

Annual Report 2021



FAS Finance & Investment Limited

www.fasbd.com



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.**

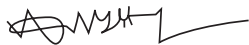
Subject: Annual Report for the year ended 31 December 2021

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, 2021, 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,



Mr. A.K.M. Mojibul Haque
Head of HR & Admin &
Company Secretary (CC)



Notice of the 25th Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting (AGM) of the shareholders of FAS Finance & Investment Limited will be held on Thursday, December 01, 2022 at 12:00 noon 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, 2021;
02. To declare dividend for the year ended December 31, 2021;
03. To elect/re-elect Directors;
04. To appoint the Auditors for auditing Financial Statements for the year ended on December 31, 2022 and to fix their remuneration;
05. To appoint the Auditors for auditing Corporate Governance for the year ended on December 31, 2022 and to fix their remuneration;

By order of the Board

Mr. A.K.M. Mojibul Haque

Head of HR & Admin &
Company Secretary (CC)

Dated: November 08, 2022

Notes

1. November 07 2022 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' for the year ended December 31, 2021.
3. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Order No. SEC/SRMIC/94-231/25 dated July 08, 2020 the 25th 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 detail login process will be notified to the Shareholders e-mail address. Full login/participation process for the Digital Platform Meeting will also be available in the Company's 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. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/ Admin/81, dated 20 June 2018, the soft copy of the Annual Report 2021 will be sent to the email addresses of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository. The soft copy of the Annual Report of 2021 will also be available in the Company's website: **www.fasbd.com**

N.B: Members may please note that no gift or benefits in cash or kind shall be given at the AGM as per BSEC's notification dated 24 October 2013.

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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 2029.

Core Values

For our Customers:

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

For our Employee:

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

For our Shareholders:

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

For our Community:

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

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 -02-58815841, 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 (CC)	: Mr. A. F. Sahbbir Ahmad
Chief Financial Officer	: Mr. Md. Abdul Bari Sarker
Company Secretary (CC)	: Mr. AKM Mojibul Haque
Accounting Year End	: 31 December
Authorized Capital	: Tk. 2,100,000,000/-
Paid-up Capital	: Tk. 1,490,773,640/-
No. of Employee	: 43
Auditors (For Financial Statements)	: MAHFEL HUQ & Co. Chartered Accountants BGIC Tower (4th Floor), 34, Topkhana Road, Dhaka-1000
Auditors (For CG Guidelines Compliances)	: Saiful Enayets Associates Cost & Management Accountants House # 53, Road # 03, Sector # 3, Uttara, Dhaka-1230, Bangladesh, Phone; +880255087069, Cell:+8801911-753415 01716446036, Email: saifur.sea@gmail.com web:www.saifurenayet.com
TIN	: 142726239751
VAT Registration No.	: 000467229
Trade License No.	: 03-027573

<p>Principal Bankers</p>	<p>: 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</p>
<p>Stock Brokers</p>	<p>: Khwaja Equity Services Limited Stock & Bond Limited KHB Securities Limited International Leasing Securities Limited Be Rich Limited</p>
<p>Memberships</p>	<p>: Bangladesh Leasing & Finance Companies Association (BLFCA) Bangladesh Association of Publicly Listed Companies (BAPLC) The Institute of Bankers, Bangladesh (IBB)</p>

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	44,925,550
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 2021	% in 2021
1	Agriculture	277.53	1.44
2	Pharmaceuticals and Chemicals	1,546.59	8.02
3	Electronics & Electrical	102.30	0.53
4	Food & beverage	8.81	0.05
5	Garments & Accessories	589.90	3.06
6	Ship manufacturing industry	264.57	1.37
7	Housing	2,447.24	12.69
8	Paper, Printing and Packaging	160.39	0.83
9	Plastics Industries	2.46	0.01
10	Power, Gas, Water and Sanitary Service	66.55	0.35
11	Transport Financing	1,794.96	9.31
12	Jute & Jute Products	102.47	0.53
13	Leather and Leather products	9.19	0.05
14	Merchant Banking	2,391.67	12.41
15	Textile	252.91	1.31
16	Trade & Commerce	9,073.58	47.06
17	Others	188.16	0.98
Total		19,279.29	100.00

Financial Highlights as required by Bangladesh Bank

Sl. No	Particulars		Taka in Million	
			31-Dec-2021	31-Dec-2020
1	Paid up capital	Taka in Million	1,490.77	1,490.77
2	Total capital	Taka in Million	(4,290.40)	-1,751.97
3	Capital surplus/deficit	Taka in Million	(5,323.62)	-3,104.39
4	Total assets	Taka in Million	21,739.89	21,534.41
5	Total deposits	Taka in Million	9,550.45	9,094.04
6	Total loans, advances and leases	Taka in Million	19,279.29	19,190.80
7	Credit deposit ratio	%	201.87	211.03
8	Percentage of classified loans, advances and leases	%	88.92	88.76
9	Profit after tax and provision	Taka in Million	(2,593.89)	-2,031.73
10	Classified loans, advances and leases during the year	Taka in Million	17,143.32	17,033.03
11	Provisions kept against classified loans	Taka in Million	(1,043.68)	1,624.15
12	Provision surplus/deficit	Taka	8,000.00	-7,342.30
13	Cost of fund	%	10.61	11.81
14	Interest earning assets	Taka in Million	20,800.71	20,533.65
15	Non-interest earning assets	Taka in Million	939.19	1,000.75
16	Return on investment (ROI)	%	(13.48)	-10.92
17	Return on asset (ROA)	%	(12.02)	-9.72
18	Income from investment	Taka in Million	(0.12)	13.94
19	Earnings per share	Taka	(17.40)	-13.63
20	Net income per share	Taka	(17.40)	-13.63
21	Price earning ratio (Times)	Times	(0.40)	-36.68

Five Years Financial Summary

Taka in Million

Operating Year	2021	2020	2019	2018	2017
Total Assets	21,739.89	21,534.41	20,270.24	18,777.76	18,335.11
Total Liability	26,027.17	23,228.37	19,932.47	16,975.26	16,433.84
Financial Liabilities	17,442.17	16,395.77	15,703.49	15,067.67	15,107.04
Investment Portfolio	19,279.29	19,190.80	17,928.10	15,353.56	14,560.47
Term Deposit Balance	9,545.45	9,089.51	8,943.85	8,374.90	8,781.68
Operating Income	(1,447.45)	(1,604.22)	(251.21)	257.61	372.89
Operating Expenses	103.28	121.60	130.39	135.91	133.48
Financial Expenses	1,770.68	1,825.52	1,974.15	1,823.24	1,494.44
Profit Before Tax	(2,594.41)	(2,028.41)	(1,457.67)	42.82	200.54
Net Profit After Tax	(2,593.89)	(2,031.73)	(1,464.73)	(25.81)	133.12
Debt to Equity (times)	(16.47)	(11.69)	109.58	9.40	8.64
Financial Expenses Coverage (Times)	0.18	(1.11)	(0.74)	0.02	1.13
ROA (%)	(12.02)	(9.72)	(7.50)	(0.14)	0.75
Earnings Per Share (Tk.)	(17.40)	13.63	(9.83)	(0.17)	0.94
Dividend Per Share (%)	-	-	-	5	10
P/E Ratio (Times)	(0.40)	(0.51)	(0.68)	(77.97)	21.07
Dividend Yield (%)	-	-	-	0.62	0.46
Dividend Payout Ratio (%)	-	-	-	(29.41)	9.71
No. of Shares	149.08	149.08	149.08	141.98	129.07
Year End Market Price Per Share (Tk.)	7.00	6.60	6.70	13.50	21.70
NAV Per Share (Tk.)	(28.76)	(11.36)	2.27	12.09	13.39
Shareholders' Equity	(4,287.28)	(1,693.96)	337.77	1,802.50	1,901.27

Message from the Chairman



Dear Shareholders,

Assalamu Alaikum

I extend a warm and gracious welcome to all our respected shareholders to the 25th Annual General Meeting of FAS Finance & Investment Limited on behalf of the Board of Directors and myself. I feel privileged in taking this opportunity to report to our valued shareholders and present the Annual Report for the financial year ended 31 December 2021 along with the Auditors' Report. You all are aware that the Non-Banking Financial Institution ("NBFI") sector has been experiencing huge erosion of stakeholders' confidence since the mid of 2019 due to unearthing of significant irregularities/embezzlement in a number of NBFIs. Unfortunately our Company is not an exception. Throughout the year we have been facing shortfall in liquidity because of non-confidence of depositors. Recovery from loan and leases could not generate enough fund to meet up requirement of matured deposit payment as almost all loan and lease accounts are scam hit.

