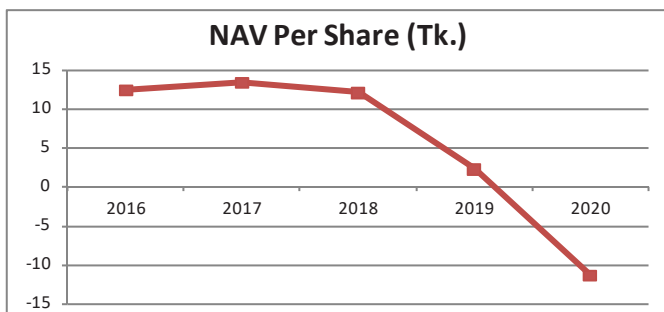


Financial Ratios



Equity Statistics

(Taka in Million)



Integrated Report



Brief about Integrated Reporting

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-2020 covers the period from 1 January 2020 to 31 December 2020. 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 2020 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 24th Annual General Meeting of the shareholders of FAS Finance & Investment Limited on behalf of the Board of Directors and myself. I would like to express my heartfelt gratitude and regards to all of you for continued support & patronization to reach at this stage despite many a number of challenges over the years.

With a heavy heart I would like to present before you the Audited Financial Statements for the year ended on December 31, 2020 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 growth overcoming the facts of present odds & weaknesses.

As you know for around last 3 years, many of the NBFIs have been struggling for low cash flow situation basically because of depositors' perception of uncertainty about realization of their deposited money. That non-confidence had arisen because of financial scam done by a person/group as widely circulated in the newspapers and electronic media. The news of the liquidation of an NBFI also created panic amongst the depositors. As such it was very difficult to mobilize new deposits and at the same time, a huge pressure was noticed for encashment of deposits whereas, in some cases premature encashment too. As a result we were experiencing an insufficient cash flow to meet the depositors' excessive claim.

You are also aware about the recent re-formation of the Board of Directors of FFIL by BSEC in May this year. In the way we are currently running the Company by 05 Independent Directors and accepted the challenge to recover from the grim situation at the earliest to protect all stakeholders' interest.

During the year the Management tried to focus on growing the recovery from the loans & advances by all means to meet the depositors' demand and to maintain liquidity by increasing the cash flow. Concurrently 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 traditional policies including risk management policies and trying to maintain the risk at a minimum level and ensure good governance in the Company. Supervision of the Board of Directors are in place to protect from any anticipated 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 regarding misuse of assets and appliances and increased use of paper less communications.

We have a very strong and experienced Board having 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 and compliance culture in the organization.

Due to increase of the NPLs of the Company all the key financial indicators have become negative and during the year 2020. We are giving all sorts of best efforts to surpass the situation and will be able to hold a place in the industry once again in the upcoming years.

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:

- A long term & short term recovery plan has been chalked out for overall improvement of asset quality. In the meantime we also engaged some recovery agents for expediting the recovery;
- 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 Continue efforts at improving skills of the manpower, operational efficiency and scalability to reduce loan administration and management costs;

- Introduction of customer friendly new products & services;
- Improvement of quality of manpower through proper training and also by hiring experienced and knowledgeable manpower;
- Finally to restore our reputation & image through combined efforts of all.

As you know since the year 2020 we are facing a lot of difficulties for the reason of deadly Corona virus pandemic. Hence we believe that we will overcome the situation quickly, continue our regular activities and will be able to increase the business portfolio as well as recover from the huge number of NPL accounts.

The Board of Directors believes in good governance, transparency and sustainable growth which look for to protect the long term interests of our stakeholders. Effective engagement with regulators, 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 well wishes query on case to case basis.

I thank all my colleagues of the esteemed Board of Directors for their faith on my leadership and support and guidance. I also thank the 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 co-operation and guidance.

Finally, I thank Shareholders of the FFIL for their continued support throughout the difficult periods. Your suggestions, patience and feedback have always powered us with greater zeal in our endeavour to create a better institution with a brand image and sustainability.

With warm regards,

Yours faithfully,



Mohammed Nurul Amin

Independent Director & Chairman

Message from the Managing Director & CEO



Dear Stakeholders,

Welcome to all of you to this 24th Annual General Meeting of FAS Finance & Investment Limited and to have the pleasure to present before you the performance of the company in brief for the year 2020.

Let me start by wishing all of you good health and happiness. The financial year 2020 has taught all of us to value this more than anything else. Many of you may have lost your near and dear ones. My heartfelt condolences to the bereaved family members. I also salute our doctors, nurses and other staffs in the health sector who have been trying to save many lives through their relentless efforts.

The year 2020 was a very challenging year for the Non Banking Financial Institutions (NBFI). While the Banking sector was overstated due to alarming rise of nonperforming loans, the sudden outbreak of the deadly pandemic Covid-19 in the early 2020 had crippled and paralyzed the country in fact the whole world which caused discernible losses in lives and other wealth.

People across this world bring largely confined to their homes with several travel restrictions in place. This obviously had an effect on this economy with the world officially being plunged into recession. Government and Bangladesh Bank reacted introducing a range of stimulus packages and other measures to revive the economy and help people move forward.

In the current year, Bangladesh is expected to be one of the fastest growing economies in the world. The second wave of the pandemic has dented the optimism a bit. As the vaccine rollout gathers momentum, the economy expected to be on a stronger footing.

However, this is the reality that we could not gather fruit from the stimulus package nor we could improve much as expected. Although some of our balance sheet items reflected positive growth in some areas incremental figures like total assets, total loans/leases, deposits but those are basically due to accumulation of interest. The profitability of the company had further gone down resulting negative indications in most of the financial key parameters as exhibited in the financial statements. That was happened because of huge increase of classification loans (88.76%) and incremental provision request.

I thankfully acknowledge that all of my colleagues have been working hard and continued their efforts for survival and encountering the difficulties they are facing.

While we were struggling for the survival, the BSEC had taken a move on 31.05.2021 by reconstituting of our board through appointing five dignified professionals of which one renowned former Banker as Chairman. That move has given us a light of hope for our survival and revival. We have taken this as opportunity to improve and re-double our efforts to fix the problem for good.

In the year 2021 and in the upcoming years we may face lots of challenges ahead of which major challenges described as under:

- Recovery and regularization of classified loans for reduction of NPLs and required provisions;
- Payment against encashment of deposits at maturity to retain customers confidence;
- Mobilization of new deposits and renewal of existing deposits at a competitive interest rate in order to increase the investment/loan & lease portfolio maintaining healthy spread;
- Restoring brand image and reputation.

In the above backdrop, we have redefined our Vision, Mission and Objectives and have formulated many short term and long term plans and adopted strategies for turnaround of our company as follows:

1. To increase capital base through issuance of bond, debenture and inclusion of new shareholding directors on commission of a portion of corporate/ bank deposit into capital.
2. To reduce the NPL at least 10-15% per annum. In this connection we have taken several measures like extensive drive for cash recovery, settlement of loans through negotiation and regularization through rescheduling and after exhausting all the avenues, filing of suits in appropriate court.
3. To increase the clientele base in both deposit and loan/ lease sector through rigorous marketing and introducing new, innovative and competitive products and services.
4. To improve the efficiency in delivery of service by introducing competitive core banking software, improvement of human resources through proper training, motivation and recruitment of qualified professionals.
5. To establish the corporate governance and restore the financial discipline.
6. To improve the brand image and reputation through rebuilding of customer confidence.
7. To make cooperation with different stakeholders and regulators for their assistance and support.

I firmly believe that the policies, strategies and steps that we have taken will catalyze, create and capture that next wave of growth and positive outcome for turnaround of the Company.

I express my sincere gratitude to Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC) and other regulatory bodies and 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 thankfully acknowledge the continuous efforts and supports that my colleagues have given during the period for survival and encountering the odds and difficulties.

With best regards.

Sincerely yours,



Prithish Kumar Sarker
Managing Director & CEO

Strategic outlook in 2021

FAS Finance & Investment Limited will focus on business developments in the upcoming years and have taken initiatives for launching new CMSME product for startup the diversification of the business portfolio also taken initiatives for strengthen the recovery and deposit mobilization of the Company for smooth cash flows in the coming years.

On the liability side, the focus in 2021 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 2021, 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 2021. The Board and the Management both are working together for reduce the operational costs of the Company and some extent we become successful to reduce the costs of the Company which will reflect in the upcoming quarter accounts of the Company.

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
Committees of 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, 2020

Board of Directors



Standing from the left

Mr. Md. Salim, Independent Director

Mr. Pritish Kumar Sarker, Managing Director & CEO

Dr. Syed Abdulla Al Mamun, FCMA, CSRS, Independent Director

Mr. Mohammed Nurul Amin, Independent Director & Chairman

Brigadier General Abu Sayeed Mohammad Ali (LPR), Independent Director

Dr. Muhammad Saifuddin Khan, Independent Director

BRIEF PROFILE OF THE DIRECTORS



Mr. Mohammed Nurul Amin
Independent Director & Chairman

Mr. Mohammed Nurul Amin joined in FAS Finance & Investment Limited (FFIL) as Independent Director & Chairman on May 31, 2021. In his 41 years of experiences in Banking, Mr. Amin took the responsibility of Managing Director & CEO of Meghna Bank Ltd. in June 2014 & serve up to December, 2017 and he is former Managing Director & CEO for 09 (nine) years at NCC Bank Ltd. He started his career in Janata Bank Ltd. as Senior Officer in 1977 and in 1983, he joined in National Bank Ltd., first Private Bank in the country. Mr. Mohammed Nurul Amin obtained his Honours and Masters in Economics in 1973 and 1974 respectively from University of Dhaka. Besides, he received higher education and different trainings on Banking from home and abroad. He was the Chairman of Association of Bankers' Bangladesh (ABB), Primary Dealers' Bangladesh Ltd. (PDBL) and Bangladesh Foreign Exchange Dealers Association (BAFEDA). He is the only CEO of Banks who held the position of Chairman of these 03(three) organization. He was a Senate Member of University of Dhaka from 2010 to 2013. Presently he is a fellow of Institute of Bankers, Bangladesh (IBB).

Mr. Amin is associated with various social activities including Rotary International & Bangladesh Red Crescent Society. Mr. Amin was born in 1954 and hails from Laxmipur.

Mr. Md. Salim

Independent Director

Mr. Md. Salim is appointed as an Independent Director of FAS Finance & Investment Limited by Bangladesh Securities & Exchange Commission (BSEC). He has completed B.Com (Hon's) Finance in 1993 and M.Com Banking in 1995 from University of Dhaka. He is also Gold Medalist for his academic excellence. He has 15 years teaching experience from University of Dhaka, under Banking & Insurance Department. He has also 5 years teaching experience from Jagannath University, under Management Information and Accounting System Department. He has also completed professional degree Banking Diploma (Part I & II). Written many articles on Banking in nationally and internationally reputed Journals and publications. He has 20 years banking experience also. Lastly he was Deputy Managing Director (DMD) of a State Owned Bank. Currently he is also pursuing Doctorate of Business Administration, under Business Faculty University of Dhaka. Presently Mr. Md. Salim is serving as a Senior Faculty Member of Bangladesh Academy for Securities Markets (Academic Wing of BSEC).



Dr. Muhammad Saifuddin Khan

Independent Director



Dr. Muhammad Saifuddin Khan joined as an Independent Director of FAS Finance & Investment Limited on May 31, 2021. Currently, Dr. Khan is working as an Associate Professor of Finance in the Department of Finance, University of Dhaka, Bangladesh. During his long & esteemed 15 years teaching career he taught at the University of Dhaka, Bangladesh; University of Sydney, Australia; University of Technology Sydney, Australia, and University of Western Sydney, Australia. His teaching areas are Corporate Finance, Financial Management, Portfolio Management, Investment Analysis, Financial Markets & Institutions, Commercial Bank Management, Management of Financial Institutions, Financial Statement & Analysis and Valuation, etc. His research interest focuses on Financial Institutions, Banking Regulation, Corporate Finance, Capital Markets, and Corporate Governance. Dr. Khan started his career in Premier Bank Ltd. as Management Trainee Officer in 2004. Dr. Khan joined as a Lecturer in the Department of Finance, University of Dhaka in 2006. So far, he has 13 research articles published in peer-reviewed national and international indexed journals.

He has received many national & international awards, scholarships, and research grants. Currently, Dr. Khan is working as Placement Director and Student Adviser at the Department of Finance, University of Dhaka. Currently, he is also working as an Independent Director of Dhaka Regency Hotel & Resort Ltd. appointed by the High Court Division, Supreme Court of Bangladesh. Dr. Khan is also working as Independent Director of Al-haj Textile Mills Ltd. and Bangladesh Welding Electrodes Ltd. appointed by the Bangladesh Securities and Exchange Commission.

Dr. Khan completed his B.B.A. & M.B.A. in Finance from the Department of Finance, University of Dhaka. He completed Master of Commerce in Finance from the University of Melbourne, Australia. Later on, Dr. Khan earned his Ph.D. in Finance from the University of Technology Sydney, Australia. He is also an Ad hoc Reviewer for Journal of Financial Stability, Review of Accounting Studies, Managerial Finance, North American Journal of Economics and Finance, and Journal of Banking & Financial Services. Dr. Khan is an Editorial Board Member of the International Journal of Accounting & Finance Review and the Indian Journal of Finance and Banking.



Dr. Syed Abdulla Al Mamun, FCMA, CSRS
Independent Director

Dr. Syed Abdulla Al Mamun FCMA CSRS joined FAS Finance and Investment Limited as Independent Director on May 31, 2021. Dr. Mamun is currently working as Chief Executive Officer (CEO) of The Bangladesh Rating Agency Limited (a subsidiary of Dun & Bradstreet SAME). He is also the Independent Director, and Chairman of Audit & Finance Committee of Board of Director, North-West Power Generation Company Limited.

Dr. Mamun earned his PhD in Finance from School of Management, Asian Institute of Technology (AIT), Thailand. He completed BBA (Accounting) and MBA (Strategic Management Accounting) from Department of Accounting and Information Systems, University of Dhaka. Dr. Mamun is a certified professional Cost & Management Accountant (CMA) and Fellow member (FCMA) of Institute of Cost & Management Accountants of Bangladesh (ICMAB), a statutory professional accounting body in Bangladesh, and also a Certified Sustainable Reporting Specialist (CSRS), Institute of Certified Sustainability Practitioners (ICSP), Indonesia.

As an inquisitive finance professional, he has more than 15 years of professional experience in Business Strategy, Financial Analysis, Industry Analysis and Business Research Areas. Earlier, he worked in Credit Rating information and Services Limited (CRISL) more than a decade with multiple roles including Deputy CEO, industry analyst, member of rating committee and Director of CRISL School of Finance. In addition, he worked as consultant of different projects including International Financial Corporation (IFC), World Bank, Japan International Cooperation Agency (JICA), SNV Netherland, UNCDF. Dr. Mamun also teaches Finance & Accounting Courses in different reputed local and international institutions including Asian Institute of Technology (AIT), Thailand; Indian Institute of Management (IIM) Amritsar as Visiting Professor; University of Utara Malaysia (UUM), Malaysia; Institute of Business Administration (IBA) University of Dhaka; North South University (NSU); Brac Business School and Islami Bank Training & Research Academy of Islami Bank Bangladesh Limited (IBBL).

His research-interest focuses on Corporate Governance, Strategic Finance, Fintech, Intellectual Capital, Family Business, Business Strategy, Special Economic Zone and Sustainability. He has more than 35 research articles published in peer reviewed national and international journals. His book titled "Internal Corporate Governance in an Emerging Economy: Impact on the Performance of Financial Institutions in Bangladesh" published from Germany.

Dr. Mamun is also engaged in professional community leadership and currently the Councilor and Vice Chairman of Dhaka Branch Council (DBC) of ICMAB, a statutory professional accounting Institution in Bangladesh under ministry of Commerce. He is also Life Member Alumni of Dhaka University Accounting Alumni and Bangladesh Accounting Association (BAA).



Brigadier General Abu Sayeed Mohammad Ali (LPR)
Independent Director

Mr. Abu Sayeed Mohammad Ali has joined at FAS Finance & Investment Ltd. as Independent Director on May 31, 2021. In his long 33 years of service in Bangladesh Army, Mr. Ali held leadership position at various level both at national and multinational environment, Staff and Instructional assignments including head of institutions. Having experience of over 18 years of Leadership position as Acting Division Commander, Multinational sector in UN, Bridge Commander, Commandant of Army school of Education & Administration, Deputy Sector Commander of Military Observer Group in UN, Commanding Officer of Artillery Unit, Officer Commanding of Artillery & Infantry Minor Unit. Now he is on LPR (Leave Prior to Retirement) from 29 April, 2021. He completed his three Master's Degree in Strategic Studies, Business Studies & Defense Studies respectively from National Defense University, China, South East University & National University of Bangladesh. He also obtained M Phil degree from Bangladesh University of Professionals (BUP). He was a faculty member at Bangladesh Military Academy (BMA) and National Defence College (NDC), Mirpur. He received

Distinguished Instructor insignia from National Defense College, Mirpur and Bangladesh Military Academy. In his career he attended various Military training and Courses of operational and strategic level. He also received Special Responsibility of Secretary General (UN), Force Commander and Senior Military Observer's COMMENDATION for outstanding contribution for promoting Global peace in Haiti, East Timor and Congo under BLUE Helmets.

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 South-east 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 33 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. Mohammed Nurul Amin, 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 five members and all are 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 5 members in the Board where five members are non-executive and Independent Directors. Managing Director of the Company is the executive Director who involved in the day to day activities of the Company.

Independent Director on the Board

As per BSEC letter dated May 31, 2021 they have restructured FFIL Board by inclusion of five Independent Directors.

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. Independent Directors are not subject to retirement as per Corporate Governance Code 2018.

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 32 to 35 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 2020, the Board met ten 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.

Committees of Board of Directors

Audit Committee of the Board of Directors

1. Dr. Muhammad Saifuddin Khan, Chairman
2. Dr. Syed Abdulla Al Mamun FCMA, Member
3. Md. Salim, Member

Executive Committee

1. Brigadier General Abu Sayeed Mohammad Ali (LPR), Chairman
2. Dr. Muhammad Saifuddin Khan, Member
3. Dr. Syed Abdulla Al Mamun FCMA, Member

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 departmental policies and up gradation;
- Review the proposals relating to write off loan/leases and recommend to the Board for consideration.

Management Committees



Sitting

Mr. Md. Nurul Haque Gazi, Deputy Managing Director

Standing from the left

Mr. Mir Imdadul Haque, Head of Corporate Finance

Mr. Abdulla Al Kafi, In-Charge, IT

Mr. Mijanur Rahman, In-charge, Liability Marketing

Mr. Md. Moinul Islam, Special Asset Management

Mr. Md. Imran Ali, In-Charge, Special Asset Management

Ms. Sumona Hoque, In-Charge, Credit Administration

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



Sitting from the left

Mr. Prithish Kumar Sarker, Managing Director & CEO

Standing from the left

Mr. Sk Tabibur Rahman, Manager, Principal Branch

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

Mr. Noor Us Saklain, Head of ICC (CC)

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

Mr. Tanvir Ahmed Komol, In-Charge, Credit Risk Management

Management Committees

Management Committee (MANCOM)

Sl. No.	Designation	Position
01	Managing Director & CEO	Chairman
02	Deputy Managing Director	Member
03	Chief Financial Officer	Member
04	Company Secretary	Member
05	Head of ICC	Member
06	Head of Treasury	Member
07	Head of HR & Admin.	Member Secretary
08	Head of Credit Department	Member
09	Head of Risk Management Department	Member
10	Head of Special Asset Management Department	Member
11	In-Charge, SME	Member
12	Head of Treasury	Member

Recruitment Committee

Sl. No.	Designation	Position
01	Managing Director & CEO	Chairman
02	Deputy Managing Director	Member
03	Head of HR & Admin.	Member Secretary
04	Company Secretary	Member
05	Chief Financial Officer	Member

National Integrity Strategy Committee:

Sl. No.	Designation	Position
01.	Deputy Managing Director	Chairman
02.	Head of ICC	Member Secretary
03.	Chief Financial Officer	Member
04.	Company Secretary	Member
05.	Head of HR & Admin.	Member

National Integrity Strategies (NIS) Implementation Cell:

Sl. No.	Designation	Position
01.	Head of ICC	Head of Unit
02.	Head of HR & Admin.	Member
03.	In-Charge, IT	Member
04.	In-Charge, SME	Member

Assets Liability Management (ALM) Committee:

Sl. No.	Designation	Position
01.	Managing Director & CEO	Chairman
02.	Deputy Managing Director	Member
03.	Head of Treasury	Member Secretary
04.	In-Charge, Liability Marketing	Member
05.	In-Charge, Liability Operation	Member
06.	Chief Financial Officer	Member
07.	Head of ICC	Member
08.	Head of Credit Department	Member
09.	In-Charge, CRM	Member

Purchase Committee:

Sl. No.	Designation	Position
01.	Deputy Managing Director	Chairman
02.	Head of HR & Admin.	Member
03.	Chief Financial Officer	Member
04.	In-Charge, Procurement (HR & Admin.)	Member Secretary

Anti Money Laundering (AML) or CCU Committee:

Sl. No.	Designation	Position
01.	Deputy Managing Director	CAMLCO
02.	Head of ICC	Member
03.	Chief Financial Officer	Deputy CAMLCO & Member Secretary
04.	Head of Treasury	Member
05.	In-Charge, CRM	Member

Credit Review Committee

Sl. No.	Designation	Position
01.	Deputy Managing Director	Chairman
02.	Head of Special Asset Management Department	Member
03.	Head of Credit Department	Member
04.	Head of Risk Management Department	Member Secretary
05.	In-Charge, Credit Administration	Member
06.	In-Charge, Corporate	Member
07.	In-Charge, SME	Member

Credit Risk Management Committee:

Sl. No.	Designation	Position
01.	Deputy Managing Director	Chairman
02.	Head of ICC	Member
03.	Chief Financial Officer (CC)	Member
04.	Head of CRM	Member Secretary

Internal Control & Compliance (ICC) Committee:

Sl. No.	Designation	Position
01.	Head of ICC	Chairman
02.	Company Secretary	Member
03.	Head of HR & Admin.	Member Secretary
04.	Chief Financial Officer	Member
05.	In-Charge, Credit Administration	Member

Information & Communication Technology (ICT) Development Committee:

Sl. No.	Designation	Position
01.	Managing Director & CEO	Chairman
02.	Head of HR & Admin.	Member
03.	In-Charge, IT	Member Secretary

Management Information Systems (MIS) Committee:

Sl. No.	Designation	Position
01.	Managing Director & CEO	Chairman
02.	Head of ICC	Member
03.	Head of HR & Admin.	Member
04.	Chief Financial Officer	Member
05.	Head of Credit Department	Member
06.	In-Charge, IT	Member Secretary

Basel-II Committee:

Sl. No.	Designation	Position
01.	Managing Director & CEO	Chairman
02.	Deputy Managing Director	Member
03.	Chief Financial Officer	Member Secretary
04.	Head of Credit Department	Member
05.	Head of Treasury	Member

Sustainable Finance Committee (SFC):

Sl. No.	Designation	Position
01.	Deputy Managing Director	Chairman
02.	Head of ICC	Member
03.	Chief Financial Officer	Member
04.	Head of Credit Department	Member Secretary
05.	Head of Treasury	Member

Sustainable Finance Unit (SFU):

Sl. No.	Designation	Position
01.	Head of Credit Department	Head of Unit
02.	Head of HR & Admin.	Member
03.	In-Charge, CRM	Member
04.	In-Charge, CAD	Focal Point

Directors' Report

Dear Shareholders,

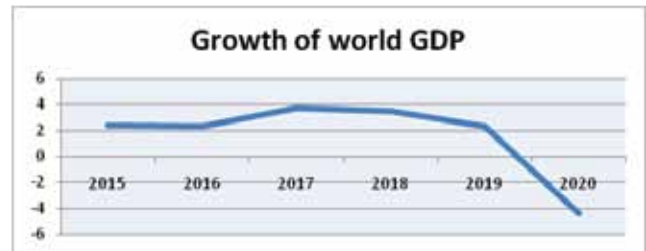
On behalf of the Board of Directors, I take the privilege to present the 24th Report of the Board of Directors of the Company along with the Financial Statements (which includes Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement) for the year ended on December 31, 2020. 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, 2020 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 7.12% at the end of FY 2020. In spite of the impacts of the COVID-19 Bangladesh achieved the record GDP growth in the Asia of 5.24 percent in FY2020.

The year 2020 comes toward us with an uncertainty of (COVID-19), which has emerged as a global pandemic, poses a major threat to the global economy. Protecting lives and allowing health care systems to cope with the required quarantine, isolation, lockdown etc. which have severely impacted economic activity throughout the Globe. The global economy is estimated to have contracted by 3.5 percent in 2020. According to IMF, the baseline scenario, which assumes that social distancing will continue into 2021 but will fade over time as vaccine coverage will expand everywhere by the end of 2022.

World Economy 2020

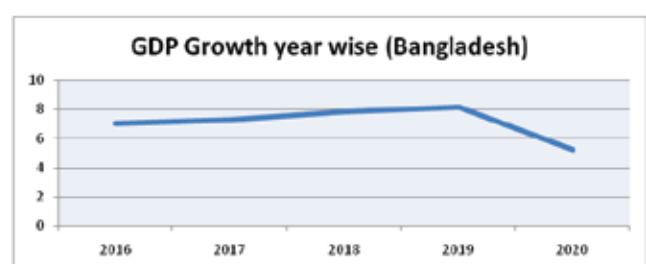
The pandemic has dropped the world GDP growth rate to a negative 4.4 %, as projected by IMF. The pandemic has most heavily dented the global trade volume. Lockdowns, isolation and trade restrictions have reduced the global trade volume in 2020 by a staggering 10.43% from the last year. On the bright side, investments as a percentage of global GDP slightly decreased from 26.27% in 2019 to 26.11% in 2020. Moreover, global inflation remained around 3%.



Although there was a rebound in economic activity during the third quarter of 2020, there was a downfall in the fourth quarter of 2020 in Europe. On the contrary, Asian countries have comparatively surpassed better despite a slowdown to 0.9 percent. There is a prediction that the bounce-back will be the strongest in the Asian countries since they have brought Coronavirus under control compared to the European and US governments. The output in Emerging and Developing Asia is projected to expand 8.3% in 2021, which is around 2.7 percent above the pre-pandemic projection. Among the Asian countries, China is expected to recover strongly with great output.

Bangladesh Economy 2020

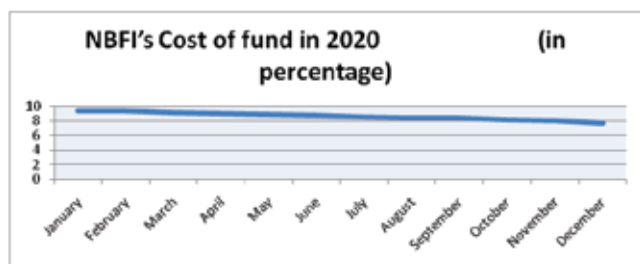
Due to the fall in exports and reduction in the expected growth in remittances post lockdown, the GDP growth rate of the last fiscal year has gone downward. Although Bangladesh has reached far from its targeted rate due to the pandemic, it still has diligently been maintaining its economic growth. The biggest support came from farmers who continue to feed the country and the migrant workers who proved the grim forecasts wrong, sending home a record amount of remittance. The robust flow of remittance lifted the country's foreign exchange reserves to record high and put the country on a firm footing. The reopening of the economy in June' 2020 was a very bold move and proved to be a judicious one, as the virus did not go out of control. The agricultural production, remittance, the stimulus package and the uptick in domestic demand and exports put the country on the path of recovery. The Country reported an impressive 5.24% GDP growth in FY19-20 despite prevailing pandemic situation for Covid – 19 and its negative impact both locally and internationally.