Bangladesh Securities and Exchange Commission has restructured the Board with 5 Independent Directors in May 2021. Since taking over responsibility, Members of the new Board of Directors has taken several steps to move forward operations of the company keeping in mind protection of interest of the investors and depositors. Internal operational policy and processes have been evaluated and where needed, revision or upgradation has been made. Anomalies occurred in earlier days has since been identified through audit and inspection have been booked in financial statements

Improvement in recovery was the main focus of the Board and Management to meet the depositors' demand and to maintain liquidity. This year was a year of taking stock of the company in all respect. Putting in place corporate governance was also in consideration. Lending activity was a bit slow in this year as we prioritized payment to individual depositors to build customer confidence.

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 to remain watchful for reducing operation cost.

Because of legacy in the NPL of the Company, all the key financial indicators are unfavorable for the year 2021. The Board is concerned about current status of the company and is providing guidance to management to arrest the situation from worsening and to make short term and long term plan to overcome the situation.

Members of the Board are experienced in diversified sectors which contributed a lot in formulating policies and procedures. Ensuring transparency in the affairs of the company is the prime requirement of the Board. The board took all possible measures to unearth every irregularity under the carpet. Financial anomalies found so far has been included in the financial statement. We are in the process of implementing a robust core software for operation. This will help the company in maintaining accuracy of financial records keeping

and will also ensure transparent financial reporting. During implementation we observe some financial discrepancy. After extensive audit, we will take steps in this regard and will disclose in next year report.

After taking over last year, the new Board took some measures and made short and long term plan for the revival of the company. These are continuing for subsequent periods also. By this time, the new Board put thrust on Loan Recovery and taking legal steps against corrupt borrowers and employees. Making payments against deposits as much as possible and

Right sizing of manpower was also in the agenda. Outcomes of the measures and plans will be visible in the next few years, we believe. The measures and plans are as under:

- Making a long term & short term recovery plan for overall improvement of asset quality. We already strengthened our recovery department 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;
- Improvement of quality of manpower through proper training and also by hiring experienced and knowledgeable manpower;;
- Introduction of customer friendly new products & services;
- Improving skills of the manpower, operational efficiency and scalability to reduce loan administration and management costs
- Finally to restore our reputation & image through combined efforts of all.

Because of the deadly Corona virus pandemic, both business and operational activities were affected. It was very difficult to maintain pace of activities required for growth and development of the company. However, we believe, we will come up with all possible resources and will be able to continue our regular activities to increase business as well as improve recovery result.

My heartfelt thanks to my colleagues in the Board for their wonderful co-operation and support to me. I also thank the Management Team of the company for their sincere efforts towards improvement. I am grateful to Bangladesh Bank and Bangladesh Securities & Exchange Commission for their constant support and guidance all the way. I take the opportunity to thank Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited and Central Depository Bangladesh Ltd. for their support and co-operation.

Finally, I express thanksto all Shareholders and reiterate my appreciation for their continued support throughout the difficult periods. We do value your suggestions, patience and feedback in our efforts to re-build this institution.

With warm regards,



Mohammed Nurul Amin

Independent Director & Chairman

Corporate Governance

Brief Profile of the Directors
Committees of Board of Directors
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Shareholder's Information as on December 31, 2021

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 Honorurs 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 is nominated Director of FAS Capital Management Ltd. He is also appointed as Independent Director of Alhaj Textile Mills Ltd. 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.

able 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 (Retd.)

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. 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 opera-

tional 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.

A. F. Shabbir Ahmad

Managing Director (Current Charge)

Mr. A. F. Shabbir Ahmad joined FAS Finance & Investment Ltd. as Deputy Managing Director recently. He is a career banker having more than 28 years of diversified banking experience in home and abroad to his credit. He started career with Arab Bangladesh Bank Limited (now AB Bank Limited) as Probationary Officer and subsequently worked for several private commercial Banks in different capacities. He held positions as Head of Branch and as Head of different Divisions/Departments at Head Office of the banks last being Chief Operating Officer of Meghna Bank Limited.

Mr. Ahmad attended a good number of trainings, workshops and seminars at home and abroad. He obtained his Bachelor and Masters in Finance from University of Dhaka.



Committees of Board of Directors

Board of Directors

Mr. Mohammed Nurul Amin, Independent Director & Chairman

Mr. Md. Salim, Independent Director

Dr. Muhammad Saifuddin Khan Independent Director

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

Brigadier General Abu Sayeed Mohammad Ali (Retd.), Independent Director

Audit Committee of the Board of Directors

Dr. Muhammad Saifuddin Khan, Chairman

Dr. Syed Abdulla Al Mamun FCMA, Member

Md. Salim, Member

Executive Committee

Brigadier General Abu Sayeed Mohammad Ali (Retd.), Chairman

Dr. Muhammad Saifuddin Khan, Member

Dr. Syed Abdulla Al Mamun FCMA, Member

Management Committees

Management Committee (MANCOM)

Designation	Position
Managing Director & CEO	Chairman
Deputy Managing Director	Member
Chief Financial Officer	Member
Company Secretary	Member
Head of ICC	Member
Head of Treasury	Member
Head of HR & Admin.	Member Secretary
Head of Credit Department	Member
Head of Risk Management Department	Member
Head of Special Asset Management Department	Member
In-Charge, SME	Member
Head of Treasury	Member

National Integrity Strategy Committee:

Designation	Position
Deputy Managing Director	Chairman
Head of ICC	Member Secretary
Chief Financial Officer	Member
Company Secretary	Member
Head of HR & Admin.	Member

Purchase Committee:

Designation	Position
Deputy Managing Director	Chairman
Head of HR & Admin.	Member
Chief Financial Officer	Member
In-Charge, Procurement (HR & Admin.)	Member Secretary

Credit Review Committee

Designation	Position
Deputy Managing Director	Chairman
Head of Special Asset Management Department	Member
Head of Credit Department	Member
Head of Risk Management Department	Member Secretary
In-Charge, Credit Administration	Member
In-Charge, Corporate	Member
In-Charge, SME	Member

Recruitment Committee

Designation	Position
Managing Director & CEO	Chairman
Deputy Managing Director	Member
Head of HR & Admin.	Member Secretary
Company Secretary	Member
Chief Financial Officer	Member

National Integrity Strategies (NIS) Implementation Cell:

Designation	Position
Head of ICC	Head of Unit
Head of HR & Admin.	Member
In-Charge, IT	Member
In-Charge, SME	Member

Assets Liability Management (ALM) Committee:

Designation	Position
Managing Director & CEO	Chairman
Deputy Managing Director	Member
Head of Treasury	Member Secretary
In-Charge, Liability Marketing	Member
In-Charge, Liability Operation	Member
Chief Financial Officer	Member
Head of ICC	Member
Head of Credit Department	Member
In-Charge, CRM	Member

Anti Money Laundering (AML) or CCU Committee:

Designation	Position
Deputy Managing Director	CAMLCO
Head of ICC	Member
Chief Financial Officer	Deputy CAMLCO & Member Secretary
Head of Treasury	Member
In-Charge, CRM	Member

Credit Risk Management Committee:

Designation	Position
Deputy Managing Director	Chairman
Head of ICC	Member
Chief Financial Officer (CC)	Member
Head of CRM	Member Secretary

Internal Control & Compliance (ICC) Committee:

Designation	Position
Head of ICC	Chairman
Company Secretary	Member
Head of HR & Admin.	Member Secretary
Chief Financial Officer	Member
In-Charge, Credit Administration	Member

Management Information Systems (MIS) Committee:

Designation	Position
Managing Director & CEO	Chairman
Head of ICC	Member
Head of HR & Admin.	Member
Chief Financial Officer	Member
Head of Credit Department	Member
In-Charge, IT	Member Secretary

Sustainable Finance Committee (SFC):

Designation	Position
Deputy Managing Director	Chairman
Head of ICC	Member
Chief Financial Officer	Member
Head of Credit Department	Member Secretary
Head of Treasury	Member

Information & Communication Technology (ICT) Development Committee:

Designation	Position
Managing Director & CEO	Chairman
Head of HR & Admin.	Member
In-Charge, IT	Member Secretary

Basel-II Committee:

Designation	Position
Managing Director & CEO	Chairman
Deputy Managing Director	Member
Chief Financial Officer	Member Secretary
Head of Credit Department	Member
Head of Treasury	Member

Sustainable Finance Unit (SFU):

Designation	Position
Head of Credit Department	Head of Unit
Head of HR & Admin.	Member
In-Charge, CRM	Member
In-Charge, CAD	Focal Point

Directors' Report

Dear Shareholders,

On behalf of the Board of Directors, I take the pleasure to present the Annual Report and the Audited Financial Statements of the Company for the year ended 31 December 2021 together with the Auditors' Report thereon, for consideration and approval of our respected Shareholders 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).. The Board of Directors of the Company approved the same in its Meeting held on 17th November 2022. Disclosures and explanations relating to certain issues have been given by the Directors, which they consider relevant to ensure compliance, transparency and good governance practices. We believe that this report will provide the insights of the Company's performance during the year under reporting.

World Economy 2021

The global economy posted a growth of 5.5% in 2021 after contracting 3.4% in 2020. The growth in 2021 was 1.9% higher than in 2020. In the middle of 2021, countries were forced to re-impose mobility and other restrictions due to a resurgence in COVID-19 cases, leading to severe supply chain disruptions. With higher commodity and energy prices, these disruptions triggered rapid inflation. As a result, global headline inflation rose to an estimated 5.2% in 2021 which is 2% higher than the past 10 years' inflation trend. The inflation was particularly acute in USA, EU, Latin America and the Caribbean. Despite this, international trade in commodities bounced back, surpassing the pre-pandemic level whereas the trade in services and international tourism remained subdued.

While global economy was recovering strongly from the COVID-19 pandemic, the war in Ukraine posed a setback to the ongoing recovery. A rise in the global commodity prices and sluggish economic activities by war induced supply chain disruption is being observed. International organisations revised their forecasts for economic growth prospects and inflations. As per the United Nations (UN) publication 'World Economic Situation and Prospect 2022', the global economy grew by 5.5 percent in 2021, the highest growth rate since 1976, after contracting 3.4 percent in 2020. Global economy

is expected to grow by 4.0 percent in 2022 and 3.5 percent in 2023. In the World Bank's Global Economic Prospect, January 2022, the global economic growth is projected 4.1 and 3.2

percent in 2022 and 2023 respectively, while growth was estimated 5.5 percent in 2021. Sluggish growth rates between advanced economies and emerging and developing economies will be divergent. Growth in advanced economies is expected to decline from 5 percent in 2021 to 3.8 percent in 2022 and 2.3 percent in 2023. This growth rate will be sufficient to restore output and investment to their pre-pandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.3 percent in 2021 to 4.6 percent in 2022 and 4.4 percent in 2023. The report stressed that by 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4 percent below its pre-pandemic trend. For many vulnerable economies, the setback is even larger: output of fragile and conflict-affected economies will be 7.5 percent below its pre-pandemic trend, and output of small island states will be 8.5 percent below. In the World Economic Outlook (WEO) April 2022, International Monetary Fund (IMF) projected that the global economy will grow by 3.6 percent both in 2022 and 2023. The projections for 2022 and 2023 are 0.8 and 0.2 percentage points lower than in the January 2022 WEO update. Global growth is forecast to decline to about 3.3 percent over the medium term beyond 2023.

Bangladesh Economy 2021

Bangladesh economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21. According to the provisional estimates of BBS, the GDP growth stood at 7.25 percent in FY 2021-22, 0.05 percentage point higher than the target rate and 0.31 percentage point higher than the previous fiscal year. According to provisional estimate of BBS, per capita GDP and per capita national income stood respectively at US\$ 2,723 and US\$ 2,824 in FY 2021-22 compared to US\$ 2,462 and US\$ 2,591 respectively in FY 2020-21. The consumption increased to 78.44 percent of GDP in FY 2021-22 from 74.66 percent in FY 2020-21. The gross investment stood at 31.68 percent of GDP in FY 2021-22, where public investment and private investment accounted for 7.62 percent and 24.06 percent of GDP respectively. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25.

Although global trade has turned around in 2021 after the effects of COVID-19 pandemic, the Russia-Ukraine conflict has been showing significant negative impact on world trade. As a result, food supply chains have been disrupted and Western sanctions on Russia have led to global trade instability. At the same time, the prices of petroleum along

with commodity prices are rising, which is also creating inflationary pressures on the economies. However, Bangladesh's export growth is on a positive trend. During July-April of FY 2021-22, total export earnings increased by 35.14 percent to US\$ 43,344.34 million compared to the same period of previous fiscal year. The total import payments (c & f) stood at US\$ 66,898.70 million in FY 2021-22 (July-March), which is 43.84 percent higher than the import payments of the same period of the preceding fiscal year. The deficit of trade balance widened and stood at US\$ 22,306 million in FY 2021-22 (July-February) which was US\$ 12,359 million in FY 2020-21 (July-February). This deficit mainly occurred by the high growth in import payments relative to the growth in export earnings.

To overcome the shock of COVID-19 as well as to revitalize, GOB has provided different supports under incentives packages to its industry sector. Special fund for export oriented industries, working capital for the affected industries and service sector institutions, working capital to SMEs, credit guarantee skims for SMEs are mentionable programmes of the GOB. As a result, industry sector has rebounded. According to the 'Quantum Index of Medium and Large Scale Manufacturing Industry' (Base Year: 2005-06), the average general index of industrial production (large and medium scale manufacturing) increased by 18.52 percent to 507.65 points during July-December of FY 2021-22 over that of FY 2020-21.

During January-September in 2021, the amount of FDI was US\$ 1,803.4 million. A total 763 projects were registered in FY 2021-22 (July-February period) under joint venture investment (local and foreign) and the amount involved with the proposal was Tk. 1,08,022 crore. Total 454 business institutions are ongoing with production in the existing 8 EPZs of the country. Additional 77 industries are in to the process of operation. Up until now, the total investment amount in the EPZs is US\$ 5,858.02 million. Total number of employment generation is 4,80,140 up to February 2022 in the EPZs where 66 percent workers are female. By this time, the location and the land for 97 economic zones have been approved, 68 will be public and 29 will be private. Under public-private partnership modality, 78 projects are approved in principle covering 10 sectors.

Non Banking Financial Institutions Performance in 2021

Non-Bank Financial Institutions (NBFIs) are playing a significant role by providing financial services that cannot be usually provided by the Banks. The NBFIs, with more multifaceted products and services have taken their place in the competitive financial market to satisfy the changing

demands of the customers. It also play an important role in the Capital Market as well as real estate sector of Bangladesh. Like the Banks, most of the NBFIs have separate subsidiaries to operate merchant banking activities. At

present 35 non-bank financial institutions (NBFIs) are functioning in the country with a wide network of 277 branches. Total assets of the non-banking financial institution sector stood in September 2021 at BDT 918 billion from BDT 880 billion in September 2020. Earning assets stood at BDT 698 billion. Industry Loans and advances constituted 76.1% of total assets in September 2021. Total classified loan stood at BDT 118 billion as of September 2021 representing an increase by 14.8% on year over year basis. Classified loan ratio increased to 17.6% in September 2021 from 15.5% in September 2020. Deposits in September 2021 stood at BDT 460 billion and spread stood relatively flat at 3.1% at the end of September 2021. To strengthen the Non-Bank Financial Management and to ensure transparency and minimize risk of financial institutions and in order to bring corporate good governance, various measures have been taken time to time by Bangladesh Bank. Among these the noteworthy policies are: keeping classification status of loan/lease/ advance unchanged from January to December 2020, lowering the Cash Reserve Requirement (CRR), restructuring and short term loan renewal facilities on easy terms and conditions. Furthermore, Bangladesh Bank facilitates interest rate subsidy and refinance scheme for pandemic affected clients of Financial Institutions under the government stimulus packages for lending working capital in industries and service sector.