Non Banking Financial Institutions Performance in 2020

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 the NBFIs have been playing a significant role for the recovery of the economy in the post COVID situation. At present, there are 35 NBFIs operating in Bangladesh. Total asset of NBFIs at the end of June 2020 was BDT 860.33 billion, which was BDT 871.50 billion at the end of 2019. NBFIs are investing in different sectors of the economy, but their investments are mostly concentrated in industrial sector. As of 30 June 2020, NBFIs total investment in capital market stood at BDT 17.98 billion which is accounted for 2.09 percent of the total assets of all NBFIs. At the end of June 2020, total deposit of NBFIs stood at BDT 441.17 billion from BDT 451.00 billion. At the end of June 2020, total liability and equity stood at BDT 768.71 billion and BDT 91.62 billion respectively.

COVID-19 pandemic put an adverse impact on most of the industries of the country. In line with the instruction of the Government, Bangladesh Bank offered various stimulus package to support both Corporate and CMSME sector to revive and stay in the business successfully. NBFIs have a great scope yet to explore new sources of funds like issuance of bond, foreign funds other capital market products etc. They can design more and more innovative products to collect granular deposits and to reach the unbanked people. If that happen, the financial climate may significantly change and the financial industry may regain its impetus.

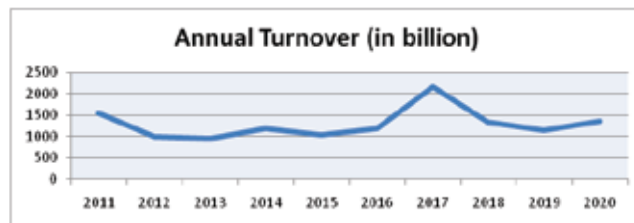


Bangladesh Capital Market in 2020

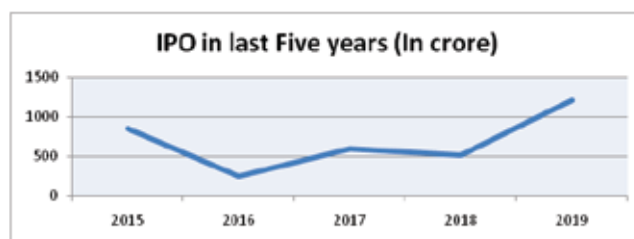
The capital market experienced a dramatic period of ups-and-downs in 2020. Several market developments, in addition to the uncertainty regarding the pandemic-led economic fallout, had pushed down DSEX index towards 3,604 points on 18 March 2020. Subsequently, the regulator was forced to impose floor price on stocks in order to arrest the uncontrollable decline in the stock price. The regulator then had to close down the market during the government-declared general holidays from 26 March 2020 to 30 May 2020, aimed at reducing the transmission of COVID-19. With uncertainty looming over the future of the capital market during the pandemic, the appointment of the new Chairman

of BSEC in May 20, and its initiatives to bring order into the market, gave some hope among the investors. In 2020, DSEX gained 949 points (21.3% YoY) to close at 5,402 points, while DS30 gained 451 points (29.8% YoY) to reach 1,964 points.

Notably, BSEC took a hardline approach against companies that failed to comply with minimum 2.0% shareholding of individual directors and cumulative shareholding of 30.0% by sponsors and directors. Other initiatives include improving financial condition and offering exit plan to Z-category companies, holding company AGM on digital platform, revising category (A, B, and Z) definition, and issuing directive for the mutual fund managers to publish financial reports and portfolio statements. At the end of 2020, the incumbent commission oversaw a 1,341.6 points gain in DSEX index, and 41.8% increase in market capitalization.



Average daily turnover increased 35.1% YoY to BDT 6,489 mn in 2020, up from previous BDT 4,803 mn in 2019. P/E ratio of DSEX stood at 16.5x in 2020, up from five-year low P/E ratio of 11.8x in 2019. Market capitalization increased by 32.01%. Following the appointment, the new BSEC commission addressed on the backlog of IPOs, and approved thirteen new IPOs which raised BDT 1,215 crore as capital. The commission also attempted to keep market irregularities, infractions, and manipulation in check, giving the investors' some hope for improved corporate.



If we consider the overall performances of the Industry FFIL performance is not in a good shape at all. The main obstacle we have faced in the last two years cause of the pandemic situation our regular deposit mobilization reduced at an alarming level on the other hand a large portion of the loan portfolio of the Company became non performing and the recovery became sluggish in regular interval. After restructure of the Board of the Company we are jointly working with the Management to speed up the recovery from the classified loan accounts and collect deposit from the market for balancing the cash flows of the Company.

However, after reconstitution of the Board, the newly appointed Board members are on process for a special audit to find out the exact current situation of the Company and expected the audit will be finished soon. Depending on the report the Board will take all sorts of necessary measure for revive the Company once again to a profitable concern.

Challenges of FFIL

- Inclusion of shareholding Directors.
- Nonpayment/part payment of deposits at the time of maturity leading to increase of liability due to accumulation of interest against deposits & borrowed loans.
- Around 89.81% of company loans are not efficient/effective including 88.60% B/L status, amongst the classified loans (NPL) more than 93% are large loans. So recovery from those loans is a big challenge.
- Some mortgage free loans given which will result into 'no-recovery' in future.
- Our subsidiary company named FAS Capital Management Limited (Merchant Banking Operation) having huge amount of negative equity with an insignificant amount of market value, in that case there is no possibility to recover from the negative equity situation at the earliest.
- Non-availability of government and institutional funds.

Revival of FFIL: Way Forward

- To create positive vive in the market to regain our company's IMAGE by way of fresh branding with new promotional ideas for business development with the inclusion of big/new shareholders to the Board of Directors. Thanks to Bangladesh Securities and Exchange Commission (BSEC) for timely action in respect of Board Reconstruction.
- Required some amount by way of issuance of Bond or any other instrument for fresh financing in SME/Retail businesses as well as to pay back the depositors funds.
- Started process to sell out the mortgaged properties from the classified loan accounts and pursuing all related activities for releasing attachment through Court and also to sell of the unused assets/properties of our company.

Steps Taken by Current Board:

- Introduced good governance in the organization: since reconstitution of the Board i.e. June 01, 2021.
- Accelerated the recovery from the classified accounts and deposit mobilization (as on 30.09.2021):

i) Deposit mobilized: Tk. 1.30 crore

ii) Cash recovery from loans/leases: Tk. 16.50 crore

- Introduced several Policies in HR for better manpower management and started process for recruitment of some mid level positions: The strength and weakness of Human Resources identified & initiatives are being taken for the improvement of the manpower.
- Recovered several Company's assets from the illegal occupation of previous Directors of FFIL/others
- Engagement of Special Auditor for assessing the current situation of the Company (in addition to the engagement from BSEC): Expected to be completed by November 2021. Meanwhile, we found some non-accounting of some amount of capital loss incurred in the own portfolio of FAS Capital Management Limited in 2018. After discussion with the Auditors we have restated the Financial Statements for the year 2018 and also subsequent impacts on the financials of 2019 & 2020.
- Initiated all necessary activities for filling the gaps in legal activities and for withdrawing attachment by DUDOK for the PK Halder related assets with us: Formed Special Cell to recover CL loans including PKH related files.
- Rigorous monitoring/nursing the subsidiary company: FAS Capital Management Limited to come back to business and reducing the negative equity accounts/losses: "Investment Committee" has been formed to keep close follow up, hence profitability has since been increased. Shifted Company operation in the own premises of FFIL. New CEO already joined and proceeded for the approval from BSEC.

Support Needed from Regulators / Government

- For issuance of BOND for the overall revival effort.
- Converting some portion of deposit into equity.
- Arrange strategic partner for Merger or joint venture.

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. 99 to 104.

Financial Review

In line with overall economic growth, FFIL also exhibited a moderate progress in different sectors business lines during 2020. Total asset of the Company increased to BDT 21.53 billion in 2020 compared with BDT 20.27 billion in 2019. Loans & leases assets also increased by 1.26 billion during the year. During the year the overall Cost of borrowing has slightly decreased in 2020 compared to 2019. On the deposit side, our total deposits increased by 1.62% from BDT 8,949.14 million in 2019 to BDT 9,094.04 million in 2020. Beside of that all other key financial indicators of the Company have negative impacts. Specially, NPL showed a negative picture as the percentage of classified loans for the company increased to 88.76% in 2020 compared to 73.15% in 2019, which is mostly due to classification of some large loans.

Risk Management

We believe that getting risk management right is an essential component of success for a company. The identification, evaluation and management of risks together with the way we respond to changes in the external operating environment are keys to sustainable growth. We have seen that the NPL rate becomes 88.76% in 2020 due to large amount of classified accounts which indicating huge risk factors in the loan portfolio of the Company. To mitigate the risk factors we have existing Risk Management mechanism of the Company is given in the Credit Risk Management in the page no. 92 to 95 We would like to bring some modification on the existing and hoping it will put some positive impacts in future.

Corporate and Financial Reporting Framework

The Directors of FFIL, in conforming to 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 implemented.
- 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 44 on page no. 177.

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 2020, FAS Finance & Investment Limited did not receive any dividend from the Subsidiary Company. Separate audited financial statements of the subsidiary company are given on page no. 192 to 210 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 245th Meeting held on October 21, 2021, recommended no dividend for the year ended on 31 December 2020 subject to approval of the shareholders at 24th Annual General Meeting scheduled to be held on November 30, 2021. Details of the dividend declared during the financial year are disclosed in Note 45.07 of the Notes to the Financial Statements on page no. 180 of this annual report.

At the end of the year 2020 the Company earned Tk. (14.61) per share and the NAV per share also become negative of Tk. (13.40). We have another alarming situation as negative capital/shareholder equity of Tk. (1,997.01) million which indicating a worst situation of the financial position of the Company. We would like to also emphasis on the NPL that becomes 88.76% of the total loan. For consideration of all the key financial indicators the Board recommended no dividend for the year 2020.

Annual General Meeting

The notice of the 24th 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, 2020;

02. To declare dividend for the year ended December 31, 2020;
03. To elect/re-elected Directors;
04. To appoint the Auditors for auditing Financial Statements for the year ended on December 31, 2021 and to fix their remuneration;
05. To appoint the Auditors for auditing Corporate Governance for the year ended on December 31, 2021 and to fix their remuneration;
06. To confirm the re-appointment of Mr. Pritish Kumar Sarker as Managing Director & CEO of FFIL;
07. To confirm the appointment of Mr. Mohammed Nurul Amin, Dr. Muhammad Saifuddin Khan, Brigadier General Abu Sayeed Mohammad Ali (LPR), Dr. Syed Abdulla Al Mamun FCMA and Mr. Salim as Independent Directors in the Board of FFIL;
08. Miscellaneous if any, with the permission of the Chair.

Directors' Meeting, Attendance & Remuneration

During the year 2020 a total ten meetings were held. All of the Directors served on the Board attended more than 87.78 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 2020 is presented on page no. 88 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 246th Meeting held on November 06, 2021 recommended the shareholders to appoint M/S. Mahfel Huq & Co., Chartered Accountants at a remuneration of BDT 125,000/- plus VAT to audit the financials of the Company for the period ended December 2021. FFIL has also taken prior approval from Bangladesh Bank to appoint M/S. Mahfel Huq & Co., Chartered Accountants, until completion of conclusion of the 25th AGM. This is to be mention here that our existing Auditor M/S. Malek Siddiqui Wali, Chartered Accountants has completed their consecutive second year of audit of the Company and eligible for re-appointment for consecutive 3rd and final year and as per request of the Management they expressed their unwillingness for become the auditor again for the final year with the reduced costing of fees and based on the current financial situation of the Company the Management recommended to the Board for appointment of M/S. Mahfel Huq & Co., Chartered Accountants instead of the existing. Based on the declaration provided by M/S. Mahfel Huq & Co.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 no. 9 to 10 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. 85 to 87.

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

The Board in its 246th meeting held on November 06, 2021 recommended the shareholders to appoint Saifur Enayet & Associates, Cost & Management Accountants at a remuneration of BDT 25,000/- plus VAT in the 24th AGM to audit the compliances of Corporate Governance Guidelines for the year 2021.

Shareholding Pattern

FFIL's shareholding pattern as on December 31, 2020, is disclosed as per the new CGC of BSEC in this annual report on page no. 89 to 90.

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

This is to be mentioned here that Bangladesh Securities & Exchange Commission (BSEC) restructured the Board of the Company with no previous Board members and appointed 05 new Independent Directors in the Board. Beside of that as per Corporate Governance Code 2018, the rotation is not required for retired and reappointment for any Independent Director. Such as no Directors will be eligible for retirement and reappointment for the 24th AGM of the Company.

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.



Mohammed Nurul Amin
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. Dr. Muhammad Saifuddin Khan, Chairman
2. Dr. Syed Abdulla Al Mamun FCMA, Member
3. Md. Salim, Member

The Audit Committee of the Company has been formed according 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 are periodically reviewed and revised with the concurrence of the Board of Directors. The Audit Committee 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. The major role of the Audit Committee is to monitor and review the effectiveness of the 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 control 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 2020:

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 provides 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. Auditor's Management Letter together with the Managements 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 Auditor's 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 2020 is provided on page no. 72. 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

The 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.



Dr. Muhammad Saifuddin Khan

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 Group 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 in Print, Electronic and Social Media

All media (Print, electronic and social) inquiries 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 Group.

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 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

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

- Accountability of each level of employee for anti- money laundering detection and prevention;
- Education and training in preventing and detecting money laundering; and
- Extensive procedures covering customer identification, account opening, record keeping and recognition and reporting of suspicious transactions.

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

AML/TF 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 Group does not become a conduit for money laundering.

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

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Compliance Governance

At the apex of Compliance is the Board, which oversees and provides strategic direction for compliance in the Group.

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 page no. 53 to 54.

- 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 advocated at the Board Audit Committee.
- Board Executive Committees have 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.



Noor Us Saklain
Head of ICC (CC)

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.

CEO and CFO's Declaration

October 21, 2021

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, 2020

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, 2020 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 in spite of having some concern for negative financial indicators as the Board of Directors have been reconstituted with five dignified professionals as per the directives of Bangladesh Securities & Exchange Commission. Now upon this remarkable change and under the directives of new directors we do believe that there is no 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, 2020 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) 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
FAVP & CFO (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 on 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.

Particulars	Creore Taka
Paid up capital	149.08
Non-repayable share premium account	0.00
Statutory reserve	20.56
General reserve	0.03
Retained earnings	(385.17)
Minority interest in subsidiaries	(0.18)
Non-cumulative irredeemable preference shares	0.00
Dividend equalization account	0.00
Total Tier 1 capital	(215.67)
(c) The total amount of Tier 2 capital	18.97
(d) Other deductions from capital	0.00
(e) Total eligible capital	(196.71)

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 between loan /leases and deposits 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	129.86
(c) Capital requirement for Market Risk	1.10
(d) Capital requirement for Operational Risk	2.52

(e) Total and Tier 1 capital ratio:

For consolidated group

CAR on Total capital basis (%)	(14.74)
CAR on Tier 1 capital basis (%)	(16.18)

For stand alone

CAR on Total capital basis (%)	(12.95)
CAR on Tier 1 capital basis (%)	(13.69)

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 the guidelines approval of Bangladesh Bank.

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 as well as enlisted third party for valuation.

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 & finding, the CRM Department assesses the risk areas and its mitigating factors. CRM Department of the company also place 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 Credit Committee/EC/Board for approval/decision/recommendations.

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 suggests for administrator 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. All the proposals are originated from the concerned Branch/department of Head office (corporate/SME) and if recommended by them the same is routed through CRM department and Credit committee for their comments/ recommendation. Thereafter approval from the BOD/EC is obtained.

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	1891.17
Leases	27.91
Total	1919.08

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

Area	Core Taka
Dhaka	1905.04
Chittagong	13.61
Sylhet	0.43
Total	1919.08

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

Sector	Core Taka
Agriculture	27.61
Chemicals & Pharmaceuticals	153.13
Electronics & Electrical	10.23
Food & Beverage	0.88
Garments & Accessories	59.47
Home loan	246.65
Jute & Jute Products	18.04
Iron, Steel & Engineering	
Paper, Printing & Packaging	16.04
Plastic Industries	0.26
Power, Gas, Water & Sanitary Services	8.14
Transport	171.76
Leather and Leather products	0.92
Merchant Banking	241.54
Ship Manufacturing Industry	26.46
Textile	26.01
Trade and Commerce	892.13
Others	19.81
Total	1919.08

(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	44.10
Over 3 months but not more than 1 year	44.62
Over 1 year but not more than 5 years	124.24
Over 5 years	1706.12
Total	1919.08

(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	1311.46
Additions	413.83
Reductions	21.99
Closing balance	1703.30

Movement of specific provisions for NPAs

Particulars	Core Taka
Opening balance	127.49
Additions	34.92
Reductions	0.00
Closing balance	162.41

Note: On 29 September, 2021 upon our request, Bangladesh Bank vide letter No-DFIM@1054/10/2021-2103 has given NOC for maintaining 50% of required provision of Tk. 54.28 crore i.e. Tk. 27.14 crore and 50% reversal of interest income of Tk. 20.05 crore i.e. Tk.10.025 crore per annum from 2020 to 2022. Accordingly, the instruction has since been complied for the year 2020. The shortfall of provision of Tk. 734.23 (Tk. 697.065 crore as per Bangladesh Bank inspection report + Tk. 27.14 crore + Tk. 10.025 crore) will be treated as deferred till 2022.

Earlier Bangladesh Bank vide letter # DFIM@/1054/10/2020 dated November 12, 2020 provided us NOC for deferment of transfer of interest income for Tk.140.35 crore to interest suspense account in 7 (Seven) equal annual installments of Tk. 20.05 crore each starting from 2019 and deferment of shortfall of provision for Tk. 399.96 crore with the condition that Tk. 20.00 crore to be maintained in 2019 and balance Tk. 379.96 crore in 7 (seven) equal annual installment of Tk. 54.28 crore each starting from 2020.

E) Equities: Banking book positions

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

Qualitative Disclosures

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	5.63	4.49
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)	1.80

(d)

Total unrealized gains (losses)	(1.14)
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 5.49 crore. Capital Requirement is 10% of the said value which stand to BDT 0.55 crore.

General Risk- Market value of investment in equities is BDT 5.49 crore. Capital Requirement is 10% of the said value which stand to BDT 0.55 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

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)	34.40	720.28	51.98	140.47	463.16
B. Total Rate Sensitive Assets (B)	20.09	18.66	18.53	55.59	176.82
C. Mismatch	-5.31	-701.62	-33.45	-84.88	-286.34
D. Cumulative Mismatch	-5.31	-705.93	-740.36	-825.26	-1111.60
E. Mismatch (%)	-15.44%	-97.41%	-64.35%	60.43%	-61.82%

Interest Rate Risk - Increase in Interest Rate

Interest Rate Risk			
Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio	0.00	0.00	0.00
Net Interest Income	-16.97	-33.95	-50.92
Revised Regulatory Capital	-231.65	-248.63	-265.60
Risk Weighted Assets	2011.10	2011.10	2011.10
Revised CAR (%)	-11.52%	-12.36%	-13.21%

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	1.10
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 are 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. In continuation of the strong monitoring the BSEC restructured the entire Board of the Company in the month of May 2021 and the newly reconstituted Board jointly working with all regulators to reshape and revive the Company once again for support the economy of the country and regain the company images again.

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.

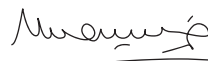
FAS Finance & Investment Limited is committed to the principles of excellence in corporate governance and ethics. This commitment is evidenced by the following practices that are in place at FAS Finance & Investment Limited:

- 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.



Muhammed Nurul Amin

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

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 five (5) Non-Executive Directors (NEDs) and all are the Independent Directors. 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 we have all Independent Director in the Board of the Company, 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;

FAS Finance & Investment Limited

- 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;
- 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 and DFIM(P)1052/27/2021-2436 dated November 04, 2021, 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



MRH DEY & CO.
Chartered Accountants

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, 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 of the Bangladesh Securities and Exchange Commission (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)(xi), 1(5)(xiv), 5(2)(b), 5(2)(d) and 5(4)(a) as explained in the attached ANNEXURE-C.**
- (b) The Company has complied with the relevant provisions of the 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 except for the matters as referred in above-mentioned Para-a of the Certificate.

Place: Dhaka

Dated: November 16, 2021



Signed By: Haradhan Dey, FCA
Enrolment Number-620
Partner

Data verification Code (DVC):- 2111160620CC720447

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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)	√		10 (ten) Directors as of 31 December, 2020
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	√		As of 31 December, 2020 there was 04 independent directors (ID) out of 10 (ten) Directors. Until 11 July, 2020 there were only 01 ID out of total 06 Directors. Later on the 04 IDs were appointed respectively on 12 July, 19 Nov. and 07 Dec. of 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	-	-	Not applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights share Offer, Direct Listing, etc.	-	-	Not applicable
1(5)(ix)	If significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		Yearly performance downturn was discussed instead of quarterly downturn in financial performances.
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, 2020 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		√	The auditor's report has been qualified on various grounds including departures from IAS & IFRSs but Director's Report has not addressed the matter of departures from IAS & IFRSs.
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	√		
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(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company			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(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3(2)	Requirement to attend Board of Directors' Meetings			
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	√		As of 31 December, 2020 there was 03 (three) members in the Audit Committee (AC). But there were only 02 (two) members until 12 July, 2020.
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 from 24 December, 2019 to 12 July, 2020.
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 was vacant from 17 March, 2020 to 11 July, 2020. New Chairman was appointed on 12 July, 2020.
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5(3)	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		√	There were only 02 (two) meetings of AC during the year 2020.

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	√		
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.	-	-	Not Applicable
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors	√		
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board	√		

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(6)(a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
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 DFIMCircular 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	√		

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
8	Maintaining a website by the Company:			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	√		
8 (2)	The company shall keep the website functional from the date of listing	√		
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9	Reporting and Compliance of Corporate Governance			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
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 2020 and attendance of each Director

Sl. No.	Name	Meeting Held	Meeting Attended	Total (Tk)	%
1	Mr. Md. Zahangir Alam*	3	3	26,400	100.00
1	Mr. Anjan Kumer Roy	10	1	8,800	10.00
2	Mr. Md. Abul Shahjahan	10	10	88,000	100.00
3	Dr. Uddab Mallick	10	10	88,000	100.00
4	Mr. Md. Atharul Islam	10	7	61,600	70.00
5	Mr. Arun Kumer Kundu	10	1	8,800	10.00
6	Ms. Soma Ghosh	10	10	88,000	100.00
7	Mr. S.M. Shamsul Alam**	9	9	79,200	100.00
8	Mr. S.M. Nurul Alam Chowdhury ***	4	4	35,200	100.00
9	Mr. Fazlul Hoque Khan****	2	2	17,600	100.00
Total				501,600	87.78

* Mr. Md. Zahangir Alam appointed as Independent Director on November 19, 2020.

** Mr. S.M. Shamsul Alam appointed as Independent Director on January 22, 2020.

*** Mr. S.M. Nurul Alam Chowdhury appointed as Independent Director on November 12, 2020.

**** Mr. Fazlul Hoque Khan appointed as Independent Director on December 07, 2020.

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

Executive Committee (EC) meeting held during 2020 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 2020 and attendance of each Member

Sl. No.	Name	Meeting Held	Meeting Attended	Total (Tk)	%
1	Mr. S.M. Shamsul Alam	2	2	17,600	100.00
2	Mr. Md. Abul Shahjahan	2	2	17,600	100.00
3	Mr. Md. Atharul Islam	2	1	8,800	50.00
				237,600	83.33

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

Shareholder's Information as on December 31, 2020

Distribution of Shareholdings

Category	Number of Share	% of total Paid up Capital
Sponsor/Director	19,682,870	13.20
Govt.	0	0
Institute	25,094,164	16.83
Foreign	0	0
General Public	104,300,330	69.97
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. Pritish 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 Liability Marketing	Mr. Md. Harun Ur Rashid	Nil	Nil
3	Head of Corporate Finance	Mr. Md. Ahasan Rakib	Nil	Nil
4	Manager, Finance & Accounts	Mr. Dipak Shaha	Nil	Nil
5	Manager, Liability Marketing	Mr. Md. Moniruzzaman Ripon	Nil	Nil

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

Range of Shareholdings as on 31 December 2020 was as under:

Shareholding Range as on December 31,2018	Number of holders		% of total holding	
	31-Dec-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019
1-500 2,549	2,741	0.26	0.28	
501-5,000	3,753	3,954	5.12	5.03
5,001-10,000	1,006	975	5.01	4.66
10,001-20,000	784	756	7.62	7.05
20,001-30,000	303	279	4.99	4.51
30,001-40,000	173	165	4.06	3.83
40,001-50,000	110	92	3.42	2.80
50,001-100,000	219	214	10.24	9.88
100,001-1,000,000	177	146	26.99	21.81
1,000,001 and above	15	18	32.29	40.15
Total	9,089	9,340	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: 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.

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, 2020

During the year 2020, the NPL ratio of the Company significantly increased to 88.76% from previous year's 73.15%. The absolute figures show the increase in classified portfolio from BDT 13,114.55 million in 2019 to BDT 17,033.03 million in 2020. 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, 2020 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. Although all key financial indicators of the company are in negative the Management and Directors of the Company believes that giving all out efforts by all the company can revive from the current situation and have potentiality to become once again profitable in the upcoming years.

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

Diversification of Business Portfolio: The Board and the Management working together for reduce the large loan portfolio and increase the SME business for reduce the risk factors. In connection with the development the Management already got approval for a new CMSME product namely "MyLoan" and we believe within 2022 we will be able to come back in business and reduce the large loans risk factors.

Renewal of less costly funds: In the year 2020 we have emphasized on the low cost fund borrowings with renewal and partly paid high cost bearing instruments as well. We are expecting in the upcoming years our interest cost will reduce at an optimal level and revive the company once again. In 2020 we have incurred 1,825.52 million interest expenses which is (7.53%) lower than the previous year.

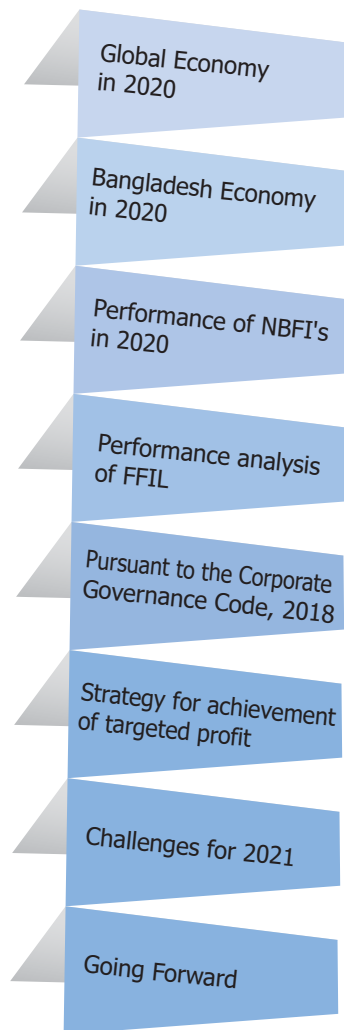
Reduction of operational expenses: The Management giving their all out efforts for reduction of operational expenses as low as possible. In line with the issue we have positive impacts on the quarterly financials of the Company in 2021 and expecting to improve further in the upcoming days.

Strengthen the recovery of the Company: The Management and the Board working together to recover the large loan classified accounts by way of strong follow up and taking the best possible solution for quick recovery from those accounts.

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 2020 on the basis of "going concern assumption" is appropriate.

Management Discussion & Analysis



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 inclusion. 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 the lack of confidence of the customers as arisen from some reporting on NBFIs in some printed and electronic media. 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 graduated from low to middle income country, we focus on increasing productivity and efficient deployment of assets under FFIL's management.