Bangladesh Capital Market in 2021

The Capital Market experienced ups and downs in 2021. Several Market developments was seen : the DSEX index started with 5,618.95 on 03 January 2021, DSEX gained 1,137.70 points (20.25% YoY) to close at 6,756.65 points on 30 December 2021, while DS30 gained 453.63 points (21.82% YoY) to reach 2,532.58 points on 30 December 2021. Average daily turnover increased 127.29% YoY to BDT 14,749.11 mn in 2021, up from previous BDT 6,489 mn in 2020. P/E ratio of DSEX stood at 16.29x in 2021, from 16.53x in 2020.

Present Situation of FFIL

The company is facing financial crisis for last few years. Unavailability of new deposit and huge Non Performing Loan is the main obstacle for smooth functioning. The present Board is working to create a better future for the company by way of formulating a revival plan.

Challenges of FFIL

- Making payment against matured deposits timely.
- Service and repayment of borrowings.
- Recovery of loan as nearly total portfolio is in default due to irregular lending and larger portion is not covered by collateral.
- Negative equity of subsidiary company with an insignificant amount of market value.
- Non-availability of government and institutional funds.

Revival of FFIL

01. 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.
02. 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.
03. 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:

1. Arranged to conduct an audit by an independent firm, A Wahab & Company to assess the damage of the company. Based on findings in the report, measures have been taken to correct financial statements and initiate legal proceedings against corrupt officials.
2. Taken legal steps against defaulted borrowers with priority and strengthened follow up of court cases.
3. In the same line, process of filing complain with Anti-Corruption Commission has also been emphasized.
4. Introduced policies for better management of NPL and Recovery and some other areas of operation.
5. Set directions towards implementing a compliance culture
6. Changed Senior Management people
7. Started to implement Core Banking Software. During this implementation several anomalies in accounting figures have been found. These are being further examined. Proper treatment will be made in the Financial Statements of 2022.
8. Compliance has been ensured in disbursement of new loans.

Outlook 2022

The Board is moving forward with a prospect of reviving the company by way of formulating a revival plan. A professional firm is working to suggest various ways of reviving the company. Board is in dialogue with the regulators in order to find out a negotiated way of rebuilding the company. Board is hopeful that with the approval of regulators a revival plan can be implemented for the company which will protect the interest of shareholders, depositors and other stakeholders.

Financial performance summary of FAS Finance & Investment Limited

Key operating and financial data of last 5 (five) years as required by BSEC is shown under the heading of Five Years Financial Summary in page no. 10 of this Annual Report.

Performance of the company was affected mainly due to its liquidity crisis caused by lack of market confidence. Mobilization of new fund to make fresh investment was extremely difficult. Recovery of bad loans were also very challenging

given the COVID 19 scenario. As you are aware, almost all loans were irregularly sanctioned in earlier days and the persons behind the loans are either absconding or behind the bars. This has made recovery situation more difficult.

After reconstitution of the Board, the newly appointed Board members took measures to assess the actual position of the company in order to find out ways of reviving the company. Following is the summary of the measures taken by the new Board and related outcome:

1. An special audit has been conducted by a professional firm in line of the requirement of regulators.
2. Quite a few internal investigations were also conducted to find out details of anomalies surfaced time to time.
3. All financial irregularities, detected till completion of audit activities of year 2021, was booked in the accounts or Financial Statements suitably so that actual financial position is reflected.
4. A robust core financial software is being implemented to maintain transparency and accuracy in books of accounts. The implementation project will be completed within this year.
5. Legal steps has been taken against borrowers and responsible officials where irregularity/anomalies were detected.
6. So far 09 loan accounts with total amount of Tk. 3.86 crore have been approved for final settlement and further 9 loan accounts for amount of Tk. 3.86 crore have been fully settled. Total amount of recovery against bad loans stood at Tk. 18.05 Crore since June 2021.

Financial Review

During 2021, the Company generated revenue of BDT 34.40 Crore but the year concluded with loss from operation of BDT 297.20 Crore this was mainly because of maintaining provision BDT 129.28 Crore and not adding of interest form non-performing loan of BDT 1714.33 Crore, The financial result of the Company for the year 2021 with a comparison of 2020 is summarized below:

The Financial result of the Company for the year 2021 with a Comparison of 2020

Particulars	In million		
	2021	2020	Growth
Interest Income	32.3	20.55	84.44%
Net Interest Income	-144.77	-161.99	10.63%
Other Income	0.02	1.57	98.63
Other operating Income	-144.74	-160.42	9.77
Operating Expenses	10.33	12.16	-15.07%
Profit before Provision	-155.07	-172.58	10.15%
Provision	104.37	30.26	244.92%
Profit before Taxation	-259.44	-202.84	-27.90%
Profit after Taxation	-259.39	-203.17	-27.67%

Risk Management

At FFIL, we believe that getting risk management right is an essential component of success. 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.

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 maintaining, any loan default by the company or its directors or senior management.

Related Party Transactions

Disclosure of all related party transactions, including basis for such transactions, has been provided in Note. 44 on page no. 130-131

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 2021, FAS Finance & Investment Limited did not receive any dividend from the Subsidiary Company. Separate audited financial statements of the subsidiary company are given on pages 143 to 161 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 opera-

tional activities i.e. for investment, leasing, lending, refinancing of the Company.

Declaration of Dividend

In consideration of occurring loss in the period under review and huge amount of accumulated loss, the Board of Directors in their 268th Meeting held on October 17, 2022 decided not to recommend for declaration of any dividend for the year ended on 31 December 2021 based on which proposal for declaring "No Dividend" for the year ended on 31 December 2021 is placed for approval of the shareholders in the 25th Annual General Meeting.

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. 134 of this annual report.

Annual General Meeting

The notice of the 25th Annual General Meeting is given on page no. 2 of this Annual Report.

Directors' Meeting, Attendance & Remuneration

During the year 2021 a total 20 meetings were held. 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 8,000.00 was paid to each Director for attending each Board/Committee meeting. The details of attendance of the members Board meeting & remuneration paid to them in 2021 is presented on page 132-133 of this Annual Report

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 present Statutory Auditors M/S. Mahfel Huq & Co., Chartered Accountants, will complete their first year term at the end of 25th AGM. They have expressed their willingness to be re-appointed as the statutory auditor for 2nd term at a fee of Tk. 2,00,000/- (Excluding VAT). The Financial Institutions Act, 1993 and BSEC's Notification dated 20 June 2018 stipulated that an Auditor of a Financial Institution cannot be appointed for more than three consecutive years. Moreover, section 210(10) of the Companies Act, 1994 also gives authority to shareholders of the company to fix the Auditor's remuneration. The Board in its 270th

Meeting held on November 17, 2021 recommended the shareholders to re-appoint M/S. Mahfel Huq & Co., Chartered Accountants as statutory auditors of the company for 2nd term until completion of 26th AGM of the company and to audit the financials of the Company for the period ended December 2022 at a remuneration of BDT 1,37,500/- plus VAT subject to approval from Bangladesh Bank.

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.

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

The Board in its 270th meeting held on November 17, 2022 recommended for approval of the shareholders in the 25th AGM to re-appoint M/S. Saifur Enayet & Associates, Cost & Management Accountants to audit the compliances of Corporate Governance Guidelines for the year 2022 at a remuneration of BDT 25,000/- plus VAT. They conducted audit for the year 2021 as approved in last AGM with the same fee.

Shareholding Pattern

FFIL's shareholding pattern as on December 31, 2021, is disclosed as per the new CGC of BSEC in this annual report on page no. 113.

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 prospect of implementing a restructure and revival plan for the company together with forecasted financials and the outcome of various stress tests 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

Bangladesh Securities & Exchange Commission (BSEC) vide their letter/order dated May 31, 2021 restructured the Board of the Company by appointing 05 new Independent Directors in the Board without any member who were in the Board earlier. As per Corporate Governance Code 2018, retirement and appointment/re-appointment is not required for any Independent Director. As such no Directors is retiring and all Directors at present will continue to hold office.

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 guidelines 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 responsibilities 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 2021:

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 2021 is provided on page no. 41. 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.

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. 26 to 27.

- 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.



Md. Mizanur Rahman Khan

VP & Head of ICC

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	Crore Taka
Paid up capital	149.08
Non-repayable share premium account	0.00
Statutory reserve	20.56
General reserve	0.03
Retained earnings	(680.89)
Minority interest in subsidiaries	(1.27)
Non-cumulative irredeemable preference shares	0.00
Dividend equalization account	0.00
Total Tier 1 capital	(512.49)

(c)	The total amount of Tier 2 capital	16.36
(d)	Other deductions from capital	6.74
(e)	Total eligible capital	(489.39)

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	108.95
(c) Capital requirement for Market Risk	0.76
(d) Capital requirement for Operational Risk	(8.93)

e) Total and Tier 1 capital ratio:

For consolidated group	
CAR on Total capital basis (%)	(48.56)
CAR on Tier 1 capital basis (%)	(50.85)

For stand alone	
CAR on Total capital basis (%)	(41.52)
CAR on Tier 1 capital basis (%)	(42.97)

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	1901.50
Leases	26.43
Total	1927.93

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

Area	Core Taka
Dhaka	1914.17
Chittagong	13.33
Sylhet	0.43
Total	1927.93

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

Sector	Core Taka
Agriculture	27.75
Chemicals & Pharmaceuticals	154.66
Electronics & Electrical	10.23
Food & Beverage	0.88
Garments & Accessories	58.99
Home loan	244.71
Jute & Jute Products	10.25
Iron, Steel & Engineering	
Paper, Printing & Packaging	16.04
Plastic Industries	0.25
Power, Gas, Water & Sanitary Services	6.66
Transport	179.49
Leather and Leather products	0.92
Merchant Banking	239.17
Ship Manufacturing Industry	26.46
Textile	25.29
Trade and Commerce	907.36
Others	18.82
Total	1927.93

(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	8.31
Over 3 months but not more than 1 year	24.97
Over 1 year but not more than 5 years	94.71
Over 5 years	179.99
Total	1927.93

(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	1703.30
Additions	14.54
Reductions	3.51
Closing balance	1714.33

Movement of specific provisions for NPAs

Particulars	Core Taka
Opening balance	162.41
Additions	97.68
Reductions	0.00
Closing balance	260.09

Note: Bangladesh Bank vide their letter No-DFIM (C) 1054/10/1022-2808 dated September 29, 2022 has given NOC for maintaining required provision of Tk. 872.52 Crore as of the year ended on 31.12.2021. Out of which Tk. 72.52 Crore to be maintained in 2021, fo remaining balance of provision shortfall of Tk. 800.00 Crore a deferral has been allowed for maintaining equally in 8 (eight) years from the year 2022 to 2029. The provision for Tk. 72.52 Crore has been maintained in 2021 and thereby complied.

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	0.41	0.29
Unquoted shares	1.00	1.00

Quantitative Disclosures

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

Particulars	Creore Taka
Cumulative realized gains (losses)	0.97

(d)

Total unrealized gains (losses)	(0.11)
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 3.80 crore. Capital Requirement is 10% of the said value which stand to BDT0.38crore.

General Risk- Market value of investment in equities is BDT 3.80 crore. Capital Requirement is 10% of the said value which stand to BDT 0.38 crore.

F) Interest rate in the banking book

Qualitative Disclosures

(a) The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits.

Interest rate risk in the banking book arises from mismatches between the future yield of assets and their funding cost. Assets Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

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

Quantitative Disclosures

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

Maturity wise Distribution of Assets-Liabilities

(Amount in BDT Crore

Particulars	1 to 30/31 day (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
A. Total Rate Sensitive Liabilities (A)	79.93	99.31	77.01	155.75	1056.87
B. Total Rate Sensitive Assets (B)	4.24	14.28	116.45	8.39	16.79
C. Mismatch	-75.69	-85.03	39.45	-147.36	-1040.07
D. Cumulative Mismatch	-75.69	-160.73	-121.28	-268.63	-1306.71
E. Mismatch (%)	-94.70%	-85.62%	-51.23%	94.61%	-98.41%

Interest Rate Risk - Increase in Interest Rate

Magnitude of Shock	Interest Rate Risk		
	Minor 2%	Moderate 4%	Major 6%
Change in the Value of Bond Portfolio	0.00	0.00	0.00
Net Interest Income	-20.48	-40.96	-61.45
Revised Regulatory Capital	-376.22	-396.70	-417.19
Risk Weighted Assets	1036.93	1036.93	1036.93
Revised CAR (%)	-36.28%	-38.26%	-40.23%

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	3.80
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:	0.76
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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



SAIFUR ENAYET & ASSOCIATES Cost & Management Accountants

Certificate as per condition no. 1(5)(xxvii)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATION

Report to the Shareholders
of
FAS Finance & Investment Limited
On Compliance with the Corporate Governance Codes
For the year ended on 31st December 2021

We have examined the compliance status to the corporate governance Code by **FAS Finance and Investment Limited** for the year ended on 31st December 2021. This code relates to the Notification No. BSEC/CMRRCD/2006/ 158/207/Admin/80, Dhaka, Dated: 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

This is scrutiny and verification and an independent audit on compliance of the condition 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 those standards are not inconsistent with any condition of this Corporate Governance Code.

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

- (a) The Company has complied with the condition of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except condition no. 1(50)(XI), & 1(5)(XIV) as explained in the attached ANNEXTURE-C.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- (c) Proper books and records have been kept by the Bank as required under the Companies Acts, 1994, the securities laws and other relevant laws, and
- (d) The Governance of the company is satisfactory

Place: Dhaka
Date: 16-November 2022



For Saifur Enayet & Associates

Md. Saifur Rahman FCMA
Principal & CEO
Cost & Management Accountants

Status of Compliance with the Corporate Governance Code (CGC) of FAS Finance & Investment Limited for the year ended 31st December 2021

[As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018.

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.00 1.(1)	Board of Directors (BoD) Board Size shall not be less than 5(five) and more than 20(twenty)	✓		5(Five) independent directors has appointed by BSEC as per letter no. SEC/SRMIC/105-2017/146 dated 31/05/2021. However, no latest Form XII not submitted to RJSC by the company.
1.(2)	Independent Director:			
1.2.(a)	At least one-fifth (1/5) of the total number of board of directors shall be Independent Directors (ID)	✓		All Independent Directors are appointed by BSEC
1.2 (b) (i)	IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the Company	-	-	None of the Independent Director holds any share of the company
1.2(b) (ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder 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 and his or her family members shall not hold above mentioned shares;	✓	-	
1.2 (b)(iii)	ID has not been an executive of the company in immediately preceding two financial years;	✓	-	-
1.2 (b)(iv)	ID does not have any relationship whether pecuniary or otherwise relationship with the company or its subsidiary/associated companies;	✓		-
1.2 (b)(v)	ID is not a member or TREC holder, director or officer of any stock exchange;	✓		-
1.2 (b)(vi)	ID 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)	ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during preceding three years;	✓		-