Global Economy in 2020

Following a disaster in 2020 caused by the COVID-19 pandemic, global economic output is expected to expand 4 percent in 2021 but still remain more than 5 percent below pre-pandemic projections. Global growth is projected to moderate to 3.8 percent in 2022, weighed down by the pandemic's lasting damage to potential growth. In particular, the impact of the pandemic on investment and human capital is expected to erode growth prospects in emerging market and developing economies (EMDEs) and set back key development goals. The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen over the forecast horizon as confidence, consumption, and trade gradually improve, supported by ongoing vaccination.

South Asian economy is estimated to contract by 7.7% in 2020 with the Indian economy estimated to shrink by 9.6% during the fiscal year started in March 2020 (as per World Bank's report last updated on 08 October 2020). The contraction in India's GDP growth is much more severe than its neighboring South Asian countries, which contracted, on an average, by 1.6%. However, the contraction is expected

to be a temporary one with the successful roll-out of vaccination programs and the countries learning new ways of living and fighting back from the difficult situation. On the broader perspective, private consumption remains strong in the South Asian region, supported by strong internal demand, stability in the labor market, growing purchasing power and emergence of middleclass population. The momentum is expected to continue in the coming years. However, there are many challenges facing the region which includes inadequate infrastructure, insufficient supply of energy and power, lack of skilled and educated manpower, income and gender disparity, and slower adoption of newer technologies, inadequate framework for managing market risks and combating cyber security crimes and slower progress in the social aspects of development, amongst the other. On a positive note, South Asian economy is expected to pick up slowly, yet gradually, and regain its momentums in the next few years.

Bangladesh Economy in 2020

Due to the fall in exports and reduction in the expected growth in remittances post lockdown, the GDP growth rate of the last fiscal year has gone downward. Although Bangladesh has reached far from its targeted rate due to the pandemic, it still has diligently been maintaining its economic growth. The GDP growth rate of Bangladesh has gone downward to 5.24 percent in the last fiscal year 2020, while the projected GDP growth target was set to 8.2 percent in the fiscal year 2019. It was relevant to the GDP growth rate of 8.13 percent for the year 2019, which was the highest rate for Bangladesh to ever happen. There was a possibility to reach that targeted rate (8.2 percent) had there been no fatal pandemic around. According to the provisional estimation of the Bangladesh Bureau of Statistics (BBS), the per capita income increased to USD 2,064 in FY20 from USD 1,909 in FY19. The GDP growth rate in the industry sector, services sector, and agricultural sector are 6.48 percent, 5.32 percent, and 3.11 percent, respectively.

Economically, Bangladesh is seen as one of the fastest-growing economies in the world and has recently entered the list of middle-income nations, intending to become a developed country by 2041. The government has set a 5-year target with the determination of 8 percent economic growth within this timeline from the year 2021 to 2025, with a hope to strong economic rebound through the elimination of Coronavirus threat by the year 2021. According to the draft of the 8th five-year plan, Bangladesh would achieve a GDP of 8.20 percent in the FY21, 8.30 percent in the FY22, and 8.51 percent within the FY25. The plan targets to secure

inclusive and sustainable development through quality education and urbanization. On the contrary, The International Monetary Fund projected that the GDP growth of Bangladesh may stand at 7.3 percent in fiscal 2024-25, which is much lower than the projected target made by the government of Bangladesh.

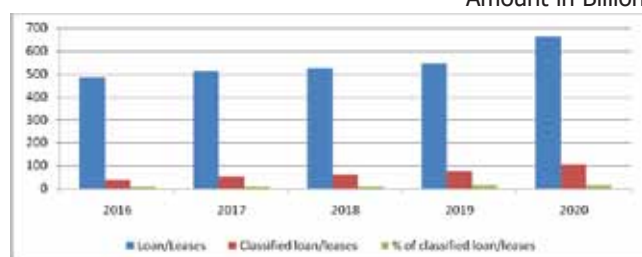
Performance of NBFIs in 2020

In the year 2020, Non-Bank Financial Institutions (NBFIs) suffered a lot due to COVID-19 pandemic. NBFIs call for changes in regulations, practices and mass perception, and also need refinancing from the Bangladesh Bank. The NBFIs are dependent on banks and customer deposits for their funds. The lowering of the loan-deposit ratio meant banks cut back on their lending to NBFIs, leaving the latter short of funds. Pandemic situation had badly impacted a good number of NBFI clients. At the end of the third quarter of 2020, the 33 nos. of NBFIs' bad loans accounted for about 15.5% of their total outstanding loans of BDT 66,215.40 crore. Bangladesh Bank asked the NBFIs to keep classification unchanged until June to help the borrowers tide over the economic shock. The loan moratorium facility has since been extended to the end of 2020. Bangladesh Bank has also issued some policy guidelines to support NBFIs for strengthening their position in the market. FIs in Bangladesh should take some serious initiatives to deliver short term results as well as long term vision while preparing for the coming changes. It is important to build a system for early detection, assessment and mitigation of risk. New instrument may introduce which will be emerged as an important tool and added a new dimension in the financial market.

COVID-19 pandemic put an adverse impact on most of the industries of the country. In line with the instruction of the Government, Bangladesh Bank offered various stimulus package to support both Corporate and CMSME sector to revive and stay in the business successfully. NBFIs have a great scope yet to explore new sources of funds like issuance of bond, debentures and commercial papers, foreign funds etc. They can design more and more innovative products to collect granular deposits and to reach the unbanked people. If that happen, the financial climate may significantly change and the financial industry may regain its impetus.

Trends of Total loan Lease and classified loan Lease

Amount in Billion



(Billion BDT)

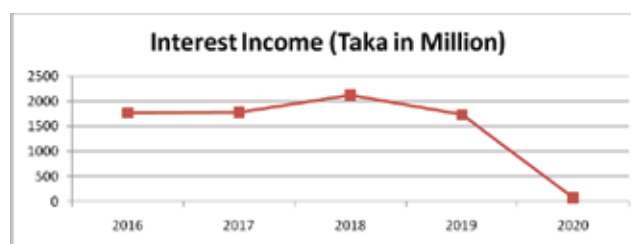
Particulars	2016	2017	2018	2019	2020
Loan /Lease	485.7	510.4	525.19	544.93	662.15
Classified Loan/Lease	38.7	52.1	59.2	73.7	102.63
Classified Loan/Lease % of Total	7.3%	9.0%	9.2%	13.5%	15.5%

Performance analysis of FFIL

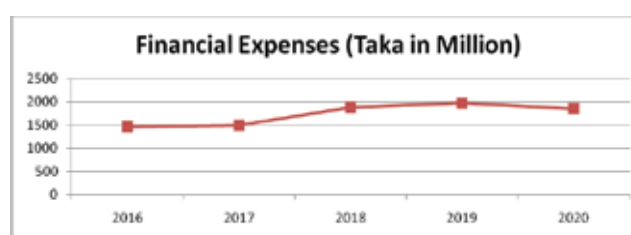
The financial year 2020 has been challenging one with an operating environment, constrained margins and rate volatility both deposits and loans rate. Although there are some moderate growth in deposit & loan/leases the FFIL's performance has generally suffered in 2020 due to excessive increase of Non-Performing loans.

Last 5 years Operating Performance of FFIL

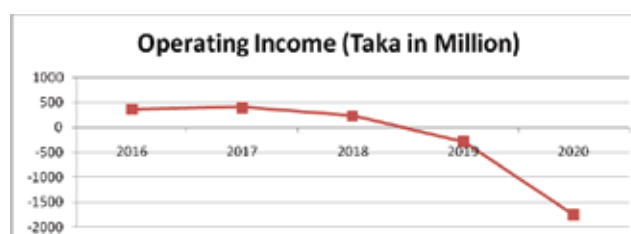
Interest Income



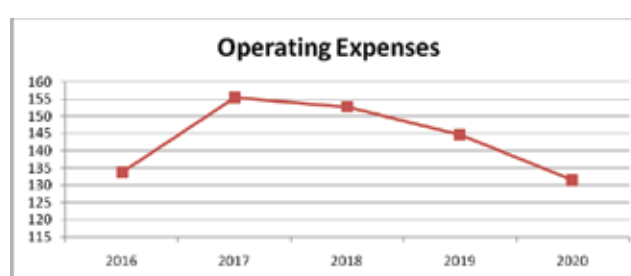
Financial Expenses



Operating Income



Operating Expenses



Total Asset

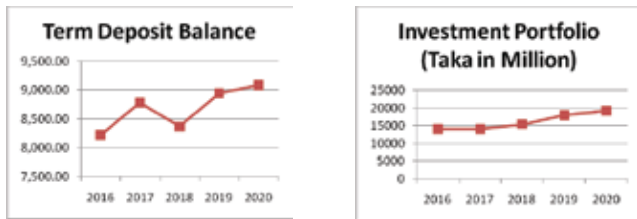
Total assets of the FFIL's stood at Tk. 21,356.41 million increased by 6.68% of the previous year. In terms of Asset Growth, FFIL's total assets grew faster than the industry average in 2020. The Industry growth recorded at 2.93%.

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 2020 the industry average deposit decreased by (3.52%) where FFIL's Deposit increased by 2.27%.

Last 5 years Loans & Advance and Deposit Performance of FFIL

Taka in Million



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 during the last five years. During the year 2020 Industry average loans, leases and advances increased by 2.45% where FFIL's total loan, leases and advances portfolio increased by 7.36%. This is basically due to cumulative interest rather than disbursement of fresh loans.

Return on Asset (ROA)

FFIL's ROA for the year 2020 was (9.72)% compared to Industry's ROA 0.4%. During the year 2020 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 2020 was (119.93)% compared to Industry's ROE 3.9%. During the year 2020 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



Particulars	2016	2017	2018	2019	2020
ROA (%)	0.83	0.75	(0.14)	(7.50)	(9.72)
ROE (%)	7.39	7.26	(1.42)	(136.87)	(299.62)

Particulars	2016	2017	2018	2019	2020
ROA (%)	0.70	1.14	0.90	0.20	0.40
ROE (%)	4.70	8.30	7.40	2.50	3.90

Because of some adverse reporting in the media, liquidity crunch in NBFI sector had worsened. As profitability is highly affected by increase of NPLs, EPS stood significantly negative. FFIL's Earnings per Share stood at BDT (13.63) for the year 2020 compared to BDT (9.83) of 2019. 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. We are also exploring other measures for the increase of funds. We are also searching for new investors for raising the Shareholding Directors as per the regulatory requirements.

Performance analysis of FFIL compare with last year

Taka in million

Details	2019	2020	(Growth %)
Lease, Loan & Advance	17,928.10	19,190.80	7.04
Deposits	8,949.14	9,094.04	1.62
Operational expenses	130.39	121.60	6.73

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

Details	2020	2019	In million Growth
Net interest income	(1,619.93)	(222.38)	628.45%
Operating expense	121.61	130.39	(6.73)%
Provision	302.58	1,076.06	(71.88)%
Provision for Taxation	3.32	7.06	(52.97)%
Profit after Tax	(2,031.73)	(1,464.73)	38.71%

Investment Income: Investment income of the Company increased to Tk. 13.94 million from the negative (31.68 million).

Operating Expenses: Because of the tremendous efforts as deployed by the management the company's Operating Expenses decreased by 6.73%.

Provision for taxation: The Company's provision for taxation decreased by 52.97% as compared to previous year as profitability decreased in 2020.

Total Loan Portfolio

Our core lending portfolio grew by 7.04% reaching BDT 19.19 billion in 2020 from BDT 17.93 billion in 2019. 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.

Financial Highlights of FAS Finance & Investment Limited

All figures in BDT million except (%)

Operating Year	2020	2019	2018	2017	2016
Total Assets	21,534.41	20,270.24	18,777.76	18,335.11	17,110.15
Total Liability	23,228.37	19,932.47	16,975.26	16,433.84	15,341.96
Operating Income	(1,604.22)	(251.21)	257.61	372.89	349.54
Operating Expenses	121.61	130.39	135.91	133.48	113.15
Financial Expenses	1,825.52	1,974.15	1,823.24	1,494.44	1,412.45
Net Profit After Tax	(2,031.73)	(1,464.73)	(25.81)	133.12	126.05
ROA (%)	(9.72)	(7.50)	(0.14)	0.75	0.83
ROE (%)	(299.62)	(136.87)	(1.42)	7.26	7.39
Earnings Per Share (Tk.)	(13.63)	(9.83)	(0.17)	0.94	0.89
NAV Per Share (Tk.)	(11.36)	2.27	12.09	13.39	12.45

Non-Performing Loans (NPL)

During the year 2020, the overall Non Performing Loan (NPL) of the industry was 15.50% where the FFIL NPL recorded 88.76%. Due to increase of the total number of classified large loans accounts our overall NPL percentage increased. The Management of the Company has taken different measures for the recovery and regularization of the non-performing loans.

Base Rate of FFIL

Particulars	2020	2019
Cost of fund	11.29%	10.66%
Cost of CRR & SLR	0.06%	0.05%
Cost of Administration	0.75%	0.81%
Cost of Equity Capital	0.85%	1.04%
Average Base Rate	12.95%	12.73%

The management has adopted different strategies including downward fixation of interest rate for the reduction of average base rates.

Cash Flow Analysis

Particulars	2020	2019
A) Net cash flows from/(used in) operating activities	36.56	(1,197.94)
B) Net cash flows from/(used in) investing activities	48.48	(58.37)
C) Net cash flow from financing activities	(51.45)	178.36
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	33.58	(1,077.95)
E) Cash and cash equivalents at beginning of the year	1,051.84	2,129.79
F) Cash and cash equivalents at end of the year (D+E)	1,085.42	1,051.84

Overall Scenario

The overall net operating cash flow per share have increased to Tk. 0.25 in 2020 from (8.04) in 2019.

4) Comparative financial performances with the peer industry

Bad loans influenced the sector's performance to the point that it was in its worst condition in a decade last year. The Covid pandemic has made the 34 government and non-government NBFIs more susceptible to the problem. Asset quality of the NBFIs had weakened in 2020 as the total non-performing loans and leases rose by 64% compared to the previous year to Tk. 10,050 crore. 9 companies had their classified loan ratio higher than 15%; 12 companies over 10% while 15 companies could limit their bad loans to below 5%. Last year, the loan loss provisions amounted to Tk. 4,440 crore against a requirement of Tk. 5,180 crore representing a coverage ratio of 44.12% of total bad loans. The coverage was 7.6 percentage points higher than in the previous year. Six companies could not maintain the required provision, causing a provision shortfall of Tk. 740 crore for the industry. The total profit of the entire NBFIs sector declined by 61% to Tk. 356 crore in 2020 as default loans rose alarmingly because of corruption by directors. Consequently, the key profitability parameters, such as Return On Assets (ROA) and Return On Equity (ROE) plummeted. The ROA and the ROE were 0.4% and 3.9% respectively in the end of 2020, down from 1.9% and 10% a decade ago.

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. 92 to 95 of this annual report.

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

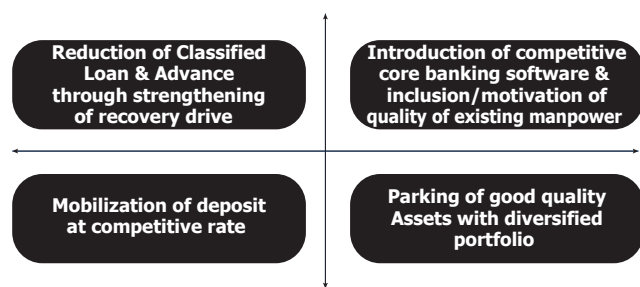
The main focus of the Company in 2021 is to reduce the NPL at least 10% and also to increase the investment income at 120% decrease the loss of the company by 25%. For achievement the target of the mission for 2021 the Management fully focused on strong persuasion of the recovery from classified accounts and collect retail deposit mobilization at a minimum costing.

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 has been 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. Introduction of a competitive core banking software to deliver better service to the customers.
- More business to generate more profit
- Launching of innovative products
- 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
- Improvement of quality manpower by proper training, motivation and in case of need by recruitment of efficient and qualified manpower.
- 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
- 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 2021

- Recover from large sized NPL's
- Building and restoring the brand image and reputation
- 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.

Pritish 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 5.00 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 upgradation 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.

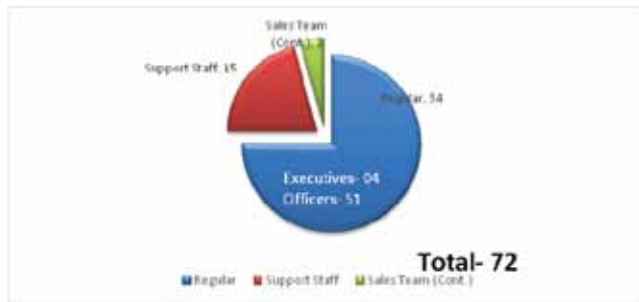
Report on Human Resources

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.

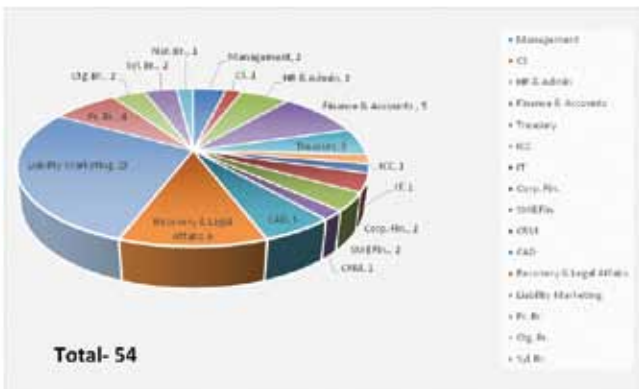
Overview of HR Functions



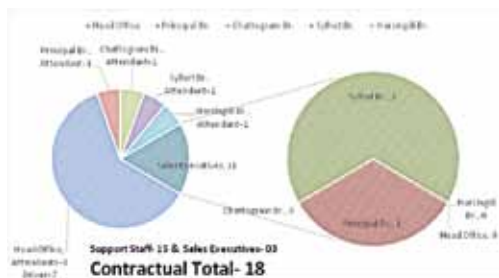
Category wise Employee



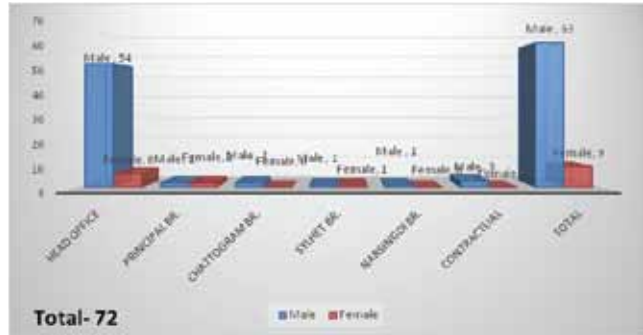
Department s/Branch wise HR Strength



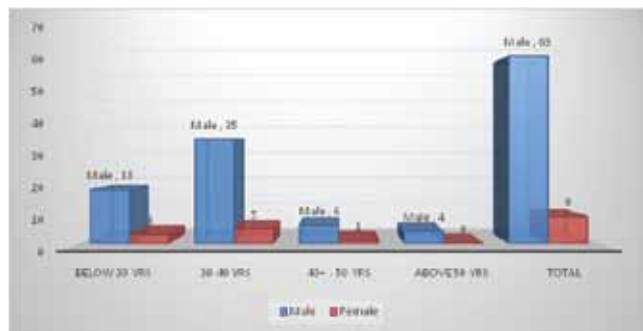
Department s/Branch wise Contractual Employee-40



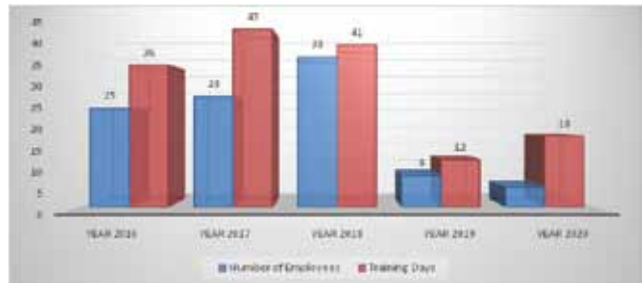
Male & Female Ratio



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 2021

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



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



23rd Annual General Meeting (Virtual)



Discussion for 23rd Annual General Meeting



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

Consolidated Balance Sheet

Consolidated Profit and Loss Account

Consolidated Statement of Changes in
Shareholders' Equity

Consolidated Cash Flow Statement

Balance Sheet of FFIL

Profit and Loss Account of FFIL

Statement of Changes in Shareholders'
Equity of FFIL

Cash Flow Statement of FFIL

Liquidity Statement of FFIL

Notes to the Financial Statements of FFIL

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 2020, 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 2020, 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 end, the company's non-performing (classified) loan stood of TK. 1,703 crore which is 88% of total Loan Advance and Lease investment. As a result, the required loan provision of Loan Advance and Lease at the year end was TK. 898 crore. On which, TK. 164 crore has been accounted for as loan loss provision. So, shortfall of loan loss provision for classified loan of company is stood TK. 734 crore. If whole required provision is charged to the profit or loss statement, then loss for the year would be TK. 937 crore and EPS would be negative TK. 63. Consequently, NAV per share at the year end will also be reduced to TK. (60.61).
2. As a result of over crediting interest income on loan advance and lease, the Retained earnings/ Net asset value of the company is overstated by TK. 110.325 crore. If this correction is made in this Financial Statements, then net asset per share would further be reduced by TK. 7.37.
3. The Financial statements exhibit of TK. 44,665,893 as 'Non-Financial Institution's assets' which was classified as non-current asset held for sale in the year 2010 (Ten 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 offer price of that asset 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.
4. 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.
5. According to Financial Institution Regulations 1994 and FID Circular No. 06, dated: 06 November, 2003 and DFID Circular No. 03, dated: 21 June, 2020 the company should maintain Cash Reserve Ratio (CRR) at a rate of 1.5% of 'Term or Fixed Deposit', but company did not maintain such provision which is the violation of required rules and regulations.
6. During our audit, we did not obtain third party confirmation in all respect. Though we sent the letter of request to third party through the entity but third-party didn't respond on our request.
7. In reference to the BSEC directive no. SEC/CMRRCD/2009-193/120/Admin/34, dated: November 22, 2011, the directors and sponsor of the listed security must hold jointly 30% of paid up capital. But the directors and sponsor of the company has not hold any share of the company.
8. The accompanying financial statements have been prepared under going concern basis assuming that the company will continue its existence for foreseeable future. However, significant amount of non-performing loan and loan loss provision, negative Gross Profit Margin and Net Profit Margin, recurring huge loss, shortage of fund and negative equity expose a concern about its (company's) going concern assumption.

Subsidiary Qualified Opinion

9. The margin loan balance with negative equity of the company is stood of Tk. 159.18 crore as of December 31, 2020. 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 .77 crore. There is a significant doubt regarding the collectability of said margin 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. 158.41 crore as of December 31, 2020. 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 loss provision is Tk. 149.44 (one forty nine point four four) crore. If the whole impairment loss is adjusted in financial statements, then Net Asset Value (NAV) per share would be negative TK. 62.25 (Taka sixty two point two five) instead of disclosed NAV per share of negative Tk. 2.47 (two point four seven). However, the Bangladesh Securities and Exchanges Commission directive no. BSEC/CMRRCD/2009-193/196 requires to make provision five equal quarterly instalment starting from December 31, 2020. So, the company is required to maintain provision of Tk. 29.89 (twenty nine point eight nine) crore.
10. The interest income on investment in FDR TK. 3.08 crore, out of which, Tk. 2.84 crore was related to the receivable of FDR interest, but whole interest income shown as cash receipt in the statement of cash flows. On the other hand, interest paid shown in statement of cash flows is overstated by Tk. 8.94 crore which is just accrued and charged in books of accounts and no real 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.
11. The accompanying financial statements have been prepared under going concern basis assuming that the company will continue its existence for foreseeable future. However, significant impairment of margin loan, recurring huge loss, negative equity balance and poor current ratio 0.49 expose concern about it's (company's) going concern assumptions.

Emphasis of Matter:

1. According to IAS 24 (Related Party Disclosures) company should disclose all the related party transaction in the related party disclosure. However, the company has not disclose all the related party transaction.
2. According to BSEC directive dated January 14, 2021 if any dividend remain unpaid or unclaimed for a period of three years then this fund should be transferred to the BSEC prescribe fund, no such transaction is taken place.
3. Bangladesh Bank (letter # DFIM©/1054/10/2020 dated November 12, 2020) has made an order to the company for accruing interest income only on realization basis some of loan, advance and lease investment.
4. During the year under review, loan of TK. 17 crore has partially been received of TK. 3 crore selling eligible securities. However, such eligible security was revalued of TK. 4.73 crore (in last year it was valued at TK. 19 crore at the time loan sanction). This is the sign of overvaluation of eligible securities of other loan and advances also. So, the company shall carry out re-evaluation all the eligible securities taken against the loan & advance and required loan loss provision.
5. During our audit we were not able to check and confirm the Statement of cash flows, which is limitation of our audit work.

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 2020 for loans and advances of BDT 1,646,849,518.</p> <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>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>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.
See note 13.1 of financial statements	
<p>Measurement of deferred tax</p> <p>In 2020, the Company reports net deferred tax liabilities (DTL) amounted to BDT 60,567,899</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>
See note # 13.3 to the financial statements	

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 the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve, and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/ leases found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the 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.

Malek Siddiqui Wali
Chartered Accountants



Md. Waliullah, FCA
Enrolment No: 0247
2110270247AS497568

Dated, Dhaka October 24, 2021
Data Verification Code (DVC) No:

FAS Finance & Investment Limited

Consolidated Balance Sheet

As at 31 December 2020

Particulars	Notes	Restated		Restated
		Amount in Taka		
		31-Dec-2020	31-Dec-2019	31-Dec-2018
PROPERTY AND ASSETS				
Cash	2 (a)	610,419	17,260,113	6,954,831
In hand (including foreign currencies)		45,789	128,401	116,773
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		564,630	17,131,712	6,838,058
Balance with other banks and financial institutions	3 (a)	1,086,432,604	1,035,566,056	2,126,350,259
In Bangladesh		1,086,432,604	1,035,566,056	2,126,350,259
Outside Bangladesh		-	-	-
Money at call and on short notice	4 (a)	-	-	-
Investments	5 (a)	65,378,561	102,829,230	284,303,236
Government		-	-	-
Others		65,378,561	102,829,230	284,303,236
Loans, advances and leases		19,165,497,994	17,852,063,855	15,320,518,903
Loans, cash credits, overdrafts, and leases etc.	6 (a)	19,165,497,994	17,852,063,855	15,320,518,903
Bills purchased and discounted	7 (a)	-	-	-
Fixed assets including premises, furniture and fixtures Annexure-1 (a)	8 (a)	387,281,871	421,297,977	323,519,335
Other assets	9 (a)	606,547,832	545,376,761	601,341,023
Non-Financial Institution's assets	10 (a)	44,665,893	44,665,893	44,665,893
Total Assets		21,356,415,174	20,019,059,885	18,707,653,480
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions, and agents	11 (a)	7,694,054,103	7,149,671,046	7,167,736,685
Deposits and other accounts	12 (a)	8,589,493,098	8,399,142,519	7,826,613,857
Current deposits and other accounts		-	-	-
Bills payable		-	-	-
Savings bank deposits		-	-	-
Fixed deposits	12 (a)	8,584,964,098	8,393,854,519	7,824,901,857
Bearer certificates of deposit		-	-	-
Other deposits	12 (a)	4,529,000	5,288,000	1,712,000
Others liabilities	13 (a)	7,071,611,320	4,286,750,360	2,020,022,787
Total Liabilities		23,355,158,521	19,835,563,925	17,014,373,329
Capital/Shareholders' Equity*		(1,997,013,518)	181,011,533	1,689,534,247
Paid-up capital	14	1,490,773,640	1,490,773,640	1,419,784,420
Statutory reserve	15	205,579,082	205,579,082	205,579,082
Other reserve	16	315,000	315,000	315,000
Revaluation reserve	17	157,990,554	162,047,765	166,318,514
Retained earnings	18 (a)	(3,851,671,794)	(1,677,703,954)	(102,462,769)
Non-Controlling Interest		(1,729,829)	2,484,427	3,745,904
Total Liabilities and Shareholders' Equity		21,356,415,174	20,019,059,885	18,707,653,480
Net asset value per share		(13.40)	1.21	11.33

FAS Finance & Investment Limited

Consolidated Balance Sheet

As at 31 December 2020

Particulars	Notes	Restated		Restated
		Amount in Taka		
		31-Dec-2020	31-Dec-2019	31-Dec-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
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
Total		-	639,057,691	2,074,196,208
Other memorandum items	20 (a)	756,510,979	873,509,166	946,613,314

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of 21.10.2021 and signed for and on behalf of the board.