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.2 (b)(viii)	ID shall not be independent director in more than five listed companies;	✓		-
1.2 (b)(ix)	ID 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 NBFI;	✓		-
1.2 (b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	✓		-
1.2 (c)	Appointment of ID shall be done by Board and approved by the shareholders in AGM.	✓		-
1.2 (d)	The Post of ID cannot remain vacant more than 90 days.	✓		-
1.2 (e)	The tenure of office of an ID shall be for three(3) years, which may be extended for one(1) tenure only;	✓		-
1.3	Qualification of Independent Director(ID):			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;	✓		
1.3(b)	Independent director shall have the following qualifications:			
1.3(b)(i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association;	-	-	No such category ID appointed
1.3(b)(ii)	ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓		Two Independent Directors have such qualification.
1.3(b)(iii)	ID was Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law;	✓		One Independent Director has such qualification.
1.3(b)(iv)	ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓	-	One of the ID is a university teacher.
1.3(b)(v)	ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA, CMA, CFA, CCA, CPA and CS or equivalent qualification;	✓	-	One of the ID is a CMA and holding top position of a multinational credit rating agency.
1 (3) (c)	The ID shall have at least Ten (10) years of experiences in any field mentioned in clause (b);	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1 (3) (d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;	-	-	No such event occurred
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or CEO:			
1(4)(a)	The Position of the Chairman of the Board and the Managing Director (MD) and/or the Chief Executive Officer (CEO) of the Company shall be filled by different Individuals;	✓		The Chairman of the Board and MD & CEO of the company are different individual
1(4)(b)	MD and/or 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;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO;	✓		
1(4)(e)	In absence of Chairman, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence shall be duly recorded in the minutes.	N/A	-	No such event occurred
1(5)	Directors' Report to Shareholders:			
1(5)(i)	Industry outlook and possible future developments in the industry;	✓	-	
1(5)(ii)	Segment-wise or product-wise performance;	✓	-	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓	-	
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	-	-	Not applicable
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	N/A	-	No such matter arose during the year.
1(5)(vi)	A detailed discussion and statement on related party transactions;	✓	-	
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	-	-	Not Applicable
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.;	-	-	Not Applicable
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements;	✓	-	
1(5)(x)	Disclosure for remuneration paid to Directors including Independent Directors	✓	-	
1(5)(xi)	A statement that financial statements prepared by the management of the issuer present fairly	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
	its state of affairs, the result of its operations, cash flows, and changes in equity;			
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 to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓	-	
1(5)(xiv)	Followed IAS or IFRS as applicable in preparation of the financial statement and departure therefrom has been adequately disclosed.		✓	The Financial audit report mentioned departure from IFRS-5 which is not addressed
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓	-	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓	-	
1(5)(xvii)	There are no significant doubts 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 thereof should be disclosed;	✓	-	
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons thereof should be explained;	✓	-	
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized;	✓	-	
1(5)(xx)	Reason for non-declaration of dividend (cash or stock) for the year.	✓	-	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	N/A	-	
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director;	✓	-	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details);			
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓	-	
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC 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	✓	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
	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)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director.	✓	-	
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓	-	
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the Board;	✓	-	
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail 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)	Presenting detailed Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes;	✓	-	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance and position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof;	✓	-	
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓	-	
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and 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 ;	✓	-	
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 as per Annexure-C .	✓	-	
1(6)	Meeting of the Board of Directors: Conducting Board meetings and recording the minutes of the meetings and keeping required	✓	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
	books and records in line BSS as adopted by the ICSB;			
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);	N/A	-	As per the Bangladesh Bank Circular BRPD(R-1) 717/2021-5064 dated 16 June 2021 no such committee is possible to form without the instructions from Bangladesh Bank. As per the circular formation of such committee clearly contradicts with the rules of Bank Company Act 1991 and instructions of Bangladesh Bank. So no NRC is formed by the Board.
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;	N/A	-	
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary Company;	✓	-	
2(b)	At least 1 (One) Independent Director of holding company shall be a director on the Board of subsidiary company;	✓	-	
2(c)	Minutes of subsidiary to be placed in the meeting of holding company;	✓	-	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓	-	
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	✓	-	
3.0	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 MD or CEO, CS, CFO and HIAC;	✓		
3(1)(b)	The positions of the MD or CEO, CS, CFO and 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)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
	the Board and be disseminated to the commission and stock exchange(s).			
3 (2)	Requirement to attend Board of Directors' Meetings: MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board;	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and CFO:			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3(3)(a)(ii)	The 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)	Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year;	✓		
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	Board of Directors' Committee:			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee	N/A		
5.	Audit Committee:			
5(1)	Responsibility to the Board of Directors			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	✓		
5(1) (b)	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)	Audit Committee shall be responsible to the Board. The duties of 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.	✓		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least one independent director (ID);	✓		
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 years of such experience;	✓		
5(2) (d)	Casual vacancy shall be filled by the board not later than 1(one) month from the date of the vacancy.	✓	-	
5(2) (e)	The Company Secretary shall act as the	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
	Secretary of the Audit 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 of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	Election of Chairman of the particular meeting in absence of regular Chairperson of Audit Committee recording the reasons of such absence in the minutes.	-	-	No such situation occurred
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	✓		
5.4	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	✓		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher, where the presence of an ID 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)	Internal Audit and Compliance process to ensure that it is adequately resourced;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the auditors, review 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 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;	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(5)(m)	Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission;	N/A	-	
5.6	Reporting of the Audit Committee:			
5.6 (a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The audit committee shall immediately report to the board on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of interests;	-	-	No such event occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process;	-	-	No such event occurred
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities-related laws, relies on and regulation;	-	-	No such event occurred
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such event occurred
5.6 (b)	Reporting to the Authorities: If any material impact on the financial condition and results of operation, unreasonably ignored by the management;	-	-	No such reportable incidence occurred
5.7	Reporting to the Shareholders and General Investors: Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii);	✓		
6	Nomination and Remuneration Committee (NRC):			
6.1	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	-	-	As per the Bangladesh Bank Circular BRPD(R-1) 717/2021-5064 dated 16 June 2021 no such committee is possible to form without the instructions from Bangladesh Bank.
6(1)(b)	The NRC shall assist the Board in the 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;	-	-	
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);	-	-	
6.2	Constitution of the NRC			

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(2)(a)	The Committee shall comprise of at least three members including an independent director (ID);	NA	-	
6(2)(b)	All members of the Committee shall be non-executive directors;	NA	-	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	NA	-	
6(2)(d)	Board shall have authority to remove and appoint any member of the committee;	NA	-	
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;	NA	-	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as an advisor who shall be a non-voting member if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	NA	-	
6(2)(g)	The company secretary shall act as the secretary of the committee;	NA	-	
6(2)(h)	The quorum of the NRC meeting shall not constitute without the attendance of at least an independent director;	NA	-	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	N/A	-	
6.3	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	NA	-	
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;	NA	-	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	NA	-	
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	NA	-	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.	NA	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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 the presence of an independent director is must as required under condition No. 6(2)(h).	NA	-	
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.	NA	-	
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders;	NA	-	
6(5)(b)(i)(a)	NRC shall oversee, formulate & recommend to the Board regarding the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	NA	-	
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	NA	-	
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;	NA	-	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	NA	-	
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;	NA	-	
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board;	NA	-	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	NA	-	
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	NA	-	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	NA	-	
7	External or Statutory Auditors			

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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 services;	✓		
7(1)(vii)	Any other service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7(1)(ix)	Any other service that may create 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 shall not hold any shares in the said company.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	✓		
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/ Cost and Management Accountant / Chartered Secretary) other than its statutory auditor or audit firm on yearly basis regarding the compliance of conditions of the 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 Corporate Governance shall be appointed by the Shareholders in the AGM.	✓		
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.	✓		

CEO and CFO's Declaration

November 03, 2022

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, 2021.

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, 2021 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 for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors could not conduct periodic audits due to various reasons for which opinion cannot be formed that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate because the present Board is reconstituted by Bangladesh Securities & Exchange Commission with 5 dignified professionals and they are in a process of restructuring the company which resulting positive impact so far, for Which we do believe there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on December 31, 2021 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) 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,



Mr. A. F. Shabbir Ahmad
Managing Director (Current Charge)



Mr. Md. Abdul Bari Sarker
Senior Vice President & CFO

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
	(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 policies 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 2021 and attendance of each Director**

Sl. No.	Name	Meeting Held	Meeting Attended	Total (Tk)	%
1	Mr. Md. Zahangir Alam	5	5	44,000	100%
2	Mr. Md. Abul Shahjahan	5	5	44,000	100%
3	Mr. Fazlul Hoque Khan	5	5	44,000	100%
4	Mr. S. M. Shamsul Alam	5	5	44,000	100%
5	Dr. Uddab Mallick	5	2	17,600	40%
6	Ms. Soma Ghosh	5	2	17,600	40%
7	Mr. S. M. N Nurul Alam Chowdhury	5	1	8,800	20%
Up to 31 May 2021					
8	Mr. Mohammad Nurul Amin	16	16	140,800	100%
9	Dr. Muhammad Saifuddin Khan	16	16	140,800	100%
10	Brigadier General Abu Sayeed Mohammad Ali (Retd.)	16	16	140,800	100%
11	Dr. Sayed Abdulla Al Mamun FCMA	16	16	140,800	100%
12	Md. Salim	16	16	140,800	100%
Total				924,000	

Executive Committee (EC) meeting held during 2021 and attendance of each Member

Sl. No.	Name	Meeting Held	Meeting Attended	Total (Tk)	%
1	Dr. Muhammad Saifuddin Khan	8	8	64,000	100%
2	Brigadier General Abu Sayeed Mohammad Ali (Retd.)	8	8	64,000	100%
3	Dr. Sayed Abdulla Al Mamun FCMA	8	8	64,000	100%
Total				1,92,000	