Mr. Mohammed Nurul Amin
Independent Director & Chairman



Dr. Muhammad Saifuddin Khan
Independent Director



Prithish Kumar Sarker
Managing Director & CEO



Md. Zahid Mahmud
Company Secretary



Mr. A.K.M. Shamsher Ali
FAVP & CFO (CC)



Malek Siddiqui Wali
Chartered Accountants

Date: October 24, 2021
Dhaka

FAS Finance & Investment Limited

Consolidated Profit and Loss Account

For the Year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31-Dec-2020	31-Dec-2019
OPERATING INCOME			
Interest income	22 (a)	79,569,899	1,731,349,804
Less: Interest paid on deposits and borrowings, etc.	23 (a)	1,852,155,359	1,970,066,186
Net interest income		(1,772,585,460)	(238,716,382)
Investment income	24 (a)	18,044,502	(52,678,371)
Commission, exchange and brokerage	25 (a)	-	157,500
Other operating income	26 (a)	2,606,590	4,801,924
		20,651,092	(47,718,947)
Total operating income (a)		(1,751,934,368)	(286,435,329)
OPERATING EXPENSES			
Salary and allowances	27 (a)	69,239,502	73,585,251
Rent, taxes, insurance, electricity, etc.	28 (a)	3,468,567	4,941,885
Legal expenses	29 (a)	724,500	439,625
Postage, stamps, telecommunication, etc.	30 (a)	1,469,487	1,849,947
Stationery, printings, advertisements, etc.	31 (a)	624,042	2,736,792
Chief executive's salary & fees		5,600,000	5,600,000
Directors' fees	32 (a)	639,150	772,800
Auditors' fees	33 (a)	276,000	230,000
Depreciation and repairs of FI's assets	34 (a)	35,265,403	38,387,971
Other expenses	35 (a)	14,154,828	16,057,223
Total operating expenses (b)		131,461,479	144,601,494
Profit before provision (c=a-b)		(1,883,395,847)	(431,036,823)
Provision against loans, advances and leases	36 (a)	300,876,016	1,028,125,130
Provision for diminution in value of investments	37 (a)	(5,602,650)	(27,675,489)
Other provisions		-	69,990,350
Total provision (d)		295,273,366	1,070,439,991
Profit before taxation (c-d)		(2,178,669,213)	(1,501,476,814)
Provision for taxation	38 (a)	3,570,094	8,307,376
Current tax		2,978,186	11,839,491
Deferred tax		591,908	(3,532,115)
Net profit after taxation		(2,182,239,307)	(1,509,784,190)
Attributable:		(2,182,239,307)	(1,509,784,190)
Shareholders of the company		(2,178,025,051)	(1,508,522,713)
Non-Controlling Interest		(4,214,256)	(1,261,477)
Appropriations		-	-
Statutory reserve	15	-	-
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		(2,178,025,051)	(1,508,522,713)
Earnings per share-EPS	40(a)	(14.61)	(10.12)

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of 21.10.2021 and signed for and on behalf of the board.

Mr. Mohammed Nurul Amin

Independent Director & Chairman

Dr. Muhammad Saifuddin Khan

Independent Director

Prithish Kumar Sarker

Managing Director & CEO

Md. Zahid Mahmud

Company Secretary

Malek Siddiqui Wali

Chartered Accountants

Mr. A.K.M. Shamsheer Ali

FAVP & CFO (CC)

Date: October 24, 2021, Dhaka

FAS Finance & Investment Limited
Consolidated Statement of Changes in Shareholders' Equity
For the Year ended 31 December 2020

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Total	Non Controlling Interest	Total
Balance as at 01 January 2020	1,490,773,640	205,579,082	162,047,765	315,000	(1,677,703,954)	181,011,533	2,484,427	183,495,960
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	-	-	-	-	(2,178,025,051)	(2,178,025,051)	(4,214,256)	(2,182,239,307)
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
Transfer of revaluation reserve	-	-	(4,057,211)	-	4,057,211	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	1,490,773,640	205,579,082	162,047,765	315,000	(3,851,671,794)	(1,997,013,518)	(1,729,829)	(1,998,743,347)

For the Year ended 31 December 2019

Amount in Taka

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	166,318,513	315,000	4,457,231	1,796,454,246	6,825,904	1,803,280,150
Prior year adjustment	-	-	-	-	(106,920,000)	(106,920,000)	(3,080,000)	(110,000,000)
Restated Balance	1,419,784,420	205,579,082	166,318,513	315,000	(102,462,769)	1,689,534,246	3,745,904	1,693,280,150
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 revaluation reserve	-	-	(4,270,748)	-	4,270,748	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	1,490,773,640	205,579,082	162,047,765	315,000	(1,677,703,954)	181,011,533	2,484,427	183,495,960

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of 21.10.2021 and signed for and on behalf of the board.

Nuruzzaman

Mr. Mohammed Nurul Amin
Independent Director & Chairman

Saifuddin

Dr. Muhammad Saifuddin Khan
Independent Director

Prithib

Prithib Kumar Sarker
Managing Director & CEO

Zahid

Md. Zahid Mahmud
Company Secretary

Asim

Mr. A.K.M. Shamsheer Ali
FAVP & CFO (CC)

Md. Malek

Malek Siddiqui Wali
Chartered Accountants

Date: October 24, 2021

Dhaka

FAS Finance & Investment Limited

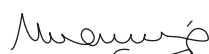
Consolidated Cash Flow Statement

For the Year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31-Dec-2020	31-Dec-2019
Cash flows from operating activities			
Interest receipts		127,052,489	983,342,776
Interest payments		(173,799,329)	(644,011,648)
Dividend receipts		1,925,942	6,095,020
Fee and commission receipts		-	157,500
Recoveries on loans previously written off		1,994,945	1,250,797
Payments to employees		(69,434,892)	(72,396,487)
Income taxes paid		(16,863,341)	(10,860,298)
Receipts from other operating activities		14,110,135	(57,370,571)
Payment for other operating activities		(15,402,334)	(587,191)
Operating profit before changes in operating assets & liabilities		(130,416,385)	205,619,898
Increase/decrease in operating assets and liabilities			
Loans, advances and leases to customers		367,049,184	(1,254,314,929)
Other assets		(35,686)	6,765,761
Deposit from other FI's		(3,926,243)	730,530,369
Deposit from customers		(151,794,400)	(418,757,227)
Other liabilities to customer		(27,944,620)	11,968,957
Trading liabilities (short-term borrowing)		-	(547,003,549)
Other liabilities		485,608	(416,405)
		183,833,843	(1,471,227,023)
Net cash from/(used in) operating activities (a)		53,417,458	(1,265,607,125)
Cash flows from investing activities			
Purchase/sale of trading securities, shares, bonds, etc.		37,461,384	189,652,884
Purchase/sale of property, plant and equipment		(967,775)	(133,908,736)
Net cash used in investing activities (b)		36,493,609	55,744,148
Cash flows from financing activities			
Increase/(decrease) of long-term borrowings		(55,694,213)	129,380,115
Dividend paid		-	3,941
Net cash flow from financing activities (c)		(55,694,213)	129,384,056
Net increase/(decrease) in cash (a+b+c)		34,216,854	(1,080,478,921)
Effects of exchange rate changes on cash and cash equivalents			
Cash and cash equivalents at beginning of the year		1,052,826,169	2,133,305,090
Cash and cash equivalents at end of the year*		1,087,043,023	1,052,826,169
*Cash and cash equivalents at end of the year			
Cash in hand and balance with Bangladesh Bank		610,419	17,260,113
Balance with other banks		1,086,432,604	1,035,566,056
Money at call and short notice		-	-
Treasury bills		-	-
Prize bond		-	-
		1,087,043,023	1,052,826,169
Net operating cash flow per share-NOCFPS		0.36	(8.49)

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of 21.10.2021 and signed for and on behalf of the board.



Mr. Mohammed Nurul Amin
Independent Director & Chairman



Dr. Muhammad Saifuddin Khan
Independent Director



Prithish Kumar Sarker
Managing Director & CEO



Md. Zahid Mahmud
Company Secretary
Date: October 24, 2021, Dhaka



Malek Siddiqui Wali
Chartered Accountants



Mr. A.K.M. Shamsheer Ali
FAVP & CFO (CC)

FAS Finance & Investment Limited

Balance Sheet

As at December 31, 2020

Particulars	Notes	Amount in Taka	
		31-Dec-2020	31-Dec-2019
PROPERTY AND ASSETS			
Cash	2	577,697	17,179,374
In hand (including foreign currencies)	2.1	13,067	47,662
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.2	564,630	17,131,712
Balance with other banks and financial institutions	3	1,084,845,035	1,034,657,920
In Bangladesh	3.1	1,084,845,035	1,034,657,920
Outside Bangladesh		-	-
Money at call and on short notice	4	-	-
Investments	5	14,432,507	66,330,074
Government	5.1	-	-
Others	5.2	14,432,507	66,330,074
Loans, advances and leases		19,190,799,108	17,928,103,014
Loans, cash credits, overdrafts, and leases etc.	6	19,190,799,108	17,928,103,014
Bills purchased and discounted	7	-	-
Fixed assets including premises, furniture and fixtures (Annexure-1)	8	374,953,497	406,148,859
Other assets	9	824,134,736	773,154,125
Non-Financial Institution's assets	10	44,665,893	44,665,893
Total Assets		21,534,408,473	20,270,239,259
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions, and agents	11	7,301,735,107	6,754,352,050
Deposits and other accounts	12	9,094,036,379	8,949,142,519
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed deposits	12.1	9,089,507,379	8,943,854,519
Bearer certificates of deposit		-	-
Other deposits	12.1	4,529,000	5,288,000
Others liabilities	13	6,832,600,784	4,228,978,322
Total Liabilities		23,228,372,270	19,932,472,891
Capital/Shareholders' Equity*		(1,693,963,797)	337,766,368
Paid-up capital	14	1,490,773,640	1,490,773,640
Statutory reserve	15	205,579,082	205,579,082
Other reserve	16	315,000	315,000
Revaluation reserve	17	157,990,554	162,047,765
Retained earnings	18	(3,548,622,073)	(1,520,949,119)
Total Liabilities and Shareholders' Equity		21,534,408,473	20,270,239,259
Net asset value per share		(11.36)	2.27

FAS Finance & Investment Limited

Balance Sheet

As at December 31, 2020

Particulars	Notes	Amount in Taka	
		31-Dec-2020	31-Dec-2019
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments			
Documentary credits and short term trade-related transactions		-	639,057,691
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
		-	-
Total		-	639,057,691
Other memorandum items			
	20	-	-

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of 21.10.2021 and signed for and on behalf of the board.



Mr. Mohammed Nurul Amin
Independent Director & Chairman



Dr. Muhammad Saifuddin Khan
Independent Director



Prithish Kumar Sarker
Managing Director & CEO



Md. Zahid Mahmud
Company Secretary



Malek Siddiqui Wali
Chartered Accountants



Mr. A.K.M. Shamsheer Ali
FAVP & CFO (CC)

Date: October 24, 2021

Dhaka

FAS Finance & Investment Limited

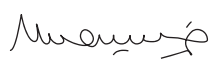
Profit and Loss Account

For the Year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31-Dec-2020	31-Dec-2019
OPERATING INCOME			
Interest income	22	205,588,558	1,751,775,729
Less: Interest paid on deposits and borrowings, etc.	23	1,825,521,000	1,974,151,155
Net interest income		(1,619,932,442)	(222,375,426)
Investment income	24	13,937,861	(31,684,409)
Commission, exchange and brokerage	25	-	-
Other operating income	26	1,770,202	2,844,720
		15,708,063	(28,839,689)
Total operating income (a)		(1,604,224,379)	(251,215,115)
OPERATING EXPENSES			
Salary and allowances	27	64,283,277	66,521,355
Rent, taxes, insurance, electricity, etc.	28	3,196,602	4,536,669
Legal expenses	29	724,500	422,375
Postage, stamps, telecommunication, etc.	30	1,271,291	1,581,050
Stationery, printings, advertisements, etc.	31	611,697	2,685,503
Chief executive's salary & fees		5,600,000	5,600,000
Directors' fees	32	546,000	690,000
Auditors' fees	33	230,000	172,500
Depreciation and repairs of FI's assets	34	32,314,435	33,106,096
Other expenses	35	12,827,508	15,078,188
Total operating expenses (b)		121,605,310	130,393,736
Profit before provision (c=a-b)		(1,725,829,689)	(381,608,851)
Provision against loans, advances and leases	36	300,876,016	1,028,125,130
Provision for diminution in value of investments	37	1,707,507	(22,054,909)
Other provisions	13.09	-	69,990,350
Total provision (d)		302,583,523	1,076,060,571
Profit before taxation (c-d)		(2,028,413,212)	(1,457,669,422)
Provision for taxation	38	3,316,953	7,062,020
Current tax	13.2	2,750,902	10,527,723
Deferred tax	13.3	566,051	(3,465,703)
Net profit after taxation		(2,031,730,165)	(1,464,731,442)
Appropriations		-	-
Statutory reserve	15	-	-
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		(2,031,730,165)	(1,464,731,442)
Earnings per share-EPS	40	(13.63)	(9.83)

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of 21.10.2021 and signed for and on behalf of the board.



Mr. Mohammed Nurul Amin
Independent Director & Chairman



Dr. Muhammad Saifuddin Khan
Independent Director



Prithish Kumar Sarker
Managing Director & CEO



Md. Zahid Mahmud
Company Secretary



Malek Siddiqui Wali
Chartered Accountants



Mr. A.K.M. Shamsheer Ali
FAVP & CFO (CC)

Date: October 24, 2021
Dhaka

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

For the Year ended 31 December 2020

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Total
Balance as at 01 January 2020	1,490,773,640	205,579,082	162,047,765	315,000	(1,520,949,119)	337,766,368
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	-	-	-	-	(2,031,730,165)	(2,031,730,165)
Transfer to statutory reserve	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Transfer of revaluation reserve	-	-	(4,057,211)	-	4,057,211	-
Issue of share capital	-	-	-	-	-	-
Balance as at 31 December 2020	1,490,773,640	205,579,082	157,990,554	315,000	(3,548,622,073)	(1,693,963,797)

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	166,318,513	315,000	10,500,795	1,802,497,810
Effects of changes in accounting policy	-	-	-	-	-	-
Restated Balance	1,419,784,420	205,579,082	166,318,513	315,000	10,500,795	1,802,497,810
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 revaluation reserve	-	-	(4,270,748)	-	4,270,748	-
Issue of share capital	-	-	-	-	-	-
Balance as at 31 December 2019	1,490,773,640	205,579,082	162,047,765	315,000	(1,520,949,119)	337,766,368

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of 21.10.2021 and signed for and on behalf of the board.

			
Mr. Mohammed Nurul Amin Independent Director & Chairman	Dr. Muhammad Saifuddin Khan Independent Director	Pritish 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

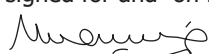
Cash Flow Statement

For the Year ended 31 December 2020

Particulars	Notes	Amount in Taka	
		31-Dec-2020	31-Dec-2019
Cash flows from operating activities			
Interest receipts		185,043,819	912,459,826
Interest payments		(202,574,840)	(592,941,076)
Dividend receipts		1,132,302	3,646,324
Fee and commission receipts		-	-
Recoveries on loans previously written off		1,994,945	1,250,797
Payments to employees		(64,478,667)	(65,332,591)
Income taxes paid		(6,217,618)	(9,409,100)
Receipts from other operating activities		10,175,702	(36,579,160)
Payment for other operating activities		(13,406,030)	492,465
Operating profit before changes in operating assets & liabilities		(88,330,387)	213,587,485
Increase/decrease in operating assets and liabilities			
Loans, advances and leases to customers		354,208,756	(1,225,592,548)
Other assets		-	6,822,184
Deposit from other FI's		(3,926,243)	730,530,369
Deposit from customers		(197,251,119)	(418,757,227)
Other liabilities to customer		(27,944,620)	11,968,957
Trading liabilities (short-term borrowing)		-	(517,003,549)
Other liabilities		(200,000)	499,760
		124,886,774	(1,411,532,054)
Net cash from/(used in) operating activities (a)		36,556,387	(1,197,944,569)
Cash flows from investing activities			
Purchase/sale of trading securities, shares, bonds, etc.		49,449,000	69,698,650
Purchase/sale of property, plant and equipment		(967,775)	(128,067,919)
Net cash used in investing activities (b)		48,481,225	(58,369,269)
Cash flows from financing activities			
Increase/(decrease) of long-term borrowings		(51,452,174)	178,358,580
Dividend paid		-	3,941
Net cash flow from financing activities (c)		(51,452,174)	178,362,521
Net increase/(decrease) in cash (a+b+c)		33,585,438	(1,077,951,317)
Effects of exchange rate changes on cash and cash equivalents			
Cash and cash equivalents at beginning of the year		1,051,837,294	2,129,788,611
Cash and cash equivalents at end of the year*		1,085,422,732	1,051,837,294
*Cash and cash equivalents at end of the year			
Cash in hand and balance with Bangladesh Bank		577,697	17,179,374
Balance with other banks		1,084,845,035	1,034,657,920
Money at call and short notice		-	-
Treasury bills		-	-
Prize bond		-	-
		1,085,422,732	1,051,837,294
Net operating cash flow per share-NOCFPS		0.25	(8.04)

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of 21.10.2021 and signed for and on behalf of the board.



Mr. Mohammed Nurul Amin

Independent Director & Chairman



Dr. Muhammad Saifuddin Khan

Independent Director



Prithish Kumar Sarker

Managing Director & CEO



Md. Zahid Mahmud

Company Secretary



Malek Siddiqui Wali

Chartered Accountants



Mr. A.K.M. Shamsheer Ali

FAVP & CFO (CC)

Date: October 24, 2021, Dhaka

FAS Finance & Investment Limited
Liquidity Statement
 (Asset and Liability Maturity Analysis)
 As at 31 December, 2020

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)	13,067	-	564,630	-	-	577,697
Balance with other banks and financial institution	140,280,954	-	619,639,081	324,925,000	-	1,084,845,035
Money at call and on short notice	-	-	-	-	-	-
Investments	240,542	481,083	2,164,876	11,546,006	-	14,432,507
Loan, advances and leases	182,268,588	258,769,081	446,201,345	1,242,379,921	17,061,180,173	19,190,799,108
Fixed assets including premises, furniture and fixture	-	-	-	-	374,953,497	374,953,497
Other assets	-	-	-	-	824,134,736	824,134,736
Non-Financial Institution's assets	-	-	-	-	44,665,893	44,665,893
Total assets	322,803,151	259,250,164	1,068,569,932	1,578,850,927	18,304,934,299	21,534,408,473
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	15,341,969	290,683,938	3,678,142,707	3,317,566,493	-	7,301,735,107
Deposits and other accounts	178,164,597	7,042,735,950	1,722,547,971	149,853,181	734,680	9,094,036,379
Provision and other liabilities	150,522,341	481,528,921	851,267,974	5,349,281,548	-	6,832,600,784
Total liabilities	344,028,907	7,814,948,809	6,251,958,652	8,816,701,222	734,680	23,228,372,270
Net liquidity excess/(shortage)	(21,225,756)	(7,555,698,645)	(5,183,388,720)	(7,237,850,295)	18,304,199,619	(1,693,963,797)

FAS Finance & Investment Limited

Notes to the financial statements

As at and for the year ended 31 December 2020

1.0 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 providing 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, 2020
- b) Consolidated and Separate Profit and Loss Account for the year ended December 31, 2020
- c) Consolidated and Separate Statement of Cash Flows for the year ended December 31, 2020;
- d) Consolidated and Separate Statement of Changes in Equity for the year ended December 31, 2020;
- e) Liquidity Statement for the year ended December 31, 2020;
- f) Notes to the Consolidated and Separate Financial Statements for the year ended December 31, 2020.

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

During the year 2020, the Company has not adopted any change of accounting estimates and consistently applies same accounting estimates for the year of 2019.

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 2020.

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 has been prepared in accordance with the template provided with DFIM circular no.-11, Date-23 December 2009 and accordance with IAS 7 "Statement of Cash Flows".

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

Sl.	Name of IAS	IAS No.	Status
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
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	IFRS 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 2020 to 31 December 2020.

1.02.18 Director of the Company:

At the end of the year under audit, there were Ten 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 2019 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.

Rates of depreciation applied are shown below:

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 2020.

1.02.30 Provision for taxation:

Provision for current year income tax has been made @ 37.50% as prescribed in the Finance Act, 2020. The accounting profit has made by the company after considering some of add back to income and disallow of expenditure as per income tax laws in compliance with IAS-12. Assessments completed up to 2017-2018 but some years settlements are pending due to 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 in NBR. High Court Order already received for the Assessment year: 2006-2007, 2007-2008, 2009-2010, 2010-2011 & 2011-2012 order also given in favoring FAS Finance & Investment Ltd. By the honorable Appellate Division of Supreme Court. Assessment year: 2012-2013, 2013-2014, 2014-2015, 2015-2016 are pending at High Court stage. Assessment year: 2016-2017 has been completed under section 82BB. A decision has already been taken by the authority for 2nd appeal against assessment order year 2017-2018 of Income tax Authority. 2018-2019 & 2019-2020 are in assessment stage.

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, 2020 to December 31, 2020, 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, 2020 to December 31, 2020 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 two months for lease finance up to 5 years & for more than five months for lease finance more than 5 years.

(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 two months for term finance up to 5 years & for more than five months for term finance more than 5 years.

(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 8 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-2020	31-Dec-2019
2	Cash		
	Cash in hand (including foreign currency)	2.1 13,067	47,662
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	2.2 564,630	17,131,712
		577,697	17,179,374
2.1	Cash in hand (including foreign currency)		
	Local currency	13,067	47,662
	Foreign currency	-	-
		13,067	47,662
	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	564,630	17,131,712
	Foreign currency	-	-
		564,630	17,131,712
	Agent Bank of Bangladesh Bank	-	-
		564,630	17,131,712
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, FID circular number 02 dated November 10, 2004 and DFIM circular number 03 dated June 21, 2020 of Bangladesh Bank.		
	Cash reserve requirement (CRR) has been calculated at the rate of 1.50% 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	40,739,127	67,564,433
	Actual reserve maintained	185,064	2,248,785
	Surplus/(shortage)	(40,554,063)	(65,315,648)
(b)	Statutory liquidity reserve (SLR)		
	Required reserve (Including CRR)	258,958,759	206,766,142
	Actual reserve maintained (Including CRR)	1,043,547,948	1,022,815,747
	Surplus	784,589,189	816,049,605
	Total required reserve	258,958,759	206,766,142
	Total actual reserve maintained	1,043,547,948	1,022,815,747
	Surplus/(shortage)	784,589,189	816,049,605
2 (a)	Consolidated Cash		
	i. Cash in hand (including foreign currency)		
	FAS Finance & Investment Limited	2.1 13,067	47,662
	FAS Capital Management Limited	32,722	80,739
		45,789	128,401
	ii. Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		
	FAS Finance & Investment Limited	2.2 564,630	17,131,712
	FAS Capital Management Limited	-	-
		564,630	17,131,712
		610,419	17,260,113

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

3 Balance with other banks and financial institutions

In Bangladesh	3.1	1,084,845,035	1,034,657,920
Outside Bangladesh		-	-
		1,084,845,035	1,034,657,920

3.1 In Bangladesh

Current deposits

Al-Arafah Islami Bank Ltd., VIP Road Branch, Nayapaltan, Dhaka	CD-0141020041903	11,233	1,523
Bank Asia Ltd., Corporate Branch, Dhaka	CD-00233012221	-	18,045
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	CD-010111100028541	98,339	100,329
Islami Bank Bangladesh Ltd., Foreign Ex. Cor. Br., Dhaka	AWCA-1090100819116	91,782	91,782
Meghna Bank Ltd., Principal Branch, Gulshan, Dhaka	CD-110113500000022	18,965	-
NRB Bank Ltd., Corporate Branch, Dhaka	CD-1012010102227	277,148	139,313
Pubali Bank Ltd., Mohakhali Branch, Dhaka	CD-3677901015917	7,135,439	525,309
Southeast Bank Ltd., Gulshan Branch, Dhaka	CD-001011100017141	25,022,987	25,451
Standard Bank Ltd., Gulshan Branch, Dhaka	CD-00933010415	-	340
Uttara Bank Ltd., Corporate Branch, Dhaka	CD-154512200212029	61	61
Woori Bank Ltd., Dhaka Branch, Dhaka	CDA-923915855	-	-
		32,655,954	902,153

Special notice deposit accounts

Bank Asia Ltd., Paltan Branch, Dhaka	SND-04936000058	203,394	3,930,806
Bank Asia Ltd., Sonargaon-Janapath Road Branch, Dhaka	SND-07536000033	64,894	64,779
Bangladesh Commerce Bank Ltd., Principal Branch, Dhaka	SND-00232000082	104,411	103,470
BASIC Bank Limited, Bangshal Branch, Dhaka	SND-0616-01-0000635	4,989	5,930
Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka	SND-116120000974	998,375	211,205
Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka	SND-1161200003865	1,287,065	2,467,212
Dutch Bangla Bank Ltd., CDA Avenue Branch, Chittagong	SND-1291200000707	693	1,593
EXIM Bank Ltd., Gulshan Branch, Dhaka	SND-00713100065009	21,191	21,863
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-010113100001512	368,031	364,489
First Security Islami Bank Ltd., Ring Road Branch, Dhaka	SND-013313100000056	289,442	269,625
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-010113100002301	3,270	4,549
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-13100009342	91,715	91,226
Mercantile Bank Ltd., Main Branch, Dhaka	SND-110113110196932	2,373	3,868
Midland Bank Ltd., Dilkusha Corporate Branch, Dhaka	SND-0001-1090000296	128,239	130,285
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	SND-0022-0320001041	-	65
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	SND-0022-0320000131	92,471	91,170
Mutual Trust Bank Ltd., CDA Avenue Branch, CTG	SND-0009-0320000889	8,870	60,155
Mutual Trust Bank Ltd., Sylhet Branch, Sylhet	SND-0023-0320000578	42,664	13,430
NCC Bank Ltd., Bashundhara Branch, Dhaka	SND-0096-0325000017	7,286	7,499
NCC Bank Ltd., Gulshan Branch, Dhaka	SND-0012-0325000802	60,602	59,866
NRB Bank Ltd., Bhulta Branch, Dhaka	SND-1131030002531	1,546	2,182
NRB Commercial Bank Ltd., Principal Branch, Dhaka	SND-010136000000012	39,659	39,659
One Bank Limited, Ganakbari Branch, Savar	SND-0053000000323	4,379	4,931
Padma Bank Ltd., Motijheel Branch, Dhaka	SND-0113000007464	18,727	18,688
Prime Bank Limited, Dhanmondi Branch, Dhaka	SND-14631090025594	-	1,343
Pubali Bank Ltd., Narsingdi Branch, Narsingdi	SND-0722102000518	167,128	42,732
Social Islami Bank Ltd., Begum Rokeya Sarani Br., Dhaka	SND-0131360001027	531	531
South Bangla Agriculture & Commerce Bank Limited, Gulshan Branch, Dhaka	SND-00101300209	1,977	-
The Premier Bank Limited, Gulshan Circle-2 Branch, Dhaka	SND-13100000070	-	-
The Premier Bank Limited, Tejgaon Link Road Br., Dhaka	SND-13100000020	155	6,946
Uttara Bank Ltd., Corporate Branch, Dhaka	SND-154514100041132	1,884	701,829
Woori Bank Ltd., Dhaka Branch, Dhaka	NDA-923000195	8,688	9,449
		4,024,649	8,731,375

Savings deposits

Foreign currency:

Southeast Bank-EURO, Gulshan Branch, Dhaka	163-00000-019	-	-
Southeast Bank-Pound, Gulshan Branch, Dhaka	162-00000-028	-	-
Southeast Bank-Dollar, Gulshan Branch, Dhaka	151-00000-689	-	-
		-	-

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

Fixed deposits

International Leasing and Financial Services Limited	586,249,765	577,966,710
Premier Leasing & Finance Limited	432,550,000	400,000,000
Social Islami Bank Limited	29,364,667	12,075,000
Woori Bank Limited	-	34,982,682
	1,048,164,432	1,025,024,392
	1,084,845,035	1,034,657,920
	-	-

3.1.a Account-wise/grouping of balance with other banks and financial institutions

Current deposits	32,655,954	902,153
Special notice deposit accounts	4,024,649	8,731,375
Savings deposits	-	-
Foreign currency	-	-
Fixed deposits	1,048,164,432	1,025,024,392
	1,084,845,035	1,034,657,920

3.1.b Maturity grouping of balance with other banks

Repayable-on demand	32,655,954	902,153
-up to 3 months	107,625,000	100,000,000
-over 3 months but within 1 year	619,639,081	933,755,767
-over 1 year but within 5 years	324,925,000	-
-over 5 years	-	-
	1,084,845,035	1,034,657,920

3 (a) Consolidated balance with other banks and financial institutions**i. In Bangladesh:**

FAS Finance & Investment Limited	3.1	1,084,845,035	1,034,657,920
FAS Capital Management Limited	3 (a)i	1,587,569	908,136
		1,086,432,604	1,035,566,056

ii. Outside Bangladesh:

FAS Finance & Investment Limited	-	-
FAS Capital Management Limited	-	-
	-	-
	1,086,432,604	1,035,566,056

3 (a)i Bank balance of FAS Capital Management Limited**Current deposits**

Woori Bank Ltd., Dhaka Branch, Dhaka	CDA-923920015	-	-
		-	-

Special notice deposit accounts

Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka	SND-116.120.1505	94,551	3,657
Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka-LRHR	SND-116.120.4323	1,396	120,553
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	SND-0022-0320000793	16,255	43,502
One Bank Ltd., Principal Branch	SND-0013000001743	18,787	331,894
One Bank Ltd., Principal Branch	SND-0013000001754	6,241	67,519
Prime Bank Ltd., Mohakhali Branch, Dhaka	SND-11031050015284	-	1
Prime Bank Ltd., Gulshan Branch, Dhaka	SND-11831060023968	-	-
Social Islami Bank Ltd., Gulshan Branch, Dhaka	SND-0081360000649	26,062	28,616
The City Bank Ltd., Gulshan Branch, Dhaka	6002-PIAA	1,274,289	2,732
The City Bank Ltd., Gulshan Branch, Dhaka	SND-3101221156001	101,207	282,578
The City Bank Ltd., Gulshan Branch, Dhaka	SND-3101221156003	37,274	5,525
Woori Bank Ltd., Dhaka Branch, Dhaka	NDA-923000208	11,507	21,559
		1,587,569	908,136

Fixed deposits

FAS Finance & Investment Limited	504,543,281	550,000,000
	504,543,281	550,000,000
Less: Inter company transaction	(504,543,281)	(550,000,000)
	-	-
Total	1,587,569	908,136

		Amount in Taka	
		As at	
		31-Dec-2020	31-Dec-2019
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	-	-
	FAS Capital Management Limited	-	-
		-	-
5	Investments	14,432,507	66,330,074
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)	14,432,507	66,330,074
	Debentures	-	-
	Bonds	-	-
	Zero Coupon Bond	-	-
	Other investments	-	-
	Gold, etc.	-	-
		-	-
		14,432,507	66,330,074
		14,432,507	66,330,074
5.2.a	Ordinary shares (Quoted and Unquoted)		
	Quoted		
	AB Bank Limited	3,611,497	3,611,496
	AND Telecom Limited	-	569,040
	Esquir Knit Composite Limited	470,025	470,025
	New Line Clothings Limited	-	40,266
	Niloy Cement Industries Limited	67,845	67,845
	Nitol Insurance Company Limited	-	51,288,262
	Runner Automobiles Limited	283,140	283,140
		4,432,507	56,330,074
	Unquoted		
	Achia Sea Foods Limited	10,000,000	10,000,000
		10,000,000	10,000,000
		14,432,507	66,330,074

(A schedule of investments in share is given in annexure-2)

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

5.3 Maturity grouping

Repayable-on demand	-	-
-up to 3 months	721,625	3,423,487
-over 3 months but within 1 year	2,164,876	9,949,511
-over 1 year but within 5 years	11,546,006	52,957,076
-over 5 years	-	-
	14,432,507	66,330,074

5 (a) Consolidated Investments**i. In Government securities**

FAS Finance & Investment Limited	-	-
FAS Capital Management Limited	-	-
	-	-

ii. Other Investments

FAS Finance & Investment Limited	5.2	14,432,507	66,330,074
FAS Capital Management Limited	5 (a)i	50,946,054	36,499,156
		65,378,561	102,829,230
		65,378,561	102,829,230

5 (a)i Ordinary shares (Quoted and Unquoted) of FAS Capital Management Limited**Quoted**

AB Bank Limited	11,408,235	11,205,629
AND Telecom Limited	-	569,040
Appollo Ispat Complex Limited	6,995,376	6,995,376
BATBC Limited	-	90,406
Bashundhara Paper Mills Limited	-	97,582
Continental Insurance Company Ltd.	1,054,153	-
Coppertech Industries Ltd.	-	90,532
Crystal Insurance Company Ltd.	108,780	-
Dominage Steel Building Systems Ltd.	115,492	-
Esquire Knit Composite Ltd.	4,192,588	391,456
Evince Textile Mills Ltd.	1,379,646	-
Golden Harvest Agro Industries Ltd.	-	189,567
IFIC Bank Limited	-	514,038
IFAD Autos Limited	-	5,585,956
LR Global BD-MF One	-	271,088
M.L. Dyeing Ltd.	5,015,000	-
National Feed Mills Ltd.	-	90,270
New Line Clothings Limited	-	40,265
Robi Axiata Ltd.	550,980	-
Runner Automobile Limited	-	688,862
Saif Powertec Limited	4,435,768	-
Saiham Textile Mills Ltd.	7,124,324	-
Sea Pearl Beach Tesort & Spa Ltd.	732,003	37,526
Silco Pharmaceuticals Ltd.	-	39,898
Silva Pharmaceuticals Limited	-	167,501
Simtex Industries Limited	7,833,709	8,257,770
Square Pharma Limited	-	736,077
Western Marine Shipyard Ltd.	-	349,044
Zaheen Spinning Ltd.	-	91,273
Total	50,946,054	36,499,156

		Amount in Taka	
		As at	
		31-Dec-2020	31-Dec-2019
6	Loans, advances and leases	19,190,799,108	17,928,103,014
6.1	Maturity wise grouping's		
	Repayable-on demand	-	-
	-not more than 3 months	441,037,669	1,161,592,616
	-more than 3 months but not more than 1 year	446,201,345	2,106,546,564
	-more than 1 year but not more than 5 years	1,242,379,921	1,537,269,080
	-more than 5 years	17,061,180,173	13,122,694,754
		19,190,799,108	17,928,103,014
6.2	Loans, cash credits, overdrafts, and leases etc In Bangladesh		
	Loans-General	18,911,711,304	17,658,135,065
	Cash credits	-	-
	Overdrafts	-	-
	Leases	279,087,804	269,967,949
		19,190,799,108	17,928,103,014
	Outside Bangladesh	-	-
		19,190,799,108	17,928,103,014
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	18,455,939,509	17,173,195,100
	Advance to customer groups	734,859,599	754,907,914
		19,190,799,108	17,928,103,014
6.4	Industry-wise loans, advances and leases		
	Agriculture	276,102,471	255,083,397
	Cement and allied industry	-	-
	Electronics and electrical products	102,298,896	128,632,739
	Food production and processing industry	8,810,073	8,810,073
	Garments and knitwear	594,707,313	532,202,499
	Glass, glass ware and ceramic industry	-	-
	Housing	2,466,463,297	2,355,372,707
	Iron, steel and engineering	-	983,522
	Jute & jute products	180,437,132	165,895,497
	Leather and leather products	9,187,361	9,187,361
	Margin loan	-	-
	Merchant banking	2,415,431,689	2,412,153,280
	Others	198,099,729	187,775,656
	Paper, printing and packaging	160,388,548	190,978,929
	Pharmaceuticals and chemicals	1,531,323,158	1,418,641,260
	Plastic industry	2,582,587	3,139,983
	Power, gas, water and sanitary service	81,344,879	144,604,060
	Ship manufacturing industry	264,573,907	264,573,907
	Telecommunication and information technology	-	-
	Textile	260,097,558	250,307,888
	Trade and commerce	8,921,348,775	8,063,555,358
	Transport and aviation	1,717,601,735	1,536,204,898
		19,190,799,108	17,928,103,014

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

6.5 Geographical Location-wise (Division)**In Bangladesh**

Dhaka	19,050,415,742	17,789,110,642
Chattagram	136,048,439	134,581,173
Sylhet	4,334,927	4,411,199
	19,190,799,108	17,928,103,014

6.6 Classification of loans, advances and leases**Unclassified**

Standard	2,114,317,393	4,220,170,160
Special mention account	43,447,887	593,382,512
Total unclassified loans, advances and leases	2,157,765,280	4,813,552,672

Classified

Sub-standard	247,779,679	5,064,217,049
Doubtful	183,967,515	119,060,328
Bad/Losses	16,601,286,634	7,931,272,965
Total classified loans, advances and leases	17,033,033,828	13,114,550,342
	19,190,799,108	17,928,103,014

6.7 Particulars of loans, advances and leases

i) Loans considered good in respect of which the FI's is fully secured	10,464,239,806	10,929,123,065
ii) Loans considered good against which the FI's holds no security other than the debtors' personal guarantee	5,132,962,368	5,982,028,813
iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	3,593,596,934	1,016,951,136
iv) Loans adversely classified but provision not maintained there against	-	-
	19,190,799,108	17,928,103,014

Note/ Discloser:

On 29 September, 2021 upon our request, Bangladesh Bank vide letter No-DFIM©1054/10/2021-2103 has given NOC for maintaining 50% of required provision of Tk. 54.28 crore i.e. Tk. 27.14 crore and 50% reversal of interest income of Tk. 20.05 crore i.e. Tk.10.025 crore per annum from 2020 to 2022. Accordingly, the instruction has since been complied for the year 2020. The shortfall of provision of Tk. 734.23 (Tk. 697.065 crore as per Bangladesh Bank inspection report + Tk. 27.14 crore + Tk. 10.025 crore) will be treated as deferred till 2022. As per Bangladesh Bank approval.

Earlier Bangladesh Bank vide letter # DFIM©/1054/10/2020 dated November 12, 2020 provided us NOC for deferment of transfer of interest income for Tk.140.35 crore to interest suspense account in 7 (Seven) equal annual installments of Tk. 20.05 crore each starting from 2019 and deferment of shortfall of provision for Tk. 399.96 crore with the condition that Tk. 20.00 crore to be maintained in 2019 and balance Tk. 379.96 crore in 7 (seven) equal annual installment of Tk. 54.28 crore each starting from 2020.

		Amount in Taka	
		As at	
		31-Dec-2020	31-Dec-2019
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	-	-
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)	349,160,960	1,150,314,669
	b) Amount of loan written off	-	-
	c) Amount realized against loan previously written off	1,909,513	1,182,257
	d) Provision kept against loans classified as bad/loss on the date preparing the balance sheet	1,580,435,898	1,231,274,938
	e) Interest creditable to interest suspense account	2,437,736,413	1,475,439,960
xi)	Written off loan		
	Opening Balance	243,440,152	244,622,409
	During the year	-	-
	Cumulative to date (as per Bangladesh Bank guidelines)	241,530,639	243,440,152
	The amount of written off loans for which law suits have been filed for its recovery	241,530,639	243,440,152

6 (a) Consolidated loans, cash credits, overdrafts, and leases etc**i. In Bangladesh**

FAS Finance & Investment Limited	6.2	19,190,799,108	17,928,103,014
FAS Capital Management Limited		1,602,430,956	1,483,665,582
		20,793,230,064	19,411,768,596
Less: Inter company transaction		(1,627,732,070)	(1,559,704,741)
		19,165,497,994	17,852,063,855

ii. Outside Bangladesh

FAS Finance & Investment Limited		-	-
FAS Capital Management Limited		-	-
		-	-
		19,165,497,994	17,852,063,855

		Amount in Taka	
		As at	
		31-Dec-2020	31-Dec-2019
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	-	-
		-	-
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	8,477,221	8,187,821
	Office decoration	8,957,959	8,957,959
	Office equipment	10,453,680	9,132,180
	Motor vehicles	26,678,950	29,833,880
	Electrical installation	2,057,474	2,057,474
	Computer	11,408,348	11,408,348
	Telephone line & PABX system	1,067,650	1,067,650
	Right of use Assets	122,512,515	122,512,515
	Software	638,421	638,421
		587,862,885	589,406,915
	Less: Accumulated depreciation:		
	Office building	138,562,421	129,587,663
	Furniture & fixture	4,512,314	4,095,885
	Office decoration	4,573,999	4,086,892
	Office equipment	6,258,937	5,693,592
	Motor vehicles	16,447,025	16,022,441
	Electrical installation	1,612,107	1,533,513
	Computer	4,962,977	3,825,559
	Telephone line & PABX system	676,731	607,745
	Right of use Assets	34,909,674	17,454,837
	Software	393,203	349,929
		212,909,388	183,258,056
	Written down value at the end of the year	374,953,497	406,148,859
8 (a)	Consolidated fixed assets including premises, furniture and fixtures		Annexure-1 (a)
	FAS Finance & Investment Limited	374,953,497	406,148,859
	FAS Capital Management Limited	12,328,374	15,149,118
		387,281,871	421,297,977

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

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.		179,751	190,753
iii) Advance rent and advertisement		540,000	2,201,488
iv) Interest accrued on investment but not collected, commission & brokerage receivable on shares and debenture and income receivable		186,592,689	144,914,586
v) Security deposit		509,300	509,300
vi) Preliminary, formation and organization expenses, renovation/development and prepaid expenses		20,086,796	20,410,941
vii) Branch adjustment (net reconciled)		-	-
viii) Suspense account		-	-
ix) Silver		-	-
x) Advance corporate income tax	9.2	363,054,848	356,837,230
xi) Accounts receivable		10,171,352	5,089,827
xii) Deferred tax asset		-	-
xiii) others		-	-
		581,134,736	530,154,125
		824,134,736	773,154,125

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		40,273,133	34,516,443
Advance income tax on dividend		7,357,281	7,131,353
Advance income tax (LTU)		308,433,634	308,433,634
Advance income tax on motor vehicle		1,093,445	858,445
Advance income tax on share placement		5,620,000	5,620,000
Advance income tax (source Tax)		277,355	277,355
		363,054,848	356,837,230

9.2 (a) Consolidated advance corporate income tax

FAS Finance & Investment Limited	9.2	363,054,848	356,837,230
FAS Capital Management Limited		15,924,412	5,278,689
		378,979,260	362,115,919

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

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	581,134,736	530,154,125
FAS Capital Management Limited		103,875,346	89,385,781
		685,010,082	619,539,906
Less: Inter company transaction		(78,462,250)	(74,163,145)
		606,547,832	545,376,761
		606,547,832	545,376,761

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	7,301,735,107	6,754,352,050
Outside Bangladesh		-	-
		7,301,735,107	6,754,352,050

11.1 In Bangladesh

SME Refinancing Loan		-	-
Agrani Bank Limited		70,000,000	70,000,000
Al-Arafah Islami Bank Limited		556,626,110	532,077,657
Bangladesh Commerce Bank Limited		237,816,667	204,708,333
Bangladesh Development Bank Limited		158,500,000	158,500,000
Bangladesh Infrastructure Finance Fund Limited (BIFFL)		26,900,000	27,400,000
Bank Asia Limited		152,430,296	160,530,296
BASIC Bank Limited		428,160,923	406,254,706
Dhaka Bank Limited		126,448,142	116,050,542
Fareast Finance & Investment Limited		36,116,092	31,375,889
ICB Islamic Bank Limited		6,520,444	9,300,000
International Leasing and Financial Services Limited		399,838,032	358,245,710
Meghna Bank Limited		52,500,000	50,000,000
Mercantile Bank Limited		1,824,787,905	1,685,797,863
Midland Bank Limited		273,500,397	247,991,284
Mutual Trust Bank Limited		389,342,799	350,589,342
NCC Bank Limited		97,328,380	87,975,172
NRB Bank Limited		290,476,042	241,393,884
NRB Commercial Bank Limited		227,357,542	207,508,831
One Bank Limited		184,921,658	159,182,478
Prime Bank Limited		53,491,300	48,321,684
Rupali Bank Limited		33,066,383	31,600,000
Social Islami Bank Limited		96,781,658	85,847,348
Sonali Bank Limited		68,600,000	68,300,000
South Bangla Agriculture & Commerce Bank Limited		787,490,133	719,791,418
State Bank of India		47,186,336	43,617,110
The Premier Bank Limited		465,325,524	419,415,492
UAE-Bangladesh Investment Company Limited		7,819,701	9,633,890
Uttara Bank Limited		195,824,354	180,150,621
Woori Bank Limited		6,578,289	42,792,500
		7,301,735,107	6,754,352,050

		Amount in Taka	
		As at	
		31-Dec-2020	31-Dec-2019
11.2 Security against Borrowings from other banks, financial institutions and agents			
Secured		7,301,735,107	6,754,352,050
Unsecured		-	-
		7,301,735,107	6,754,352,050
11.3 Maturity grouping's			
Repayable-on demand		-	-
-up to 3 months		306,025,907	1,517,967,804
-over 3 months but within 1 year		3,678,142,707	2,640,894,110
-over 1 year but within 5 years		3,317,566,493	2,595,490,136
-over 5 years		-	-
		7,301,735,107	6,754,352,050
11 (a) Consolidated borrowings from other banks, financial institutions and agents			
FAS Finance & Investment Limited	11	7,301,735,107	6,754,352,050
FAS Capital Management Limited		2,020,051,066	1,955,023,737
		9,321,786,173	8,709,375,787
Less: Inter company transaction		(1,627,732,070)	(1,559,704,741)
		7,694,054,103	7,149,671,046
12 Deposits and other accounts			
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed deposits	12.1	9,089,507,379	8,943,854,519
Bearer certificates of deposit		-	-
Others deposits	12.1	4,529,000	5,288,000
		9,094,036,379	8,949,142,519
12.1 Fixed deposits			
Deposit from FI's-inside Bangladesh		5,729,489,096	5,581,613,296
Other than FI's-inside Bangladesh		3,364,547,283	3,367,529,223
		9,094,036,379	8,949,142,519
12.1.a Maturity analysis of Fixed Deposits			
Deposit from FI's-inside Bangladesh			
Repayable-on demand		-	-
-within 1 month		48,081,720	150,000,000
-over 1 month but within 6 months		5,681,407,376	4,444,309,296
-over 6 months but within 1 year		-	987,304,000
-over 1 year but within 5 years		-	-
-over 5 years but within 10 years		-	-
		5,729,489,096	5,581,613,296
Other than FI's-inside Bangladesh			
Repayable-on demand		-	-
-within 1 month		130,082,877	478,325,022
-over 1 month but within 6 months		2,440,685,213	516,065,714
-over 6 months but within 1 year		643,191,332	2,176,642,495
-over 1 year but within 5 years		149,853,181	191,450,454
-over 5 years but within 10 years		734,680	5,045,538
		3,364,547,283	3,367,529,223
		9,094,036,379	8,949,142,519

12 (a) Consolidated deposits and other accounts

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

Fixed deposits

FAS Finance & Investment Limited	12.1	9,089,507,379	8,943,854,519
FAS Capital Management Limited		-	-
		9,089,507,379	8,943,854,519
Less: Inter company transaction		(504,543,281)	(550,000,000)
		8,584,964,098	8,393,854,519

Others deposits

FAS Finance & Investment Limited	12.1	4,529,000	5,288,000
FAS Capital Management Limited		-	-
		4,529,000	5,288,000
		8,589,493,098	8,399,142,519

13 Others liabilities

Accumulated provision against loans, advances and leases	13.1	1,646,849,518	1,345,973,502
Provision for current tax	13.2	447,115,359	444,364,457
Deferred tax liabilities	13.3	60,567,899	60,001,848
Interest suspense account	13.4	2,600,642,284	962,601,404
Accounts payable		313,593	513,593
Accrued expenses		6,415,506	3,140,536
Provision for gratuity	13.5	6,257,776	2,224,973
Provision against investments	13.6	1,707,507	-
Provident fund	13.7	5,794,082	3,989,442
Leases advance		1,429,206	1,429,206
Advance installment		33,953,412	52,738,907
Lease liabilities-Office premises	13.8	92,481,869	97,805,643
Provision for other assets	13.9	76,335,476	76,335,476
Unclaimed dividend		1,280,660	1,280,660
Salary tax		663,444	1,162,027
Interest payable		1,701,831,943	1,072,058,229
Tax deduction at source		136,164,097	82,207,445
Vat payable		3,143,520	2,338,216
Sundry deposit		9,653,633	18,812,758
		6,832,600,784	4,228,978,322

13.1 Accumulated provision for loans, advances and leases**Provision for classified loans, advances and leases**

Opening balance		1,274,936,984	201,400,163
Fully provided debts written off during the year	(-)	-	-
Recovery of amounts previously written off	(+)	-	-
Specific provision made for the year	(+)	349,210,911	1,073,536,821
Recoveries and provision no longer required	(-)	-	-
Net charge to profit and loss statement	(+)	-	-
Total Provision for classified loans, advances and leases		1,624,147,895	1,274,936,984

Provision for unclassified loans, advances and leases

Opening balance		71,036,518	116,448,209
Provision for the year		-	-
Adjustment during the year		(48,334,895)	(45,411,691)
Total provision for unclassified loans, advances and leases		22,701,623	71,036,518
Total provision against loans, advances and leases		1,646,849,518	1,345,973,502

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

Provision for	Required	Maintained	Excess/(Shortage)
Classified loans, advances & leases	8,966,447,135	1,624,147,895	(7,342,299,240)
Un-classified loans, advances & leases	22,701,623	22,701,623	-
	8,989,148,758	1,646,849,518	(7,342,299,240)

Note/ Discloser:

On 29 September, 2021 upon our request, Bangladesh Bank vide letter No-DFIM@1054/10/2021-2103 has given NOC for maintaining 50% of required provision of Tk. 54.28 crore i.e. Tk. 27.14 crore and 50% reversal of interest income of Tk. 20.05 crore i.e. Tk. 10.025 crore per annum from 2020 to 2022. Accordingly, the instruction has since been complied for the year 2020. The shortfall of provision of Tk. 734.23 (Tk. 697.065 crore as per Bangladesh Bank inspection report + Tk. 27.14 crore + Tk. 10.025 crore) will be treated as deferred till 2022. As per Bangladesh Bank approval.

Earlier Bangladesh Bank vide letter # DFIM@1054/10/2020 dated November 12, 2020 provided us NOC for deferment of transfer of interest income for Tk. 140.35 crore to interest suspense account in 7 (Seven) equal annual installments of Tk. 20.05 crore each starting from 2019 and deferment of shortfall of provision for Tk. 399.96 crore with the condition that Tk. 20.00 crore to be maintained in 2019 and balance Tk. 379.96 crore in 7 (seven) equal annual installment of Tk. 54.28 crore each starting from 2020.

13.1 (a) Consolidated provision against loans, advances and leases

FAS Finance & Investment Limited	13.1	1,646,849,518	1,345,973,502
FAS Capital Management Limited		89,668,773	89,668,773
		1,736,518,291	1,435,642,275

13.2 Provision for current tax

Opening balance		444,364,457	433,836,734
Add: Provision made during the year		2,750,902	10,527,723
Less: Adjustment during the year		-	-
		447,115,359	444,364,457

13.2.1 Reconciliation of effective tax rate:

	Effective Tax rate	
Profit before provision and tax		(1,725,829,689)
Tax on net loss @ 37.5%		(647,186,133)
Tax on Dividend income@ 20%	(0.01%)	225,927
Tax on Gain/(loss) on sale of shares @10%	(0.07%)	1,280,823
Minimum Tax @ .6% revenue	(0.07%)	1,244,152
Deductible expenses	(0.03%)	566,051
Effective tax rate	(0.19%)	3,316,953

Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being.

Consolidated provision for current tax

FAS Finance & Investment Limited	13.2	447,115,359	444,364,457
FAS Capital Management Limited		4,212,960	3,985,676
		451,328,319	448,350,133

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

13.3 Deferred tax

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of Bangladesh Accounting Standard (IAS) 12 "Income Taxes".