Audit Committee (AC) meeting held during 2021 and attendance of each Member

Sl. No.	Name	Meeting Held	Meeting Attended	Total (Tk)	%
1	Dr. Muhammad Saifuddin Khan	7	7	56,000	100%
2	Brigadier General Abu Sayeed Mohammad Ali (Retd.)	7	7	56,000	100%
3	Md. Salim	7	7	56,000	100%
				1,68,000	

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

Shareholder's Information as on December 31, 2021

Distribution of Shareholdings

Category	Number of Share	% of total Paid up Capital
Sponsor/Director	19,682,870	13.20
Govt.	0	0
Institute	14,758,659	9.90
Foreign	0	0
General Public	114,635,835	76.90
Total	149,077,364	100.00

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

Sl. No.	Designation	Name	Share Hold	% of Holding
1	Managing Director (Current Charge)	Mr. A. F. Shabbir Ahmad	Nil	Nil
2	Chief Financial Officer	Mr. Md. Abdul Bari Sarker	Nil	Nil
3	Company Secretary (CC)	Mr. A.K.M. Mojibul Haque	Nil	Nil
4	Head of Internal Audit	Mr. Md. Mizanur Rahman Khan	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	Vice President	Mr. Md. Mizanur Rahman Khan	Nil	Nil
2	AVP & Head of SAM	Mr. Md. Junaed kha	Nil	Nil
3	FAVP, Accounts & Finance	Mr. Dipak Shaha	Nil	Nil
4	Deputy Manager & In Charge IT	Mr. Abdullah Al-Kafi	Nil	Nil
5	SPO & HR Admin & CS (CC)	Mr. A.K.M. Mojibul Haque	Nil	Nil

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

Range of Shareholdings as on 31 December 2021 was as under:

Shareholding Range as on December 31, 2021	Number of holders		% of total holding	
	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
1-500	2434	2449	0.27	0.26
501-5,000	4495	3753	6.52	5.12
5,001-10,000	1098	1006	5.80	5.01
10,001-20,000	760	784	7.58	7.62
20,001-30,000	303	303	5.14	4.99
30,001-40,000	153	173	3.67	4.06
40,001-50,000	117	110	3.66	3.42
50,001-100,000	199	219	9.76	10.24
100,001-1,000,000	170	177	49.78	26.99
1,000,001 and above	1	15	7.83	32.29
Total	9,730	9,340	100.00	100.00

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 2021 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 2021 we have incurred 1,770.68 million interest expenses which is (3%) 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 2021 on the basis of "going concern assumption" is appropriate.

Management Discussion & Analysis

Comparative Analyses of Financial Performance

The financial performance of your Company over the last 5 years is appended in Page. 10 in the Annual Report Changes over the last year in some operating and financial position indicators from the financial statements are appended below.

Financial Highlights of FFIL.

Sl.No.	Particulars	31st Dec- 2021	31st Dec- 2020	Changes in %
01	Paid up Capital	1,490,773,640	1,490,773,640	0%
02	Total Eligible Capital (Tier -1 + Tier -2)	(5,124,900,015)	(1,751,967,911)	(192.52)%
03	Capital Surplus/(deficit)	(5,901,806,127)	(3,104,388,552)	(90.11) %
03.i	Total Equity	(4,967,787,422)	(1,997,013,518)	(148.76)%
04	Total Assets	21,612,557,128	21,534,408,473	0.36%
05	Total Deposits	9,550,453,793	9,094,036,379	5.02%
06	Total Loans, Advances and Leases	19,279,293,580	19,190,799,108	0.46%
07	Credit Deposit Ratio	201.87%	211.03%	(4.34)%
08	Percentage of Classified Loans, Advances and Leases	88.92%	88.76%	0.19%
09	Profit after Tax and Provision	(2,593,889,432)	(2,031,730,165)	(27.67)%
10	Classified Loans, Advances and Leases during the year	17,143,315,493	17,033,033,828	0.65%
11	Provision kept against Classified loans	2,600,875,908	1,624,147,895	60.14%
12	Interest Suspense balance	3,042,677,356	2,600,642,284	16.99%
13	Deferment in Provision	6,997,500,000	6,240,060,377	12.14%
14	Deferment in Interest Suspense	1,002,500,000	1,102,238,863	(9.05)%
15	Provision Surplus/(deficit)	(8,000,000,000)	(7,342,299,240)	8.95%
16	Cost Of Fund	10.61%	11.81%	(10.16)%
17	Interest Earning Assets	20,800,707,148	20,533,654,347	1.30%
18	Non Interest Earning Assets	939,186,278	1,000,754,126	(6.15)%
19	Return on Investment (ROA)	-13.48%	-10.92%	(23.37)%
20	Return on Assets (ROA)	-12.02%	-9.72%	(23.70)
21	Income from Investment	(118,204)	13,937,861	(100.85)%
22	Earnings Per Share	(17.40)	(13.63)	(27.67)%
23	Net Income per Share	(17.40)	(13.63)	(27.67)%
24	Net Assets Value per Share (NAV)	(33.32)	(13.40)	(19.92)

Accounting Policies and Estimation

Financial statements are prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standard (IFRS), the Financial Institutions Act 1993, the Financial Institutions Regulation 1994, Companies Act 1994, Securities and Exchange Rules 1987, Bangladesh Bank guidelines and the listing regulations of Dhaka Stock Exchange. When any requirement(s) of the Country's laws, acts, guidelines and circulars issued by the local regulatory bodies differed from those of IFRS or IAS, the national requirements prevailed. When any requirement of the Financial Institutions Act 1993, provisions and circulars issued by Bangladesh Bank differed from those of IFRSs, IASs and BSEC, the requirements of the Financial Institutions Act 1993, provisions and circulars issued by Bangladesh Bank prevailed.

A brief description of the accounting policies and the basis of estimation used for preparation of the financial statements of your Company are disclosed in Note 1.02 of the financial statements published in this annual report

Financial and Economic Overview

Global Economic Condition

The world economy continues to suffer from a series of destabilizing shocks. After more than two years of pandemic, the Russian Federation's invasion of Ukraine and its global effects on commodity markets, supply chains, inflation, and financial conditions have steepened the slowdown in global growth. In particular, the war in Ukraine is leading to soaring prices and volatility in energy markets,

with improvements in activity in energy exporters more than offset by headwinds in most other economies. The invasion of Ukraine has also led to a significant increase in agricultural commodity prices, which is exacerbating food insecurity and extreme poverty in many emerging market and developing economies. Numerous risks could further derail what is now a precarious recovery. Among them is, in particular, the possibility of stubbornly high global inflation accompanied by tepid growth, reminiscent of the stagflation of the 1970s. This could eventually result in a sharp tightening of monetary policy in advanced economies to rein in inflation, lead to surging borrowing costs, and possibly culminate in financial stress in some EMDEs. A forceful and wideranging policy response is required by EMDE authorities and the global community to boost growth, bolster macro-economic frameworks, reduce financial vulnerabilities, provide support to vulnerable population groups, and attenuate the long-term impacts of the global shocks of recent years.

Global outlook:

Following more than two years of pandemic, spillovers from the Russian Federation's invasion of Ukraine are set to sharply hasten the deceleration of global economic activity, which is now expected to slow to 2.9 percent in 2022. The war in Ukraine is leading to high commodity prices, adding to supply disruptions, increasing food insecurity and poverty, exacerbating inflation, contributing to tighter financial conditions, magnifying financial vulnerability, and heightening policy uncertainty. Growth in emerging market and developing economies (EMDEs) this year has been downgraded to 3.4 percent, as negative spillovers from the invasion of Ukraine more than offset any near-term boost to some commodity exporters from higher energy prices. Despite the negative shock to global activity in 2022, there is essentially no rebound projected next year: global growth is forecast to edge up only slightly to a still-subdued 3 percent in 2023, as many headwinds—in particular, high commodity prices and continued monetary tightening—are expected to persist. Moreover, the outlook is subject to various downside risks, including intensifying geopolitical stagflationary instability, headwinds, tensions, rising growing financial continuing supply strains, and worsening food insecurity. These risks underscore the importance of a forceful policy response. The global community needs to ramp up efforts to mitigate humanitarian crises caused by the war in Ukraine and conflict elsewhere and alleviate food insecurity, as well as expand vaccine access to ensure a durable end of the pandemic. Meanwhile, EMDE policy makers need to refrain from implementing export restrictions or price controls, which could end up magnifying the increase in commodity prices. With rising inflation, tightening financial conditions, and elevated debt levels sharply limiting policy space, spending can be reprioritized toward targeted relief for vulnerable households. Over the long run, policies will be required to reverse the damage inflicted by the dual shocks of the pandemic and the war on growth prospects, including preventing fragmentation in trade networks, improving education, and raising labor force participation.