Deferred tax liability is arrived at as follows:

Particulars	Carrying amount at Accounting base	Carrying amount at Tax base	(Taxable)/ deductible temporary difference	Tax Rate	Deferred tax (Liability)/Asset
			Taka	Taka	Taka
Assets:					
Fixed assets net off depreciation as on December 31, 2020 (Excluding revaluation reserve)	79,646,781	56,719,682	(22,927,099)	37.5%	(8,597,662)
Right of Use Asset	22,042,242	28,075,655	6,033,413	37.5%	2,262,530
Revalued amount of Building	123,339,215	-	(123,339,215)	37.5%	(46,252,206)
Base amount of Land	86,527,860	-	(86,527,860)	4.0%	(3,461,114)
					(56,048,452)
Liabilities:					
Employee gratuity fund as on December 31, 2020	6,257,776	-	(6,257,776)	37.5%	(2,346,666)
Employee Provident fund as on December 31, 2020	5,794,082	-	(5,794,082)	37.5%	(2,172,781)
					(4,519,447)
Total:Deferred tax liability as on December 31, 2020					(60,567,899)
Deferred tax liability as on December 31, 2019					(60,001,848)
Deferred tax (expenses)/Income as on December 31, 2020					(566,051)

Opening Deferred Tax	60,001,848	63,467,551
Deferred Tax Expense/(Income)	566,051	(3,465,703)
Closing Deferred Tax Liability/(Asset)	60,567,899	60,001,848

13.3 (a) Consolidated deferred tax liabilities

FAS Finance & Investment Limited	13.3	60,567,899	60,001,848
FAS Capital Management Limited		(187,994)	(213,851)
		60,379,905	59,787,997

		Amount in Taka	
		As at	
		31-Dec-2020	31-Dec-2019
13.4 Interest suspense account			
Opening balance		962,601,404	468,848,056
Transfer during the year	(+)	2,184,415,364	540,111,783
Recovery during the year	(-)	(546,374,484)	(46,358,435)
Written off during the year	(-)	-	-
		2,600,642,284	962,601,404
13.4 (a) Consolidated interest suspense account			
FAS Finance & Investment Limited	13.4	2,600,642,284	962,601,404
FAS Capital Management Limited		132,987,993	-
		2,733,630,277	962,601,404
13.5 Provision for gratuity			
Opening balance		2,224,973	-
Add: Provision made during year		4,032,803	3,957,333
Less: Adjustment during the year		-	(1,732,360)
		6,257,776	2,224,973
13.6 Provision against investments			
Opening balance		-	22,054,909
Add: Provision made during the year		1,707,507	-
Less: Adjustment during the year		-	(22,054,909)
		1,707,507	-
13.6 (a) Consolidated provision against investments			
FAS Finance & Investment Limited	13.6	1,707,507	-
FAS Capital Management Limited		9,225,481	16,535,638
		10,932,988	16,535,638
13.7 Provident fund			
Opening balance		3,989,442	-
Add: Provision made during the year		4,751,110	5,195,304
Less: Adjustment during the year		(2,946,470)	(1,205,862)
		5,794,082	3,989,442
13.8 Lease liabilities-Office premises			
Opening balance		97,805,643	-
Add: Addition during the year		10,620,818	112,762,161
Less: Adjustment during the year		(15,944,592)	(14,956,518)
		92,481,869	97,805,643
13.8 (a) Consolidated lease liabilities-Office premises			
FAS Finance & Investment Limited	13.8	92,481,869	97,805,643
FAS Capital Management Limited		1,133,821	2,375,860
		93,615,690	100,181,503
13.9 Provision for other assets			
Opening balance		76,335,476	6,345,126
Add: Addition during the year		-	69,990,350
Less: Adjustment during the year		-	-
		76,335,476	76,335,476

13. (a) Consolidated other liabilities

FAS Finance & Investment Limited	13	6,832,600,784	4,228,978,322
FAS Capital Management Limited		317,472,786	131,935,183
		7,150,073,570	4,360,913,505
Less: Inter company transaction		(78,462,250)	(74,163,145)
		7,071,611,320	4,286,750,360

14 Share Capital

1,490,773,640	1,490,773,640
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14.1 Authorized Capital

210,000,000 ordinary shares of Taka 10 each

2,100,000,000	2,100,000,000
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14.2 Issued, subscribed and paid-up Capital

39,065,700 ordinary shares of Taka 10 each issued for cash	390,657,000	390,657,000
5,859,850 bonus shares of Taka 10 each issued for dividend for 2009	58,598,500	58,598,500
6,738,830 bonus shares of Taka 10 each issued for dividend for 2010	67,388,300	67,388,300
2,583,219 bonus shares of Taka 10 each issued for dividend for 2011	25,832,190	25,832,190
3,254,855 bonus shares of Taka 10 each issued for dividend for 2012	32,548,550	32,548,550
11,175,005 bonus shares of Taka 10 each issued for dividend for 2015	111,750,050	111,750,050
6,146,253 bonus shares of Taka 10 each issued for dividend for 2016	61,462,530	61,462,530
12,907,131 bonus shares of Taka 10 each issued for dividend for 2017	129,071,310	129,071,310
7,098,922 bonus shares of Taka 10 each issued for dividend for 2018	70,989,220	70,989,220
54,247,599 right shares of Taka 10 each issued	542,475,990	542,475,990
	1,490,773,640	1,490,773,640

14.3 Percentage of shareholding

Group	Percentage of Share		No. of Shares	
	31-Dec-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019
Sponsors/Directors	13.20	13.20	19,682,870	19,682,870
Government	-	-	-	-
Institutions	16.83	21.24	25,094,164	31,660,786
Foreign	-	-	-	-
General public	69.96	65.56	104,300,330	97,733,708
	100.00	100.00	149,077,364	149,077,364

14.4 Classification of Shareholders by holding of share

Shareholding range as on December 31	Number of holders		% of total holding	
	31-Dec-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019
1-500	2,549	2,741	0.26%	0.28%
501-5,000	3,753	3,954	5.12%	5.03%
5,001-10,000	1,006	975	5.01%	4.66%
10,001-20,000	784	756	7.62%	7.05%
20,001-30,000	303	279	4.99%	4.51%
30,001-40,000	173	165	4.06%	3.83%
40,001-50,000	110	92	3.42%	2.80%
50,001-100,000	219	214	10.24%	9.88%
100,001-1000,000	177	146	26.99%	21.81%
1,000,001 and above	15	18	32.29%	40.15%
	9,089	9,340	100.00%	100.00%

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

No. of Shares		Value of Shares	
31-Dec-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019
385,536	424,290	3,855,360	4,242,900
7,632,463	7,493,384	76,324,630	74,933,840
7,470,310	6,954,229	74,703,100	69,542,290
11,367,007	10,513,725	113,670,070	105,137,250
7,433,754	6,716,315	74,337,540	67,163,150
6,046,585	5,706,218	60,465,850	57,062,180
5,105,591	4,173,344	51,055,910	41,733,440
15,265,122	14,729,260	152,651,220	147,292,600
40,235,153	32,512,119	402,351,530	325,121,190
48,135,843	59,854,480	481,358,430	598,544,800
149,077,364	149,077,364	1,490,773,640	1,490,773,640

14.5 Name of the Directors and their shareholding (including holdings of sponsors shareholders and general public) as on 31 December 2020

Sl. No.	Name	Position	Total Nos. of Share	Value of Shares	% of Shareholding
1	Mr. Md. Zahangir Alam	Chairman & Independent Director	-	-	-
2	Mr. Md. Abul Shahjahan (Nominated by P & L International Ltd.)	Director	8,004,150	80,041,500	5.37%
3	Ms. Soma Ghosh (Nominated by P & L International Ltd.)	Director			
4	Mr. Md. Atharul Islam (Nominated by Reptiles Farm Ltd.)	Director	11,678,720	116,787,200	7.83%
5	Mr. Arun Kumer Kundu (Nominated by Reptiles Farm Ltd.)	Director			
6	Dr. Uddab Mallick (Nominated by Reptiles Farm Ltd.)	Director			
7	Mr. Anjan Kumer Roy	Independent Director			
8	Mr. S. M. Shamsul Alam	Independent Director			
9	Mr. S. M. Nurul Alam Chowdhury	Independent Director			
10	Mr. Fazlul Hoque Khan	Independent Director			
11	Mr. Pritish Kumar Sarker	Managing Director (Ex-Officio)	-	-	-
12	Institutions		25,094,164	250,941,640	16.83%
13	General public		104,300,330	1,043,003,300	69.96%
	Total		149,077,364	1,490,773,640	100.00%

Amount in Taka
As at
31-Dec-2020

14.06 Capital adequacy ratio (CAR) As per BASEL-II

- a. In terms of Bangladesh Bank DFIM circular no. 05 dated 24 July 2011, required paid up capital of the Company at 31 December 2012 should be of Taka 1,000,000,000 against which the paid up capital of the company as at 31.12.2020 was Tk. 1,490,773,640.

Consolidated - Capital adequacy ratio :

- b. In terms of Bangladesh Bank DFIM circular no. 14 dated 28 December 2011, required capital of the Company on consolidated basis at the close of business on 31 December 2020 is TK. 1,334,845,496 as against available core capital of Tk.: (2,156,733,901) and supplementary capital of Tk. 189,655,213 making a total of Tk. (1,967,078,688) thereby showing surplus/(short) capital/equity of Tk. (3,301,924,184) at that date. Details are shown below:

14.06.01 Core capital (Tier-I)

Paid-up capital	1,490,773,640
Statutory reserve	205,579,082
Non-repayable Share premium account	-
General reserve	315,000
Retained earnings	(3,851,671,794)
Minority Interest in Subsidiaries	(1,729,829)
Non-Cumulative irredeemable Preferences shares	-
Dividend Equalization account	-
Other (if any item approved by BB)	-
Total	<u>(2,156,733,901)</u>

Deductions from Tier-I (Core Capital)

Book value of Goodwill and Value of any contingent assets which are shown as assets	-
Shortfall in provisions required against classified assets irrespective of any relaxation allowed	-
Shortfall in provision required against investment in shares	-
Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the securities	-
Any investment exceeding the approved limited	-
Investment in subsidiaries which are not consolidated	-
Increase in equity capital resulting from a securitization exposure	-
Others if any	-
Total	<u>-</u>
Total Eligible Tier-1 Capital	<u>(2,156,733,901)</u>

14.06.02 Supplementary capital (Tier II)

General provision on unclassified loans and advances	110,659,935
Provision for off-balance sheet exposure	-
Exchange equalization account	-
Asset revaluation reserves (Up to 50%)	78,995,278
Revaluation loss on investment - held to maturity (HTM)	-
Sub total	<u>189,655,213</u>
Applicable Deductions if any	-
Total Eligible Tier-2 Capital	<u>189,655,213</u>
(A) Total Eligible Capital (Tier-1 + Tier-2)	<u>(1,967,078,688)</u>
Total assets including off- balance Sheet items	21,356,415,174
Total risk -weighted assets(RWA)	13,348,454,955
(B) Total Required Capital (10% of Total RWA or MCR, whichever is higher)	<u>1,334,845,496</u>
(C) Surplus / (Shortfall) (A-B)	<u>(3,301,924,184)</u>
Capital adequacy ratio	<u>-14.74%</u>

Amount in Taka
As at
31-Dec-2020

Risk weighted assets (RWA)**A. Credit Risk**

On-Balance sheet

Off-Balance sheet

12,986,360,569

-

12,986,360,569**B. Market Risk****109,894,386****C. Operational Risk****252,200,000****Total RWA (A+B+C)****13,348,454,955****A. Credit Risk****Risk weighted assets****On-Balance sheet**

Exposure type

a)	Cash and Cash Equivalents	-
b)	Claims on Bangladesh Government and Bangladesh Bank	-
c)	Claims on other Sovereigns & Central bank's	-
d)	Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
e)	Claims on Multilateral Development Banks (MDBs):	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
	ii) Other MDBs	-
f)	Claims on Public Sector Entities (other than Government) in Bangladesh (Membership in Stock Exchange)	-
g)	Claims on Banks/NBFI	-
	i) Maturity over 3 months	526,888,325
	ii) Maturity less than 3 months	6,531,191
h)	Claims on Corporate (excluding equity exposure)	234,108,195
i)	Claims under Credit Risk Mitigation	-
j)	Claims categorized as retail portfolio & small enterprise (excluding consumer investment)*	15,201,179
k)	Consumer investment (Loan)	9,723,606
l)	Claims fully secured by residential property	32,549,899
m)	Claims fully secured by commercial real estate	204,207,125
n)	Past Due Claims (Risk weights are to be assigned net of specific provision):	-
	The claim (other than claims secured by eligible residential property) that is past due for more than 90 days and/or impaired will attract risk weight as follows:	-
	Where specific provisions are less than 20 percent of the outstanding amount of the past due claim.	3,319,643,462
	Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.	2,854,469,341
	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.	1,822,559,519
	Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount	1,015,000,336
	Investments and claims fully secured against residential property that are past due by 90 days and/or impaired and specific provision held there-against is not less than 20% of outstanding amount	79,206,457
o)	Investments in Capital Market Exposures	2,206,777,038
p)	Investments in venture capital	-
	Unlisted equity investments and regulatory capital instruments issued by other FIS (other those deducted from capital) held in the banking book	-
q)		-
r)	Investments in premises, plant and equipment and all other fixed assets	387,281,871

		Amount in Taka
		As at
		31-Dec-2020
s)	Claims on all fixed assets under operating lease	-
t)	All other assets	-
	i) Claims on Gob & BB (advance income tax , reimbursement of patirakha/shanchy patra	-
	ii) Staff Loan / Investment	-
	iii) Cash items in process of collection	-
	iv) other assets	272,213,025
	Risk weighted assets(RWA)	12,986,360,569
Off-Balance Sheet		
Exposures types		
a)	Claims on Bangladesh Government and Bangladesh Bank (Outward/Inward Bill Lodged)	-
b)	Claims on other Sovereigns & Central bank's	-
c)	Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
d)	Claims on Multilateral Development Banks (MDBs):	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
	ii) Other MDBs	-
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	-
f)	Claims on NBFIs	-
	i) Maturity over 3 months	-
	ii) Maturity less than 3 months	-
g)	Claims on Corporate (excluding equity exposure)	-
h)	Against retail portfolio & Small Enterprise (excluding consumer investment)	-
i)	Consumer Investment	-
j)	All other assets	-
	Risk weighted assets (RWA)	-
	Total Risk weighted assets (RWA)	12,986,360,569

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	54,947,193	54,947,193	109,894,386
C Foreign Exchange Position	-	-	-
Total(A+B+C)	54,947,193	54,947,193	109,894,386
Risk weighted assets (RWA)	549,471,930	549,471,930	1,098,943,860

C. Operational Risk

Gross income	504,400,000
Average gross income	168,133,333
Capital charge for operational risk (15% of Average gross income)	25,220,000
Risk Weighted Assets	252,200,000

For the company (Solo)- Capital adequacy ratio:

In terms of Bangladesh Bank DFIM circular no. 14 dated 28 December 2011, required capital of the Company on solo basis at the close of business on 31 December 2020 is Tk. 1,352,420,641 as against available core capital of Tk. (1,851,954,351) and supplementary capital of Tk. 99,986,440 making a total of Tk. (1,751,967,912) thereby showing surplus capital/(Shortfall) equity of Tk. (3,104,388,553) at that date. Details are shown below:

	Amount in Taka
	As at
	31-Dec-2020
Core capital (Tier I)	
Paid-up capital	1,490,773,640
Statutory reserve	205,579,082
Non-repayable Share premium account	-
General reserve	315,000
Retained earnings	(3,548,622,073)
Minority Interest in Subsidiaries	-
Non-Cumulative irredeemable Preferences shares	-
Dividend Equalization account	-
Other (if any item approved by BB)	-
Total	(1,851,954,351)
Deductions from Tier-1 (Core Capital)	
Book value of Goodwill and Value of any contingent assets which are shown as assets	-
Shortfall in provisions required against classified assets irrespective of any relaxation allowed	-
Shortfall in provision required against investment in shares	-
Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the securities	-
Any investment exceeding the approved limited	-
Investment in subsidiaries which are not consolidated	-
Increase in equity capital resulting from a securitization exposure	-
Others if any	-
Total	-
Total Eligible Tier-1 Capital	(1,851,954,351)
Supplementary capital (Tier II)	
General provision on unclassified loans and advances	20,991,162
Provision for off-balance sheet exposure	-
Exchange equalization account	-
Asset revaluation reserves (Up to 50%)	78,995,278
Revaluation loss on investment - held to maturity (HTM) (Up to 50% of the revaluation loss)	-
Sub total	99,986,440
Applicable Deductions if any	-
Total Eligible Tier-2 Capital	99,986,440
(A) Total Eligible Capital (Tier-1 + Tier-2)	(1,751,967,911)
Total assets including off- balance Sheet items	21,534,408,473
Total risk -weighted assets(RWA)	13,524,206,409
(B) Total Required Capital (10% of Total RWA or MCR, whichever is higher)	1,352,420,641
(C) Surplus /(Shortfall)(A-B)	(3,104,388,552)
Capital adequacy ratio	-12.95%
Risk weighted assets (RWA)	
A. Credit Risk	
On-Balance sheet	13,235,438,192
Off-Balance sheet	-
	13,235,438,192
B. Market Risk	25,450,000
C. Operational Risk	263,318,217
Total RWA (a+b+c)	13,524,206,409
A. Credit Risk	

Amount in Taka
As at
31-Dec-2020

On-Balance sheet	Risk weighted assets
Exposure type	
a) Cash and Cash Equivalents	-
b) Claims on Bangladesh Government and Bangladesh Bank	-
c) Claims on other Sovereigns & Central bank's	-
d) Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
e) Claims on Multilateral Development Banks (MDBs):	-
i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
ii) Other MDBs	-
f) Claims on Public Sector Entities (other than Government) in Bangladesh (Membership in Stock Exchange)	-
g) Claims on Banks/NBFI	-
i) Maturity over 3 months	526,094,541
ii) Maturity less than 3 months	6,531,191
h) Claims on Corporate (excluding equity exposure)	234,108,195
i) Claims under Credit Risk Mitigation	-
j) Claims categorized as retail portfolio & small enterprise (excluding consumer investment)*	15,201,179
k) Consumer investment (Loan)	9,723,606
l) Claims fully secured by residential property	32,549,899
m) Claims fully secured by commercial real estate	204,207,125
n) Past Due Claims (Risk weights are to be assigned net of specific provision):	-
The claim (other than claims secured by eligible residential property) that is past due for more than 90 days and/or impaired will attract risk weight as follows:	
Where specific provisions are less than 20 percent of the outstanding amount of the past due claim.	3,319,643,462
Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.	2,854,469,341
Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.	1,822,559,519
Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount	1,015,000,336
Investments and claims fully secured against residential property that are past due by 90 days and/or impaired and specific provision held there-against is not less than 20% of outstanding amount	79,206,457
o) Investments in Capital Market Exposures	2,478,444,063
p) Investments in venture capital	-
Unlisted equity investments and regulatory capital instruments issued by other FIS (other those deducted from capital) held in the banking book	
q)	
r) Investments in premises, plant and equipment and all other fixed assets	374,953,497
s) Claims on all fixed assets under operating lease	-
t) All other assets	-
i) Claims on Gob & BB (advance income tax , reimbursement of patirakha/shanchy patra	-
ii) Staff Loan / Investment	-
iii) Cash items in process of collection	-
iv) other assets	262,745,781
Risk weighted assets (RWA)	13,235,438,192

Amount in Taka
As at
31-Dec-2020

Off-Balance Sheet

Exposures types

a)	Claims on Bangladesh Government and Bangladesh Bank (Outward/Inward Bill Lodged)	-
b)	Claims on other Sovereigns & Central bank's	-
c)	Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
d)	Claims on Multilateral Development Banks (MDBs):	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
	ii) Other MDBs	-
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	-
f)	Claims on NBFIs	-
	i) Maturity over 3 months	-
	ii) Maturity less than 3 months	-
g)	Claims on Corporate (excluding equity exposure)	-
h)	Against retail portfolio & Small Enterprise (excluding consumer)	-
i)	Consumer Investment	-
j)	All other assets	-
	Risk weighted assets (RWA)	-
	Total Risk weighted assets (RWA)	13,235,438,192

B. Market Risk

	Capital Charges for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk
A	-	-	-
B	12725000	12725000	25,450,000
C	-	-	-
	Total (A+B+C)	12,725,000	25,450,000
	Risk weighted assets (RWA)	127,250,000	254,500,000

C. Operational Risk

	Gross income		526636434
	Average gross income		175,545,478
	Capital charge for operational risk (15% of Average gross income)		26,331,822
	Risk Weighted Assets		263,318,217
15	Statutory reserve		
	Opening balance	205,579,082	205,579,082
	Add: Addition during the year	-	-
		205,579,082	205,579,082
16	Other reserve		
	Capital reserve	16.1	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	80,903,545
	Office building	17.2	77,087,009
			157,990,554
			162,047,765
17.1	Revaluation reserve-Land		
	Opening balance	80,903,545	80,903,545
	Add: Addition during the year	-	-
	Prior year adjustment		
		80,903,545	80,903,545

		Amount in Taka	
		As at	
		31-Dec-2020	31-Dec-2019
17.2	Revaluation reserve-Office building		
	Opening balance	81,144,220	85,414,968
	Add: Addition during the year	-	-
		<u>81,144,220</u>	<u>85,414,968</u>
	Less: Transfer of revaluation reserve	(4,057,211)	(4,270,748)
		<u>77,087,009</u>	<u>81,144,220</u>
18	Retained earnings		
	Opening balance	(1,520,949,119)	10,500,795
	Net profit after taxation	(2,031,730,165)	(1,464,731,442)
	Transfer to statutory reserve	-	-
	Stock dividend paid-2018	-	(70,989,220)
	Add: Transfer of revaluation reserve	4,057,211	4,270,748
		<u>(3,548,622,073)</u>	<u>(1,520,949,119)</u>
18 (a)	Consolidated retained earnings		
	Opening balance	(1,677,703,954)	(102,462,769)
	Consolidated net profit after taxation	(2,178,025,051)	(1,508,522,713)
	Transfer to statutory reserve	-	-
	Stock dividend paid-2018	-	(70,989,220)
	Add: Transfer of revaluation reserve	4,057,211	4,270,748
		<u>(3,851,671,794)</u>	<u>(1,677,703,954)</u>
19	Undrawn formal standby facilities, credit lines and other commitments		
	Leases, loans & advances commitments outstanding	-	639,057,691
		<u>-</u>	<u>639,057,691</u>
19 (a)	Consolidated undrawn formal standby facilities, credit lines and other commitments		
	FAS Finance & Investment Limited	19	-
	FAS Capital Management Limited		639,057,691
		-	-
		<u>-</u>	<u>639,057,691</u>
20	Other memorandum items		
	Customers' stocks of securities-Merchant Banking Wing	-	-
		<u>-</u>	<u>-</u>
20 (a)	Consolidated other memorandum items		
	FAS Finance & Investment Limited	20	-
	FAS Capital Management Limited	20 (a)i	-
		756,510,979	873,509,166
		<u>756,510,979</u>	<u>873,509,166</u>
20 (a)i	Other memorandum items of FAS Capital Management Limited		
	Customers' stocks of securities-Merchant Banking Wing	756,510,979	873,509,166
		<u>756,510,979</u>	<u>873,509,166</u>
	This amount consists of portfolio investors' investment at cost price.		

		Amount in Taka	
		for the year ended	
		31-Dec-2020	31-Dec-2019
21	Profit and loss account		
	Income		
	Interest, discount and similar income	205,588,558	1,751,775,729
	Dividend income	1,129,636	3,548,624
	Fee, commission and brokerage	-	-
	Gains less losses arising from investment securities	12,808,225	(35,233,033)
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income	1,770,202	2,844,720
	Gains less losses arising from dealing securities	-	-
	Income from Non-FI's assets	-	-
	Profit less losses on interest rate changes	-	-
		221,296,621	1,722,936,040
	Expenses		
	Interest, fee and commission	1,825,521,000	1,974,151,155
	Losses on loans, leases and advances	-	-
	Administrative expenses	76,839,843	82,784,852
	Other operating expenses	12,827,508	15,078,188
	Depreciation on FI's assets	31,937,959	32,530,696
		1,947,126,310	2,104,544,891
		(1,725,829,689)	(381,608,851)
22	Interest income		
	Interest on loans, advances and leases	111,663,675	1,618,101,294
	Interest on placement with other banks and financial institutions	93,924,883	133,674,435
	Interest on foreign currency balance	-	-
		205,588,558	1,751,775,729
22 (a)	Consolidated interest income		
	FAS Finance & Investment Limited	205,588,558	1,751,775,729
	FAS Capital Management Limited	3,059,139	102,338,912
		208,647,697	1,854,114,641
	Less: Inter company transaction	(129,077,798)	(122,764,837)
		79,569,899	1,731,349,804
23	Interest paid on deposits, borrowings, etc.		
	Interest on deposits	1,037,787,289	1,029,331,750
	Interest on borrowings	777,112,893	933,696,283
	Interest on lease liabilities-Office premises	10,620,818	11,123,122
	Interest on foreign bank accounts	-	-
		1,825,521,000	1,974,151,155
23 (a)	Consolidated interest paid on deposits, borrowings, etc.		
	FAS Finance & Investment Limited	1,825,521,000	1,974,151,155
	FAS Capital Management Limited	186,519,889	173,554,942
		2,012,040,889	2,147,706,097
	Less: Inter company transaction	(159,885,530)	(177,639,911)
		1,852,155,359	1,970,066,186
24	Investment income		
	Gain/(loss) on sale of shares	12,808,225	(35,233,033)
	Dividend on shares	1,129,636	3,548,624
		13,937,861	(31,684,409)

Details break-up of gain/(loss) on share investment for the year 2020 has given below:

		Amount in Taka	
		for the year ended	
		31-Dec-2020	31-Dec-2019
24.01 Name of Share Investment:	Sales Price	Purchase Price	Gain/(Loss)
AND Telecom Limited	765,131	569,040	196,091
New Line Clothings Limited	68,693	40,266	28,427
Nitol Insurance Company Limited	63,871,892	51,288,185	12,583,707
	64,705,716	51,897,491	12,808,225
24 (a) Consolidated investment income			
FAS Finance & Investment Limited	24	13,937,861	(31,684,409)
FAS Capital Management Limited		4,106,641	(20,993,962)
		18,044,502	(52,678,371)
25 Commission, exchange and brokerage			
Commission		-	-
Exchange gain/(loss)		-	-
Brokerage		-	-
		-	-
25 (a) Consolidated Commission, exchange and brokerage			
FAS Finance & Investment Limited	25	-	-
FAS Capital Management Limited		-	157,500
		-	157,500
26 Other operating income			
Gain/(loss) on sale of fixed assets		(225,178)	1,555,251
Misc. Income		-	-
Processing fees		435	10,518
Recovery against written off		1,994,945	1,250,797
Residual value		-	28,154
		1,770,202	2,844,720
26 (a) Consolidated Other operating income			
FAS Finance & Investment Limited	26	1,770,202	2,844,720
FAS Capital Management Limited		31,728,076	57,204,832
		33,498,278	60,049,552
Less: Inter company transaction		(30,891,688)	(55,247,628)
		2,606,590	4,801,924
27 Salary and allowances			
Basic salary, provident fund contribution and all other allowances		59,848,444	62,174,971
Festival and incentive bonus		4,434,833	4,346,384
		64,283,277	66,521,355
27 (a) Consolidated salary and allowances			
FAS Finance & Investment Limited	27	64,283,277	66,521,355
FAS Capital Management Limited		4,956,225	7,063,896
		69,239,502	73,585,251
28 Rent, taxes, insurance, electricity, etc.			
Rent, rates, taxes and electricity, etc.		2,639,131	3,204,857
Insurance premium		557,471	1,331,812
		3,196,602	4,536,669

Amount in Taka	
for the year ended	
31-Dec-2020	31-Dec-2019

Disclosure related to Rent, rate and taxes:

Actual rent, rates, taxes and electricity, etc.	24,681,373	24,259,023
Less: Reclassification of rent expenses (as per IFRS 16: Leases)	(22,042,242)	(21,054,166)
Rent expenses as reported	2,639,131	3,204,857

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	3,196,602	4,536,669
FAS Capital Management Limited		271,965	405,216
		3,468,567	4,941,885
Less: Inter company transaction		-	-
		3,468,567	4,941,885

29 Legal expenses

Professional & legal fees		724,500	422,375
		724,500	422,375

29 (a) Consolidated legal expenses

FAS Finance & Investment Limited	29	724,500	422,375
FAS Capital Management Limited		-	17,250
		724,500	439,625

30 Postage, stamps, telecommunication, etc.

Telephone & fax		695,087	820,706
Internet		523,600	641,700
Postage and stamp		52,604	118,644
		1,271,291	1,581,050

30 (a) Consolidated postage, stamps, telecommunication, etc.

FAS Finance & Investment Limited	30	1,271,291	1,581,050
FAS Capital Management Limited		198,196	268,897
		1,469,487	1,849,947

31 Stationery, printings, advertisements, etc.

Printing		321,615	1,266,841
Stationery & Photocopy		178,589	263,415
Publicity and advertisement		111,493	1,155,247
		611,697	2,685,503

31 (a) Consolidated stationery, printings, advertisements, etc.

FAS Finance & Investment Limited	31	611,697	2,685,503
FAS Capital Management Limited		12,345	51,289
		624,042	2,736,792

		Amount in Taka	
		for the year ended	
		31-Dec-2020	31-Dec-2019
32	Directors' fees		
	Directors' fees	546,000	690,000
		546,000	690,000
32 (a)	Consolidated Directors' fees		
	FAS Finance & Investment Limited	546,000	690,000
	FAS Capital Management Limited	93,150	82,800
		639,150	772,800
33	Auditors' fees		
	Statutory audit fees	230,000	172,500
		230,000	172,500
	The audit fee represents the fees for auditing the accounts of the Company for the financial year 2019-2020. No other fees was paid to the auditor for any other services.		
33 (a)	Consolidated Auditors' fees		
	FAS Finance & Investment Limited	230,000	172,500
	FAS Capital Management Limited	46,000	57,500
		276,000	230,000
34	Depreciation and repairs of FI's assets		
	Depreciation		
	Office building	8,974,758	9,447,113
	Furniture & fixture	416,429	453,965
	Office decoration	487,107	541,230
	Office equipment	565,345	606,644
	Motor vehicles	2,711,211	3,482,470
	Electrical installation	78,594	92,464
	Computer	1,137,418	319,904
	Telephone line & PABX system	68,986	81,159
	Right of use Assets	17,454,837	17,454,837
	Software	43,274	50,910
		31,937,959	32,530,696
	Repairs		
	Fixed assets repair and maintenance	376,476	575,400
		376,476	575,400
		32,314,435	33,106,096
34 (a)	Consolidated Depreciation and repairs of assets		
	FAS Finance & Investment Limited	32,314,435	33,106,096
	FAS Capital Management Limited	2,950,968	5,281,875
		35,265,403	38,387,971
35	Other expenses		
	A.G.M. expenses	201,250	1,698,339
	Bank charge and excise duty	1,623,328	1,607,790
	Books, newspaper and periodicals	13,470	22,653
	Business promotion	10,000	15,900
	CDBL charge	1,800	10,999

		Amount in Taka	
		for the year ended	
		31-Dec-2020	31-Dec-2019
	Corporate social responsibility	500,000	-
	Entertainment	380,821	647,608
	Fees, subscription and donation	1,668,841	2,677,303
	Fine	4,000,000	-
	Fuel, oil and lubricants	938,304	1,783,675
	IPO charge	-	3,000
	Miscellaneous expenses	-	25,400
	Office maintenance	1,091,298	1,301,759
	Picnic/ Business Conference/ Corporate Day Out	-	1,984,091
	Portfolio management fees	83,956	372,553
	Registration and renewal	107,170	161,624
	Security service	1,755,795	1,952,610
	Staff welfare, training and education	-	63,462
	TA & DA	361,133	648,911
	Uniform	90,342	100,511
		12,827,508	15,078,188
35 (a)	Consolidated Other expenses		
	FAS Finance & Investment Limited	12,827,508	15,078,188
	FAS Capital Management Limited	1,411,276	1,351,589
		14,238,784	16,429,777
	Less: Inter company transaction	(83,956)	(372,554)
		14,154,828	16,057,223
36	Provision against loans, advances and leases		
	On un-classified loans	(48,334,895)	(45,411,691)
	On classified loans	349,210,911	1,073,536,821
		300,876,016	1,028,125,130
36 (a)	Consolidated provision against loans, advances and leases		
	FAS Finance & Investment Limited	300,876,016	1,028,125,130
	FAS Capital Management Limited	-	-
		300,876,016	1,028,125,130
37	Provision for diminution in value of Investments		
	In quoted shares	1,707,507	(22,054,909)
		1,707,507	(22,054,909)
37 (a)	Consolidated provision for diminution in value of investments		
	FAS Finance & Investment Limited	1,707,507	(22,054,909)
	FAS Capital Management Limited	(7,310,157)	(5,620,580)
		(5,602,650)	(27,675,489)
38	Provision for taxation		
	Current tax	2,750,902	10,527,723
	Deferred tax	566,051	(3,465,703)
		3,316,953	7,062,020
38 (a)	Consolidated provision for taxation		
	Current tax		
	FAS Finance & Investment Limited	2,750,902	10,527,723
	FAS Capital Management Limited	227,284	1,311,768
		2,978,186	11,839,491
	Deferred tax		
	FAS Finance & Investment Limited	566,051	(3,465,703)
	FAS Capital Management Limited	25,857	(66,412)
		591,908	(3,532,115)
		3,570,094	8,307,376

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

39 Appropriations

Retained earnings-brought forward	(1,520,949,119)	10,500,795
Less: Adjustment for prior year	-	-
Add: Post-tax profit for the year	(2,031,730,165)	(1,464,731,442)
	(3,552,679,284)	(1,454,230,647)
Add: Depreciation on increased value due to revaluation	4,057,211	4,270,748
Less: Stock dividend-2018	-	(70,989,220)
Transferred to:	-	-
Statutory reserve	-	-
General reserve	-	-
Proposed dividend	-	-
	(3,548,622,073)	(1,520,949,119)

Amount in Taka	
For the year ended	
31-Dec-2020	31-Dec-2019

40 Earnings per share

Earning attributable to ordinary shareholders (Net profit after tax)	(2,031,730,165)	(1,464,731,442)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Earnings per share-EPS	(13.63)	(9.83)

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.

40 (a) Consolidated earnings per share

Earning attributable to ordinary shareholders (Net profit after tax & non-controlling interest)	(2,178,025,051)	(1,508,522,713)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Earnings per share-EPS	(14.61)	(10.12)

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.

41 Net operating cash flow per share-NOCFPS

Net cash from operating activities	36,556,387	(1,197,944,569)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Net operating cash flow per share-NOCFPS	0.25	(8.04)

41.a Consolidated Net operating cash flow per share-NOCFPS

Net cash from operating activities	53,417,458	(1,265,607,125)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Net operating cash flow per share-NOCFPS	0.36	(8.49)

Amount in Taka	
For the year ended	
31-Dec-2020	31-Dec-2019

42 Reconciliation of Net Profit with Cash Flows from Operating Activities

Net profit after tax (2,031,730,165) **(1,464,731,442)**

Adjustments for non-cash items:

Add: Depreciation	31,937,959	32,530,696
Add: provision for leases, loans, advances & investment	302,583,523	1,076,060,571
Add: provision for taxation	3,316,953	7,062,020
Add/(Less): Accrued expenses	1,490,661,245	995,809,287
Add/(Less): Accrued income	(41,678,103)	15,973,648
Less: Gain on sale of fixed assets	225,178	(1,555,251)
	1,787,046,755	2,125,880,971

Changes in operating assets and liabilities

(Increase)/Decrease in leases, loans and advances	(1,262,696,094)	(2,574,537,747)
(Increase)/Decrease in other assets	(636,323)	24,938,172
Increase/(Decrease) in short term borrowings	(204,000,288)	(378,836,150)
Increase/(Decrease) in term & other deposits	144,893,860	572,528,662
Payment of corporate tax	(6,217,618)	(9,409,100)
Increase/(Decrease) in other liabilities	(28,144,620)	12,468,717
Increase/(Decrease) in interest suspense	1,638,040,880	493,753,348
	281,239,797	(1,859,094,098)
Net cash from/(used in) operating activities	36,556,387	(1,197,944,569)

42.a Reconciliation of Net Profit with Cash Flows from Operating Activities (Consolidated)

Net profit after tax (2,182,239,307) **(1,509,784,190)**

Adjustments for non-cash items:

Add: Depreciation	34,758,703	37,685,345
Add: provision for leases, loans, advances & investment	295,273,366	1,070,439,991
Add: provision for taxation	3,570,094	8,307,376
Add/(Less): Accrued expenses	1,546,089,011	940,754,402
Add/(Less): Accrued income	(41,893,059)	38,428,386
Less: Gain on sale of fixed assets	225,178	(1,555,251)
	1,838,023,293	2,094,060,249

Changes in operating assets and liabilities

(Increase)/Decrease in leases, loans and advances	(1,313,434,139)	(2,531,544,952)
(Increase)/Decrease in other assets	(2,425,386)	23,618,619
Increase/(Decrease) in short term borrowings	(204,000,288)	(408,836,150)
Increase/(Decrease) in term & other deposits	190,350,579	572,528,662
Payment of corporate tax	(16,863,341)	(10,860,298)
Increase/(Decrease) in other liabilities	(27,022,826)	11,457,587
Increase/(Decrease) in interest suspense	1,771,028,873	493,753,348
	397,633,472	(1,849,883,184)
Net cash from/(used in) operating activities	53,417,458	(1,265,607,125)

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019

43 Net asset value per share

Total assets	21,534,408,473	20,270,239,259
Total liabilities	23,228,372,270	(19,932,472,891)
	(1,693,963,797)	337,766,368
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Net asset value per share (Last year restated)	(11.36)	2.27

Amount in Taka	
As at	
31-Dec-2020	31-Dec-2019
43 (a) Consolidated net asset value per share	
Total assets	21,356,415,174
Total liabilities	(23,353,428,692)
Borrowings from other banks, financial institutions, and agents	(7,694,054,103)
Deposits and other accounts	(8,589,493,098)
Others liabilities	(7,071,611,320)
Non-controlling interest	1,729,829
	(2,484,427)
	(1,997,013,518)
Weighted average number of ordinary shares outstanding	181,011,533
	149,077,364
Net asset value per share (Last year restated)	(13.40)
	1.21

Net asset value per share-NAV have been decreased as compare to the last year mainly due to increase of non-performing loan

44 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. Md. Zahangir Alam	Chairman & Independent Director	Design & Source Ltd. (Managing Director) Denim Processing Plant Ltd. (Managing Director) ZA Apparels Ltd. (Managing Director) ZA Sweaters Ltd. (Managing Director) Clewiston Foods & Accommodation Ltd. (Managing Director) Waymart Apparels Ltd. (Managing Director) Forest Hill Resort Ltd (Chairman) DSL Hongkong Limited (Director)
2	Mr. Arun Kumer Kundu	Director, (Nominated by Reptiles Farm Ltd.)	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 Ltd.)	N/A
4	Dr. Uddab Mallick	Director, (Nominated by Reptiles Farm Ltd.)	N/A
5	Mr. Md. Abul Shahjahan	Director, (Nominated by P & L International Ltd.)	N/A
6	Ms. Soma Ghosh	Director, (Nominated by P & L International Ltd.)	N/A
7	Mr. Anjan Kumer Roy	Independent Director	Finance Accounting Management Experts (FAME) Ltd. (Director) Mak & Company, Chartered Accountants (Partner)
8	Mr. S. M. Shamsul Alam	Independent Director	N/A
9	Mr. S. M. Nurul Alam Chowdhury	Independent Director	N/A
10	Mr. Fazlul Hoque Khan	Independent Director	FAS Capital Management Limited (Nominated Director)
11	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-2020		Addition		Adjustment		Balance as at 31-Dec-2020	
			Taka		Taka		Taka		Taka	
FAS Capital Management Limited	Loan	Subsidiary Company	1,559,704,741		129,077,798		61,050,469		1,627,732,070	
FAS Capital Management Limited	Equity Investment	Subsidiary Company	243,000,000		-		-		243,000,000	
FAS Capital Management Limited	TDR	Subsidiary Company	550,000,000		17,746,506		63,203,225		504,543,281	
FAS Finance & Investment Limited Employee's Contributory Provident Fund	TDR	Common Control	9,051,174		191,958		1,323,355		7,919,777	
FAS Capital Management Limited Employees Provident Fund	TDR	Common Control	4,066,750		462,682		2,246,927		2,282,505	
FAS Capital Management Limited Employees Gratuity Fund	TDR	Common Control	3,000,000		423,758				3,423,758	

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 Audit

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 & CFO (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. Harun Ur Rashid	SVP, Head of Liability Marketing	-
Mr. Md. Ahasan Rakib	Manager & In-charge, Corporate Finance	-
Mr. Mir Imdadul Haque	Deputy Manager & Head of CRM	-
Mr. Abdulla Al Kafi	Deputy Manager & In-charge IT	-

45 General**45.01 Expenditure incurred on employees****Salary Range**

Below Tk. 8,000
Above Tk. 8,000

31-Dec-2020	
Number of Employees	
Permanent Basis	Contractual Basis

-
53 19

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.

45.02 Key management benefits

Benefits	2020		2019	
	Directors	Executives	Directors	Executives
Salary	Nil	9,059,346	Nil	9,816,000
Festival Bonus	Nil	1,149,000	Nil	818,000
Provident Fund	Nil	1,126,052	Nil	1,243,200
Gratuity	Nil	945,997	Nil	Nil
Medical Assistance	Nil	1,214,800	Nil	1,513,200
Group Insurance	Nil	68,925	Nil	12,638
Conveyance allowance & Transport	Nil	1,518,845	Nil	420,600
Total:		15,082,965		13,823,638

45.03 Disclosure of director remuneration under para - 4 of schedule XI part II of the companies act 1994 :

Name	Position	2020	2019
Mr. Md. Zahangir Alam	Chairman & Independent Director	Nil	Nil
Mr. Md. Abul Shahjahan	Director	Nil	Nil
Ms. Soma Ghosh	Director	Nil	Nil
Mr. Md. Atharul Islam	Director	Nil	Nil
Mr. Arun Kumer Kundu	Director	Nil	Nil
Dr. Uddab Mallick	Director	Nil	Nil
Mr. Anjan Kumer Roy	Independent Director	Nil	Nil
Mr. S. M. Shamsul Alam	Independent Director	Nil	Nil
Mr. S. M. Nurul Alam Chowdhury	Independent Director	Nil	Nil
Mr. Fazlul Hoque Khan	Independent Director	Nil	Nil
Mr. Pritish Kumar Sarker	Managing Director & CEO	5,600,000	5,600,000

45.04 Meeting Fees:**(a) Board Meeting:**

During the year, 11 Board Meetings were held and the following fees were paid:

Name	2020		2019	
	No. of Meeting Attendance	Attendance Fees	No. of Meeting Attendance	Attendance Fees
Mr. Md. Zahangir Alam	2	17,600		
Mr. Anjan Kumer Roy	2	18,400	10	92,000
Mr. Md. Abul Shahjahan	11	98,400	10	92,000
Dr. Uddab Mallick	10	89,600	9	82,800
Mr. Md. Atharul Islam	9	80,800	9	82,800
Mr. S. M. Shamsul Alam	8	70,800	-	-
Mr. Fazlul Hoque Khan	1	8,800	-	-
Mr. S. M. Nurul Alam Chowdhury	3	26,400	-	-
Mr. Arun Kumer Kundu	1	9,200	9	82,800
Ms. Soma Ghosh	9	80,000	-	-
Mr. Md. Siddiqur Rahman	-	-	1	9,200
Ms. Mahfuza Rahman Baby	-	-	1	9,200
Mr. Pradip Kumar Nandi	-	-	4	36,800
Mr. Birendra Kumar Shome	-	-	8	73,600
Taka:		500,000		561,200

(b) Audit Committee Meeting Fees:

During the year, 2 Audit Committee Meetings were held and the following fees were paid :

Name	2020		2019	
	No. of Meeting Attendance	Attendance Fees	No. of Meeting Attendance	Attendance Fees
Mr. Md. Abul Shahjahan	2	18,400	5	46,000
Mr. S. M. Shamsul Alam	2	18,400	-	-
Mr. Pradip Kumar Nandi	-	-	3	27,600
Mr. Md. Atharul Islam	1	9,200	5	46,000
Mr. Anjan Kumer Roy			1	9,200
Taka:		46,000		128,800

45.05 Foreign remittance

There were no foreign remittance during the year 2020

Contingent Liabilities :

There were no contingent liabilities during the year 2020.

45.06 Claims

31-Dec-2020	31-Dec-2019
Amount in Taka	

(a) Claim against the company acknowledge as debts.

160,082,645 162,844,248

(b) Claim by the company not acknowledge as receivable.

106,138,532 106,138,532

45.07 Proposal of dividend

The Board of Directors 245 th Board meeting, held on 21/10/2021 recommended for the shareholders a no dividend @ 0 % on 149,077,364 shares. This will be considered for approval of the shareholders at the 24th Annual General Meeting to be held on 30/11/2021.

45.08 Figures of the previous year have been rearranged, where necessary, to conform to current year

45.09 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 21/10/ 2021 on its 245th Board Meeting.

45.10 Post Closing Events :

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, 2020

a. Cost**Annexure-1**

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2020
	Balance as on 01.01.2020	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2020	Addition during the year	Adj./disposal during the year	
Land	2,163,200	-	-		-	-	-	2,163,200
Office building	79,559,223	-	-	5%	29,894,832	2,483,220	-	47,181,171
Furniture & fixture	8,187,821	289,400	-	10%	4,095,885	416,429	-	3,964,907
Office decoration	8,957,959	-	-	10%	4,086,892	487,107	-	4,383,960
Office equipment	9,132,180	1,321,500	-	15%	5,693,592	565,345	-	4,194,743
Motor vehicles	29,833,880	-	3,154,930	20%	16,022,441	2,711,211	2,286,627	10,231,925
Electrical installation	2,057,474	-	-	15%	1,533,513	78,594	-	445,367
Computer	11,408,348	-	-	15%	3,825,559	1,137,418	-	6,445,371
Telephone line & PABX system	1,067,650	-	-	15%	607,745	68,986	-	390,919
Right of use Assets	122,512,515	-	-	15%	17,454,837	17,454,837	-	87,602,841
Software	638,421	-	-		349,929	43,274	-	245,218
Total	275,518,671	1,610,900	3,154,930		83,565,225	25,446,421	2,286,627	167,249,622

b. Revaluation

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2020
	Balance as on 01.01.2020	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2020	Addition during the year	Adj./disposal during the year	
Land	84,364,660	-	-		-	-	-	84,364,660
Office building	229,523,584	-	-	5%	99,692,831	6,491,538	-	123,339,215
Total	313,888,244	-	-		99,692,831	6,491,538	-	207,703,875
Total (a+b) at 31 December 2020	589,406,915	1,610,900	3,154,930		183,258,056	31,937,959	2,286,627	374,953,497
Balance at 31 December 2019	465,061,010	131,959,865	7,613,960		156,004,625	32,530,696	5,277,265	406,148,859

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, 2020

Annexure-1 (a)

a. Cost

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2020
	Balance as on 01.01.2020	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2020	Addition during the year	Adj./disposal during the year	
Land	2,163,200	-	-	-	-	-	-	2,163,200
Office building	79,559,223	-	-	5%	2,483,220	-	32,378,052	47,181,171
Furniture & fixture	11,187,029	289,400	-	10%	560,688	-	6,213,181	5,263,248
Office decoration	17,606,286	-	-	10%	1,134,731	-	7,393,715	10,212,571
Office equipment	15,339,975	1,321,500	-	15%	1,057,545	-	9,677,601	6,983,874
Motor vehicles	29,833,880	-	3,154,930	20%	16,022,441	2,286,627	16,447,024	10,231,925
Electrical installation	2,057,474	-	-	15%	1,533,513	-	1,612,107	445,367
Computer	13,415,411	-	-	15%	1,249,282	-	6,336,145	7,079,266
Telephone line & PABX system	1,345,370	-	-	15%	83,180	-	874,015	471,355
Right of use Assets	128,350,332	-	-	-	20,879,529	-	39,640,652	88,709,680
Software	2,904,671	-	-	15%	147,590	-	2,068,332	836,339
Total	303,762,851	1,610,900	3,154,930		28,267,165	2,286,627	122,640,825	179,577,996

b. Revaluation

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2020
	Balance as on 01.01.2020	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2020	Addition during the year	Adj./disposal during the year	
Land	84,364,660	-	-	-	-	-	-	84,364,660
Office building	229,523,584	-	-	5%	6,491,538	-	106,184,369	123,339,219
Total	313,888,244	-	-		6,491,538	-	106,184,369	207,703,875
Total (a+b) at 31 December 2020	617,651,095	1,610,900	3,154,930		34,758,703	2,286,627	228,825,194	387,281,871
Balance at 31 December 2019	487,464,373	137,800,682	7,613,960		37,685,345	5,277,265	196,353,118	421,297,977

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, 2020

Annexure-2

Shares (quoted)

Name of Share	Number of Share	Market Price Per Share	Market Value	Cost of Share	Provision Amount
AB Bank Limited	183,750	12.10	2,223,375	3,611,497	1,388,122
Esquir Knit Composite Limited	10,445	26.30	274,704	470,025	195,321
Niloy Cement Industries Limited	500	49.90	24,950	67,845	42,895
Runner Automobiles Limited	3,968	50.90	201,971	283,140	81,169
			2,725,000	4,432,507	1,707,507

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:			12,725,000	14,432,507	1,707,507

FAS Finance & Investment Limited
Financial Highlights
As on December 31, 2020

Annexure-3

Sl. No.	Particulars	Amount in Taka		
		31-Dec-2020	31-Dec-2019	Change in %
1	Paid up capital	1,490,773,640	1,490,773,640	-
2	Total capital	(1,751,967,911)	327,779,004	(634.50)
3	Capital surplus/(deficit)	(3,104,388,552)	(1,444,787,140)	(114.87)
4	Total assets	21,534,408,473	20,270,239,259	6.24
5	Total deposits	9,094,036,379	8,949,142,519	1.62
6	Total loans, advances and leases	19,190,799,108	17,928,103,014	7.04
7	Total contingent liabilities and commitments	-	639,057,691	(100.00)
8	Credit deposit ratio	211.03%	200.33%	5.34
9	Percentage of classified loans, advances and leases	88.76%	73.15%	21.33
10	Profit after tax and provision	(2,031,730,165)	(1,464,731,442)	(38.71)
11	Classified loans, advances and leases during the year	17,033,033,828	13,114,550,342	29.88
12	Provisions kept against classified loans	1,624,147,895	1,274,936,984	27.39
13	Provision surplus/deficit	(7,342,299,240)	(3,799,542,347)	(93.24)
14	Cost of fund	11.81%	10.66%	10.79
15	Interest earning assets	20,533,654,347	19,289,270,382	6.45
16	Non-interest earning assets	1,000,754,126	980,968,877	2.02
17	Return on investment (ROI)	-10.92%	-8.75%	(24.84)
18	Return on asset (ROA)	-9.72%	-7.50%	(29.56)
19	Incomes from investment	13,937,861	(31,684,409)	143.99
20	Earning per share	(13.63)	(9.83)	(38.71)
21	Net income per share	(13.63)	(9.83)	(38.71)
22	Price earning ration (Times)	-	-	-

Disclosure of deviations from few requirements of IAS/IFRS

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"	<p>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.</p> <p>If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to:</p> <p>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</p> <p>b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).</p>	<p>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.</p>	<p>In separate Financial Statements, an amount of BDT 300.88 million has been charged as incremental provision for leases, loans and advances for the year 2020. Also, as at 31 December 2020, accumulated provision for leases, loans and advances stand at BDT total 1,646.85 million. In consolidated Financial Statements, the same amount is BDT 300.88 million. Also, as at 31 December 2020, accumulated provision for leases, loans and advances stand at BDT total 1,736.52 million.</p>
2	Valuation of Investments in quoted and unquoted shares	IFRS-9 "Financial Instruments"	<p>Investment in shares falls either under "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.</p>	<p>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.</p>	<p>During this year, total market value of all shares invested by FAS Finance & Investment Limited is less 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, 2020 there was BDT 10.93 million gross losses on consolidated investment in marketable securities.</p>

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
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 2,600.64 million from BDT 962.60 million resulting increase of BDT 1,638.04 million of interest suspense. This amount has been shown in other liabilities in note 13.4
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 2020 and corresponding year 2019 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.

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
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 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 such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for 2020 and corresponding year 2019 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank
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 2020 and corresponding year 2019 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
8	Current/Non-current distinction	IAS-1 "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 2020 and corresponding year 2019 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-1 "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 2020 and corresponding year 2019 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-1 "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 2020 and corresponding year 2019 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-1 "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 2020 and corresponding year 2019 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-1 "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 2020 and corresponding year 2019 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 2020 and corresponding year 2019 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

Ms. Bobita Yasmin, Officer

Mr. Mohammad Mohiuddin, Sr. Officer

Mr. Md. Yeasin Ali, CEO (CC)

Mr. Foiz Ahmed, Manager

Mr. Muh.Mahade Hasan Tusar, Asstt. Manager

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, 2020, 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, 2020, 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 stood of Tk. 159.18 crore as of December 31, 2020. 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 .77 crore. There is a significant doubt regarding the collectability of said margin 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. 158.41 crore as of December 31, 2020. 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 loss provision is Tk. 149.44 (one forty nine point four four) crore. If the whole impairment loss is adjusted in financial statements, then Net Asset Value (NAV) per share would be negative TK. 62.25 (Taka sixty two point two five) instead of disclosed NAV per share of negative Tk. 2.47 (two point four seven). However, the Bangladesh Securities and Exchanges Commission directive no. BSEC/CMRRCD/2009-193/196 requires to make provision five equal quarterly instalment starting from December 31, 2020. So, the company is required to maintain provision of Tk. 29.89 (twenty nine point eight nine) crore.
- 2) The interest income on investment in FDR TK. 3.08 crore, out of which, Tk. 2.84 crore was related to the receivable of FDR interest, but whole interest income shown as cash receipt in the statement of cash flows. On the other hand, interest paid shown in statement of cash flows is overstated by Tk. 8.94 crore which is just accrued and charged in books of accounts and no real 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.
- 3) The accompanying financial statements have been prepared under going concern basis assuming that the company will continue its existence for foreseeable future. However, significant impairment of margin loan, recurring huge loss, negative equity balance and poor current ratio 0.49 expose concern about it's (company's) going concern assumptions.

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:

1. 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.
2. With reference to note no. 6, the interest income from TDR and related TDS unable to check from TDR statements due to absence of TDR statements. However, the respective financial Institution has issued balance confirmation certificate (third party confirmation).

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
October 17, 2021
Data Verification Code (DVC) No:

Malek Siddiqui Wali
Chartered Accountants



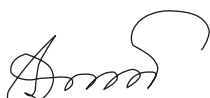
Md. Waliullah, FCA
Enrolment No: 0247
2110310247AS358430

FAS Capital Management Limited

Statement of Financial Position

As at 31 December 2020

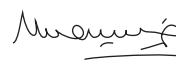
	Notes	Restated		
		31.12.2020	31.12.2019	31.12.2018
		Taka	Taka	Taka
PROPERTY AND ASSETS:				
Current Assets :				
Cash:		32,722	80,739	73,739
In hand		32,722	80,739	73,739
Balance with bank(s)		-	-	-
Cash at Bank		1,587,569	908,136	3,442,686
In Bangladesh		1,587,569	908,136	3,442,686
Outside Bangladesh		-	-	-
Investment		555,489,335	586,499,156	701,517,393
Share Investment		50,946,054	36,499,156	151,517,393
Other (TDR)		504,543,281	550,000,000	550,000,000
Loans and advances		1,602,430,956	1,483,665,582	1,457,110,196
Others assets		103,875,346	89,385,781	40,077,084
Total Current Assets :		2,263,415,928	2,160,539,394	2,202,221,152
Fixed Assets		12,328,374	15,149,118	14,462,950
TOTAL ASSETS		2,275,744,302	2,175,688,512	2,216,684,102
LIABILITIES AND CAPITAL:				
LIABILITIES:				
Borrowings from other banks, financial institutions and agents		2,021,184,887	1,957,399,597	1,966,829,882
Current Liabilities		316,338,965	129,559,323	116,071,880
Provision for Expenses		76,060,494	18,782,191	197,933
Provision for Income Tax		4,024,966	3,771,825	2,526,469
Sundry Creditors		4,371,258	800,896	1,522,487
Interest Suspense Account		132,987,993	-	-
Others liabilities		98,894,254	106,204,411	111,824,991
TOTAL LIABILITIES		2,337,523,852	2,086,958,920	2,082,901,762
CAPITAL/SHAREHOLDERS' EQUITY		(61,779,550)	88,729,592	133,782,340
Paid-up Capital		250,000,000	250,000,000	250,000,000
Retained earnings		(311,779,550)	(161,270,408)	(116,217,660)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,275,744,302	2,175,688,512	2,216,684,102



Md. Yeasin Ali
Chief Executive Officer, C.C



Prithish Kumar Sarker
Director



Mohammed Nurul Amin
Chairman



Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
October 17, 2021

FAS Capital Management Limited

Statement of Financial Position

As at 31 December 2020

<i>Particulars</i>	Notes	31.12.2020	31.12.2019	31.12.2018
		Taka	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

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

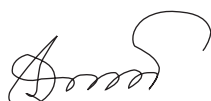
Total

Other Memorandum Items

	<u>756,510,979</u>	<u>873,509,166</u>	<u>946,613,314</u>
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The accounting policies and other notes form an integral part of these financial statements.

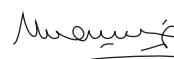
The financial statements were approved and authorized for issue by the Board of directors on the date of October 13, 2021 and signed for and on behalf of the board.



Md. Yeasin Ali
Chief Executive Officer, C.C



Prithish Kumar Sarker
Director



Mohammed Nurul Amin
Chairman



Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
October 17, 2021

FAS Capital Management Limited

Statement of Profit or Loss and other Comprehensive Income

For the Period from 1st January 2020 to 31 December, 2020

Particulars	Notes	Amount	Amount
		31.12.2020	31.12.2019
OPERATING INCOME:			
Interest Income	15	3,059,139	102,338,912
Less: Interest paid on deposit and borrowings, etc.	16	186,519,889	173,554,942
		(183,460,750)	(71,216,030)
Investment income	17	4,106,641	(20,993,962)
Commission, exchange and brokerage	18	-	157,500
Other operating income	19	31,728,076	57,204,832
		35,834,717	36,368,370
Total operating income (a)		(147,626,033)	(34,847,660)
OPERATING EXPENSES			
Salary and allowances	20	4,956,225	7,063,896
Rent, taxes, insurance, electricity, etc.	21	271,965	405,216
Postage, stamps, telecommunication, etc.	22	198,196	268,897
Printing ,Stationery & Advertisement	23	12,345	51,289
Audit Fees		46,000	57,500
Directors Fees		93,150	82,800
Legal Expenses		-	17,250
Depreciation on Fixed Assets	07	2,820,743	5,154,650
Repair of Fixed Assets	24	130,225	127,225
Other expenses	25	1,411,276	1,351,589
		9,940,125	14,580,312
Total operating expenses (b)		(157,566,158)	(49,427,972)
Profit before provision (c=a-b)			
Provision for diminution in value of investments		(7,310,157)	(5,620,580)
Provisions on Margin Loan		-	-
Other Provision		-	-
		(7,310,157)	(5,620,580)
Total provision (d)			
Profit before taxation(c-d)		(150,256,001)	(43,807,392)
Provision for taxation		253,141	1,245,356
Current Tax	10	227,284	1,311,768
Deferred Tax		25,857	(66,412)
		(150,509,142)	(45,052,748)
Net profit after taxation			
Earning Per Share	26	(6.02)	(1.80)

The accounting policies and other notes form an integral part of these financial statements.

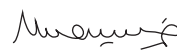
The financial statements were approved and authorized for issue by the Board of directors on the date of October 13, 2021 and signed for and on behalf of the board.



Md. Yeasin Ali
Chief Executive Officer, C.C



Prithish Kumar Sarker
Director



Mohammed Nurul Amin
Chairman



Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
October 17, 2021

FAS Capital Management Limited

Statement of Changes in Equity

For the Period ended 31 December, 2020

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Opening Balance as on 01.01.2020	250,000,000	(161,270,408)	88,729,592
Net Profit after Taxation for the Period		(150,509,142)	(150,509,142)
Balance as on 31 December, 2020	250,000,000	(311,779,550)	(61,779,550)

FAS Capital Management Limited

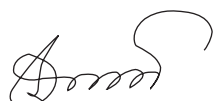
Statement of Changes in Equity

For the Period ended 31 December, 2019

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Opening balance (Restated)	250,000,000	(116,217,660)	133,782,340
Net Profit after Taxation for the Period		(45,052,748)	(45,052,748)
Balance as on 31 December, 2019	250,000,000	(161,270,408)	88,729,592

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of directors on the date of October 13, 2021 and signed for and on behalf of the board.



Md. Yeasin Ali
Chief Executive Officer, C.C



Prithish Kumar Sarker
Director



Mohammed Nurul Amin
Chairman



Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
October 17, 2021

FAS Capital Management Limited

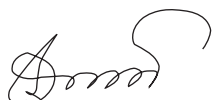
Statement of Cash Flows

For The Period Ended 31 December, 2020

Particulars	31.12.2020 Taka	31.12.2019 Taka
Cash Flows From Operating Activities		
Interest receipts	3,059,139	102,338,912
Interest payments	(186,519,889)	(173,554,942)
Investment Income	4,106,641	(20,993,962)
Commission, exchange and brokerage	-	157,500
Payments to employees	(4,956,225)	(7,063,896)
Other operating income	31,728,076	57,204,832
Payment for other operating activities	(2,163,156)	(2,361,766)
Operating profit before changes in operating assets & liabilities	(154,745,414)	(44,273,322)
Increase/Decrease in operating assets and liabilities		
Margin loan to client	(118,765,374)	(26,555,386)
Other Assets (Receivable)	(14,489,565)	(49,308,697)
Deposit from customers	3,570,362	(721,591)
Borrowing from other Bank & Financial Institute	63,785,290	(9,430,285)
Liabilities for Expenses	57,278,303	18,584,258
Interest Suspense Account	132,987,993	-
Other Liabilities	-	-
Net cash from/ (used in) operating activities (a)	(30,378,405)	(111,705,023)
Cash Flows From Investing Activities		
Purchase/Sale of trading securities, shares, bonds, etc.	(14,446,898)	115,018,237
Others Investment (FDR)	45,456,719	-
Purchase/Sale of property, plant and equipment	-	(5,840,817)
Net cash used in investing activities (b)	31,009,821	109,177,420
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)	631,416	(2,527,604)
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at beginning of the Year	988,875	3,516,479
Cash and cash equivalents at end of the year	1,620,291	988,875

The accounting policies and other notes form an integral part of these financial statements.


The financial statements were approved and authorized for issue by the Board of directors on the date of October 13, 2021 and signed for and on behalf of the board.



Md. Yeasin Ali
Chief Executive Officer, C.C



Prithish Kumar Sarker
Director



Mohammed Nurul Amin
Chairman



Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
October 17, 2021

FAS Capital Management Limited

Notes to the Financial Statements

For the Period from January to December, 2020

01 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 30 th 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's);

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 2020-2021 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 2020 to 31 December, 2020.

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. General:

All financial information is presented in taka has been rounded off to the nearest taka. Comparative figures for balance have been given.

Amount in Taka	
as at	
31.12.2020	31.12.2019

02 Cash in hand :

Cash in Hand

32,722

80,739

Total**32,722****80,739****03 Cash at Bank :**

Dutch Bangla Bank Ltd. Gulshan Branch

Account No.

SND-116.120.1505

94,551

3,657

Dutch Bangla Bank Ltd. Gulshan Branch-LRHR

SND-116.120.4323

1,396

120,553

Mutual Trust Bank Ltd. Gulshan Branch

SND-0022-0320000793

16,255

43,502

Prime Bank Ltd. Mohakhali Branch

SND-11031050015284

-

1

Social Islami Bank Ltd. Gulshan Branch

SND-0081360000649

26,062

28,616

One Bank Ltd. Principal Branch

SND-0013000001743

18,787

331,894

One Bank Ltd. Principal Branch

SND-0013000001754

6,241

67,519

The City Bank Ltd. Gulshan Branch

SND-3101221156001

101,207

282,578

The City Bank Ltd. Gulshan Branch

SND-3101221156003

37,274

5,525

The City Bank Ltd. Gulshan Branch

6002-PIAA

1,274,289

2,732

Woori Bank Ltd.-Gulshan Br.

NDA-923000208

11,507

21,559

Total**1,587,569****908,136****04 Share Investment :****Bank:**

AB Bank Ltd.

11,408,235

11,205,629

IFIC Bank Ltd.

-

514,038

11,408,235**11,719,667****Textile:**

Simtex Industries Ltd.

7,833,709

8,257,770

M.L. Dyeing Limited

5,015,000

Evince Textile Mills Ltd.

1,379,646

New Line Clothings Ltd.

-

40,265

Saiham Textile Mills Ltd.

7,124,324

-

Zaheen Spinning Ltd.

-

91,273

21,352,679**8,389,308****Fuel & Power:**

Khulna Power Company Ltd

4,435,768

-

4,435,768

-

Mutual Fund:

LR Global BD- MF One

-

271,088

-

271,088**Engineering:**

Appollo Ispat Complex Ltd.

6,995,376

6,995,376

Western Marine Shipyard Ltd.

-

349,044

6,995,376**7,344,420****Pharmaceutical:**

Square Pharma Ltd.

-

736,077

-

736,077

Amount in Taka	
as at	
31.12.2020	31.12.2019

Others:

BATBC Limited	-	90,406
Golden Harvest Ago Industries Ltd.	-	189,567
IFAD Autos Ltd.	-	5,585,956
Continental Insurance Co.Ltd.	1,054,153	-
National Feed Mills Ltd.	-	90,270
Total	1,054,153	5,956,199

Quated:

Bashundhara Paper Mills Ltd.	-	97,582
ADN Telecom Ltd.	-	569,040
Coppertech Industries Ltd.	4,192,588	90,532
Esquire Knit Composite Ltd.	-	391,456
Crystal Insurance Company Ltd.	108,780	-
Dominage Steel Building Systems Ltd.	115,492	-
Runner Automobile Ltd.	-	688,862
Sea Pearl Beach Tesort & Spa Ltd.	732,003	37,526
Robi Axiata Ltd.	550,980	-
Silva Pharmaceuticals Ltd.	-	167,501
Silco Pharmaceuticals Ltd.	-	39,898
Total	5,699,843	2,082,397

Total

50,946,054 **36,499,156**

05 Margin Loan to Client :

	Total Margin Loan	Total Margin Loan
Be Rich Ltd.	221,702,949	221,428,069
International Leasing Security Ltd.	50,672,041	50,798,011
KHB Securities Ltd.	64,432,513	70,814,936
Khwaja Equity Services Ltd.	291,420,309	160,174,135
Royal Capital Ltd.	512,790,881	512,785,937
Shah Mohammad Sagir & Co. Ltd.	170,497,558	170,535,684
Stock & Bond Ltd.	268,127,696	268,379,962
Western Securities Investment Mag.Ltd.	21,663,412	21,663,412
Discretionary A/C-LRHR Secure A/c	1,123,597	774,803
Discretionary A/C-General A/c	-	6,310,633
Total	1,602,430,956	1,483,665,582

06 Others Assets :

Accounts Receivable	06.01	8,497,766	6,654,418
Advances, Deposits and Prepayments		3,421,396	3,486,396
Advance Income Tax (AIT)	06.02	15,924,412	5,278,689
Receivable Interest on FDR		75,489,676	73,639,138
Receivable Dividend Income		542,096	327,140
Total		103,875,346	89,385,781

06.01 Accounts Receivable :

Brokerage House	06.01.01	4,408,075	2,600,413
Receivable From FFIL		3,590,663	3,590,663
Receivable-CDBL-All Broker		499,028	463,342
Total		8,497,766	6,654,418

06.01.01 Brokerage House :

KHB Securities Ltd.	-	487,872
Khwaja Equity Services Ltd.-Own	-	10,715
Khwaja Equity Services Ltd.	3,743,923	1,437,674
Shah Mohammad Sagir & Co.Ltd	664,152	664,152
Total	4,408,075	2,600,413

		Amount in Taka	
		as at	
		31.12.2020	31.12.2019
06.02 Advance Income Tax (AIT):			
Opening Balance		5,278,689	3,827,491
Add: Addition during the year		10,645,723	1,451,198
		15,924,412	5,278,689
Less: Adjustment during the year		-	-
Total		15,924,412	5,278,689
07 Fixed Assets :			
Cost:			
Opening Balance		28,244,180	22,403,363
Add: Addition during the year		-	5,840,817
		28,244,180	28,244,180
Less: Disposal of Fixed Assets		-	-
		28,244,180	28,244,180
Accumulated Depreciation			
Opening Balance		13,095,063	7,940,413
Add: Charged during the year		2,820,743	5,154,650
		15,915,806	13,095,063
Less: Disposal of Fixed Assets		-	-
		15,915,806	13,095,063
		12,328,374	15,149,118
(Details of the Fixed Assets are shown in Annexure-1)			
08 Borrowings from other banks, financial institutions and agents :			
Bank	8.01	-	-
Financial institution:	8.02	2,020,051,066	1,955,023,737
Lease Liability		1,133,821	2,375,860
Total		2,021,184,887	1,957,399,597
8.01 Borrowings from other financial institutions :		-	-
8.02 Short Term Portion of Long Term Loan :			
FAS Finance & Investment Ltd.		1,627,732,069	1,559,704,740
Investment Corporation of Bangladesh		32,315,017	35,315,017
International Leasing & Financial Services Ltd.		360,003,980	360,003,980
		2,020,051,066	1,955,023,737
		2,020,051,066	1,955,023,737
09 Provision for Expenses :			
Audit Fees		46,000	46,000
CDBL Charges		136,969	236,911
Interest against loan from ICB		646,254	646,254
Interest against loan from ILFSL		75,097,751	17,837,343
Payable to Zahed Plaza		117,837	-
Provident Fund-FCML		7,778	7,905
Gratuity Fund-FCML		7,905	7,778
Total		76,060,494	18,782,191
10 Provision for Income Tax :			
Provision for Current Tax	10.01	4,212,960	3,985,676
Provision for Deferred Tax	10.02	(187,994)	(213,851)
		4,024,966	3,771,825
10.01 Provision for Current Tax:			
Opening Balance		3,985,676	2,673,908
Add: Provision during the year		227,284	1,311,768
		4,212,960	3,985,676
Less: Adjustment during the year		-	-
Total		4,212,960	3,985,676

		Amount in Taka	
		as at	
		31.12.2020	31.12.2019
10.02 Provision for Deferred Tax:			
Opening Balance		(213,851)	(147,439)
Add: Provision during the year		25,857	(66,412)
		(187,994)	(213,851)
Less: Adjustment during the year		-	-
Total		(187,994)	(213,851)
11 Sundry Creditors :			
All Broker-Cash Account		1,004,090	318,482
Discretionary A/C-BD-0001		2,757,849	307,931
Discretionary A/C-BD-0002		563	1,013
Discretionary A/C-BD-0003		3,819	4,269
Discretionary A/C-BD-0004		79,244	79,694
Discretionary A/C-LRHR-Confident		248,461	80,251
Discretionary A/C-General		267,976	-
Mika Securities Ltd.		9,256	9,256
Total		4,371,258	800,896
12 Others Liabilities :			
Provision against Share Investment	12.01	9,225,481	16,535,638
Provision against Margin loan	12.02	89,668,773	89,668,773
Total		98,894,254	106,204,411
12.01 Provision for Share Investment:			
Opening Balance		16,535,638	22,156,218
Add: Provision during the year		(7,310,157)	(5,620,580)
		9,225,481	16,535,638
Less: Adjustment during the year		-	-
Total		9,225,481	16,535,638
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)		-	-
Total		89,668,773	89,668,773
13 Share Capital :			
13.01 Authorized Capital :			
100,000,000 Ordinary Shares of Tk. 10.00 each		1,000,000,000	1,000,000,000
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			
	2020(%)	Taka	2019(%)
Sponsors	2.8	7,000,000	2.80
Financial Institutions	97.2	243,000,000	97.20
	100	250,000,000	100

13.04 Name of directors, Sponsors Shareholders & their shareholding

	Number of Share	Total Value	%
Mr. Abdul Matlub Ahmad	100,000	1,000,000	0.40
Mr. Abdul Halim	100,000	1,000,000	0.40
Mr. Sudir Chandra Sarker	100,000	1,000,000	0.40
Mr. Uzzal Kumer Nandi	100,000	1,000,000	0.40
Mr. Md. Sha Alam (Liton)	100,000	1,000,000	0.40
Mr. Md. Masum Kabir	100,000	1,000,000	0.40
Mr.Md. Anaware Hossian	100,000	1,000,000	0.40
FAS Finance & Investment Ltd.	24,300,000	243,000,000	97.20
	25,000,000	250,000,000	100

14 Retained earnings :

Opening balance		(161,270,408)	(116,217,660)
Net Profit after Tax		(150,509,142)	(45,052,748)
Total		(311,779,550)	(161,270,408)

15 Interest Income :

Interest on Margin Loan	15.01	2,908,198	102,338,912
Bank Interest-SND A/c		150,941	-
Total		3,059,139	102,338,912

15.01 Interest on Margin Loan :

Be Rich Ltd.		-	9,768,867
Discretionary-General A/c		-	1,358,903
International Leasing Securities Ltd.		-	2,640,239
KHB Securities Ltd.		-	9,800,145
Khwaja Equity Services Ltd.		2,908,198	34,137,789
Discretionary-LRHR A/c		-	5,993
Royal Capital Ltd.		-	19,670,795
Stock & Bond Ltd.		-	9,786,776
Shah Mohammad Sagir & Co. Ltd.		-	10,231,683
Western Securities Investment Mgt. Ltd.		-	4,937,722
Total		2,908,198	102,338,912

16 Interest paid on deposit and borrowings, etc. :

Bank		-	544,282
Financial Institute		186,338,206	172,637,680
Financial Cost on Lease		181,683	372,980
Total		186,519,889	173,554,942

17 Investment Income :

Capital Gain on Share Investment	17.01	3,098,045	(22,748,615)
Dividend on Shares Investment		1,008,596	1,754,653
Total		4,106,641	(20,993,962)

17.01 Capital Gain on Share Investment
Less:Interest paid on outside borrowing
Total

3,098,045	(22,748,615)
-	-
3,098,045	(22,748,615)

18 Commission, Exchange and Brokerage :

Underwriting Commission		-	157,500
Total		-	157,500

19 Other Operating Income :

Portfolio Management Fees	19.01	561,705	1,155,277
Documentation Fee		14,400	12,000
Interest on FDR		30,807,732	54,875,074
Interest on Other Income		41,239	94,656
Interest on STD Income		-	671,825
Work Station Rent		303,000	396,000
Total		31,728,076	57,204,832

Amount in Taka	
as at	
31.12.2020	31.12.2019
19.01 Portfolio Management Fees :	
Khwaja Equity Services Ltd.	1,155,277
FAS Finance & Investment Ltd.	477,749
Total	1,155,277
20 Salary and Allowances :	
Basic Salary and all other allowances	5,950,662
Provident Fund	309,514
Festival Bonus	548,220
Leave fare assistance	255,500
Total	7,063,896
21 Rent, Taxes, Insurance, Electricity, etc :	
Office Rent -Service Charge	696
Electric Bill	398,612
Generator Bill	5,908
Insurance Premium	-
Total	405,216
22 Postage, Stamps, Telecommunication :	
Internet Bill	152,100
Stamp & Notary	8,225
Telephone & Mobile Bill	106,402
Postage & Courier	2,170
Total	268,897
23 Printing, Stationery & Advertisement	
Dhaka (Head Office)	51,289
Total	51,289
24 Repairs	
Software Maintenance	127,225
Total	127,225
25 Other Expenses :	
Bank Charge & Commission	38,076
Conveyance allowance	39,790
Cleaning service bill	90,000
Entertainment	77,534
Earn Leave Expenses	171,177
Excise Duty Expenses	116,800
Fees & Subscription	67,000
Newspaper & Periodicals	4,900
Office Maintenance	112,822
Renewal Fees	171,505
Repair & Maintenance	44,760
Security Service Bill	337,836
Spare & Accessories	37,735
TA/DA-Head Office	22,100
VAT Expenses	1,920
Wasa Bill	17,634
Total	1,351,589

Amount in Taka	
as at	
31.12.2020	31.12.2019

26 Basic earning per share (EPS) discloser under BAS-33

Net Profit for the year	(150,509,142)	(45,052,748)
Weighted average number of ordinary shares	25,000,000	25,000,000
Basic earning per share (EPS)	(6.02)	(1.80)

27 Net Assets value (NAV) per Share

Total Assets	2,275,744,302	2,175,688,512
Less: Total Outstanding Liabilities	2,337,523,852	2,086,958,920
Net Assets Value	(61,779,550)	88,729,592
Number of Ordinary Share	25,000,000	25,000,000
	(2.47)	3.55

28 Net Operating Cashflow per share

Net Operating Cash Flow	(30,378,405)	(111,705,023)
Number of Ordinary Share	25,000,000	25,000,000
	(1.22)	(4.47)

29 Event after Reporting Period

The Board of Directors of the company approved the financial statements as on 13/10/2021 and no dividend recommended for the financial year ended December 31, 2020. Except the facts and figures stated above, there is no other entries or notes that has to be disclosed in the financial statements.

30 Contingent Liability Disclosure

The company does not have any liability that fall in the definition of contingent liability as per IAS 37.

31 Key Managemnet Benefits Disclosure

The board of directors of the company are fall in the definition of key management employees .

Particulars	2020		2019	
	Directors	Executives	Directors	Executives
Remuneration	-	-	-	-
Meeting fee	93,150	-	82,800	-
House rent	-	603,012	-	577,812
Bonus	-	196,800	-	192,500
Conveyance	-	120,612	-	115,572
Medical	-	241,200	-	231,120

32 Audit Fees**Statutory audit fee**

Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors.

46,000	46,000
--------	--------

33 Employees Minimum Pay Disclosure

Total Number of Employees	5	9
Number of Employees Earn Above Tk. 20,000	5	9
Number of Employees Less than Tk. 20,000		

34.00 Related Party Disclosure.

a. Particulars of Directors and their Interest in different entities :

Sl 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	Mr. 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. Pritish Kumar Sarker	Director (Nominated by FAS Finance & Investment Ltd.)	N/A
3	Mr. Md. Masum Kabir	Director	N/A
4	Mr. Md. Sha Alam (Liton)	Director	N/A
5	Mr. Md. Anaware Hossian	Director	N/A
6	Mr. 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:

Sl.No.	Name of the Related Party	transaction Nature	Balance as at 01-Jan-2020	Addition	Adjustment	Balance as at 31-December-2020
			Taka	Taka	Taka	Taka
1	FAS Finance & Investment Limited	Loan	1,559,704,740	129,077,798	61,050,469	1,627,732,069
2	FAS Finance & Investment Limited	Paid up capital	243,000,000	-	-	243,000,000

FAS CAPITAL MANAGEMENT LIMITED

Fixed Assets Schedule

As on 31 December, 2020

Particulars	Cost			Rate (%)	Depreciation			Written Down Value as on 31.12.2020
	Balance as on 01.01.2020	Addition during the year	Adjustment/disposal during the year		Balance as on 31.12.2020	Adjustment/disposal during the year	Balance as on 31.12.2020	
Computer & Accessories	2,007,063	-	-	15	1,261,304	111,864	-	633,895
Furniture & Fixture	2,999,208	-	-	10	1,556,607	144,260	-	1,298,341
Motor Vehicle	-	-	-	20	-	-	-	-
Office Decoration	8,648,327	-	-	10	2,172,092	647,624	-	5,828,612
Office Equipment	6,207,795	-	-	15	2,926,464	492,200	-	2,789,131
Software	2,266,250	-	-	15	1,570,813	104,316	-	591,121
Telephone & PABX	277,720	-	-	15	183,090	14,194	-	80,435
Right to Use of Assets	5,837,817	-	-		3,424,693	1,306,286		1,106,838
Balance as on 31 December, 2020	28,244,180	-	-		13,095,063	2,820,743	-	12,328,374
Balance as on 31 December, 2019	22,403,363	5,840,817	-		7,940,413	5,154,650	-	15,149,118

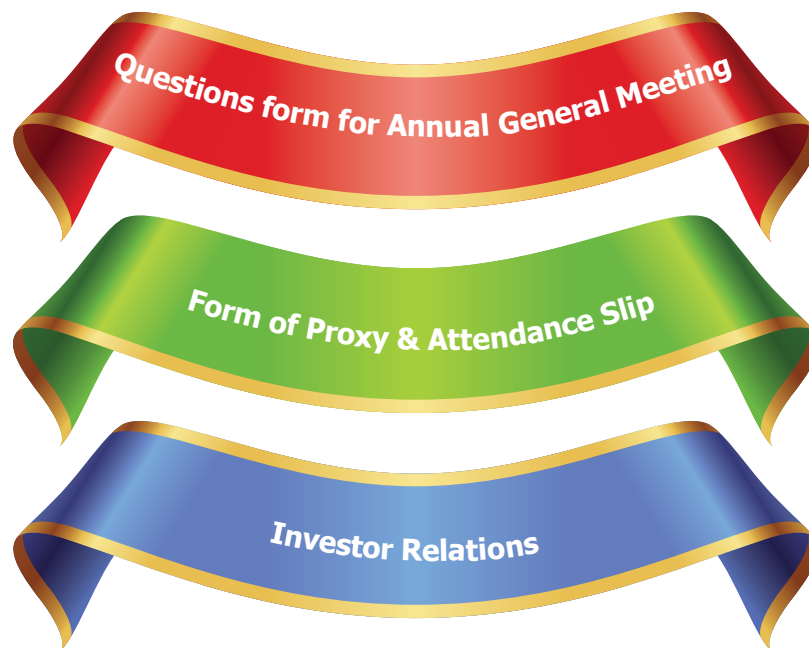
Annexure-1

FAS Capital Management Limited
Provision against Company's Own Investment
As at 31 December 2020

SI	Company Name	Quantity	Saleable	Avg. Cost	Total Cost	Market Rate	Market Value	Unrealized
1	AB Bank Limited	650,000	650,000	17.55	11,408,235	12.10	7,865,000	(3,543,235)
2	Appollo Ispat.Co.Ltd.	750,000	750,000	9.33	6,995,377	6.50	4,875,000	(2,120,377)
3	Continental Insurance Ltd.	20,000	20,000	52.71	1,054,153	46.20	924,000	(130,153)
4	Coppertech Industries LtdLtd.	170,639	170,639	24.57	4,192,588	21.10	3,600,483	(592,105)
5	Crystal Insurance Company Ltd	10,878	10,878	10.00	108,780	39.40	428,593	319,813
6	Dominage Steel Building System Ltd.	4,400	-	26.25	115,492	34.50	151,800	36,308
7	Evince Textile Mills Ltd.	157,500	150,000	8.76	1,379,646	8.20	1,291,500	(88,146)
8	Khulna Power Company Ltd.	90,000	90,000	49.29	4,435,767	45.30	4,077,000	(358,762)
9	M.L. Dyeing Ltd.	105,000	100,000	47.76	5,015,000	50.00	5,250,000	235,000
10	Robi Axiata Ltd.	55,098	55,098	10.00	550,980	29.80	1,641,920	1,090,940
11	Saiham Textile Mills Ltd.	259,000	259,000	27.51	7,124,324	24.50	6,345,500	(778,824)
12	Sea Pearl Beach Resort & Spa Ltd.	11,865	11,865	61.69	732,003	79.10	938,522	206,519
13	Simtex Industries Ltd	262,500	262,500	29.84	7,833,709	16.50	4,331,250	(3,502,459)
Grand Total					50,946,054		41,720,568	(9,225,481)

Required Share Provision 31.12.2020	9,225,481
Less : Share Provision Last Year	16,535,638
Share Provision Adjusted during the Year	(7,310,157)

DISCLOSURES AND OTHER RELATED INFORMATION



Questions form for Annual General Meeting

A series of horizontal dotted lines providing a space for writing questions.



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 24th Annual General Meeting (AGM) of the shareholders of FAS Finance
& Investment Limited will be held on Tuesday, November 30, 2021 at 11:00 a.m. by Virtually through using Digital Platform or
at any adjustment thereof.

Signed this.....

Signature of Proxy.....

Day of.....2021

Revenue
Stamp of Tk
20/-

Signature of Shareholder

BO ID:

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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 24th Annual General Meeting (AGM) of the shareholders of FAS Finance & Investment Limited will be held on Tuesday, November 30, 2021 at 11:00 a.m. by Virtually through using Digital Platform.

Name of Member/Proxy

BO ID:

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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 (5th 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 November 24, 2021.
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

Principal Branch

Suvastu Imam Square (4th Floor)
65, Gulshan Avenue
Gulshan-1, Dhaka-1212
Phone: +88-09604-046565, Fax:+88-02-9860531
E-mail: principalbranch@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

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)
Suvastu Imam Square (4th Floor)
65, Gulshan Avenue
Gulshan-1, Dhaka-1212
Phone: +88-02-8834253-4