Emerging market and developing economies

The effects of Russia's invasion of Ukraine are weighing on growth across many Emerging Market and Developing Economy (EMDE)s and resulting in a deep downturn in the ECA region. Activity in most EMDEs is expected to decelerate as negative spillovers from the war add to rising inflationary pressures and lead to tighter financial conditions, fiscal and monetary policy support continues to be unwound, and external demand weakens further. The effects may be somewhat cushioned by higher commodity prices in some EMDE commodity exporters. High inflation and disruptions to global food markets are worsening food insecurity in many EMDEs, especially LICs. EMDE per capita income growth is anticipated to slow markedly in 2022, as real household income is dampened by high food and fuel prices. Recent developments The war in Ukraine has delivered another major shock to EMDEs, well before their recovery from the pandemic is complete. Prior to the invasion, EMDE output, which expanded 6.6 percent in 2021, was already slowing across many countries. The war has exacerbated this deceleration, made the external environment markedly less supportive, and caused a devastating economic contraction in Ukraine and deep recession in Russia. To varying degrees, the war is also having significant economic spillovers in many other EMDEs, including through commodity and trade linkages. Trade disruptions are feeding through value chains, as many EMDEs heavily depend on both Russia and Ukraine for key commodity imports and intermediate goods. As a result, the aggregate EMDE manufacturing PMI and new export orders subcomponent have fallen to their lowest readings since mid-2020 and point to a contraction of activity. Business confidence has also slipped in a broad set of countries.

Outlook for Emerging market and developing economies

The war in Ukraine is weighing on aggregate EMDE growth prospects owing to higher inflation and input costs, disruptions to trade, weaker confidence, and a steep rise in policy uncertainty. These will add to pre-existing headwinds to growth, including rising inflationary pressures and tightening financial conditions, the ongoing removal of fiscal and monetary policy support, and softening external demand. EMDE growth is expected to roughly halve in 2022, to 3.4 percent—far weaker than its annual average of 4.8 percent over 2011-19—a downgrade of 1.2 percentage points relative to previous projections. This downward revision reflects, to a significant degree, deep recessions in Russia and Ukraine. Excluding these two countries, the EMDE growth forecast for 2022 has been downgraded by 0.5 percentage point, as improved growth prospects in energy exporters partly offset broad-based downgrades in other EMDEs. Forecasts for 2022 growth have been lowered in nearly 70 percent of EMDEs, including most commodity-importing economies. EMDE growth is anticipated to firm to an average of 4.3 percent in 2023-24, as the lingering effects of the war abate. The near-term outlook for

EMDE private consumption has weakened, driven in part by higher prices and the erosion of real incomes. EMDE households' exposure to commodity price shocks has risen in recent years, as an increasing proportion of spending is on basic necessities, including food and energy. The weakness in private consumption also reflects job losses in economies affected by the war, as well as those highly dependent on remittances from Russia. Investment, which was already expected to be subdued, is likely to be further weakened by soft investor confidence, higher interest rates, and heightened uncertainty about growth prospects and policy, especially in economies perceived as less creditworthy. Increases in extractive investment are expected to be limited by investor concerns regarding the significant volatility in commodity prices and heightened geopolitical uncertainty. EMDE exports are expected to be dampened by a sharp slowdown in growth in advanced economies and continued strains on global supply chains. The spike in commodity prices and disruption to exports from Russia and Ukraine are anticipated to hinder production in some large manufacturing economies, as their value chains are especially exposed to intermediate goods and services from these countries.

Bangladesh Economy

Our country has a strong track record of growth and development, even in times of elevated global uncertainty. A robust demographic dividend, strong ready-made garment (RMG) exports, resilient remittance inflows, and stable macroeconomic conditions have supported rapid economic growth over the past two decades. A strong recovery from the COVID-19 pandemic continued in FY22, although a recent surge in commodity prices has presented new headwinds.

We also have a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 43.5 percent in 1991 to 14.3 percent in 2016, based on the international poverty line of \$1.90 a day (using 2011 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

To achieve our vision of attaining upper middle-income status by 2031, we need to create jobs and employment opportunities through a competitive business environment, increase human capital and build a skilled labor force, build efficient infrastructure, and establish a policy environment that attracts private investment.

Development priorities include diversifying exports beyond the RMG sector; deepening the financial sector; making urbanization more sustainable and strengthening public institutions, including fiscal reforms to generate more domestic revenue for development. Addressing infrastructure gaps would accelerate growth. Addressing vulnerability to climate change and natural disasters will help Bangladesh

to continue to build resilience to future shocks. Pivoting towards green growth would support the sustainability of development outcomes for the next generation.

Bangladesh Financial Sector

Amid the pandemic crisis, global setback due to war and others growth in our domestic credit has been 10.5%. Although interest rates in the financial sector declined, bank spreads rose to 3.16% in 2021 from 3.07% in the previous year. Bangladesh Bank gave policy support throughout the year on lending, classified loans have continued upward trend, rising to 8.2% in June, 2021 from 7.7% in December, 2020.

Who we are:

The company has been operating under the license from Bangladesh Bank. Our operations are subject to regulation, inspection, and supervision. This supervision and regulation is intended primarily to bring financial discipline in the functioning of NBFIs and for the protection of the depositors. We are required to provide reports to our regulators on our activities on certain intervals; some are regularly, some are weekly, monthly, quarterly, half-yearly, yearly and so on. Regulations applicable to FAS Finance & Investment Limited generally relate to lending and investment activities, maintenance of appropriate level of capital, maintenance of cash and liquidity reserve, appointment of Directors, Managing Director and auditors, loan to Directors and associates etc. Failure to comply with these regulations may be considered as an unsafe and unsound practice and may result in the imposition of penalties by Bangladesh Bank. The company is required to submit periodic reports/statements to Bangladesh Bank describing its activities and financial conditions. Our capital market operations (conducted through subsidiary company) are also monitored and supervised by BSEC and Stock Exchanges.

Our Operating Area:

FAS Finance & Investment Limited operating business through its several operational wings to provide better services to its clients in the following areas:

Mobilizing Deposits

The company 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. with competitive interest rate offered to customers. Key deposit products are:

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)

Financing and Investment Operation

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. The Company is offering the following product types to its customers:

Corporate Finance

- Lease/Sale & Lease Back
 - Term Loan
 - Bridge Finance
 - Loan to procure Commercial Space
 - Loan for Real Estate Developers
- Project Finance
 - Project Financing – Fixed Assets
 - Club Financing for Relatively Larger Projects
 - Preferred Equity Investments
- Short Term Loan (Revolving)
- Specialized Products
 - Refinancing of Existing Liabilities
 - Arranging Special Funds

Structured Finance

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

SME Finance

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

Retail Finance

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

Money Market Operation

As a financial Institution the company 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.

Recovery & Monitoring

The company has established 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.

FAS Capital Management Limited


Subsidiary FAS Capital Management Limited is 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 with services in the following are:

- Issue Management Service
- Underwriting
- Corporate Financial and Advisory Services
- Portfolio Management
 - FCML Investor's Discretionary Account (FIDA):
 - FCML Discretionary Account (FDA)
- Monthly Share Investment Scheme:
- Research Services:
- Trustee Services:
- Margin Loan
- Investment in Share and Securities

Looking Forward:

Our country embraced all causes of global concerns. Tension between Russia and Ukraine, two of the biggest sources of oil and crops, is definitely a matter of concern in the coming years. Withdrawal of policy support by Bangladesh Bank period will pressure industry-wide increase in classified loans resulting increase in provisioning requirements Although Bangladesh did relatively well in terms of managing the pandemic and post-pandemic rescue, there are always fears about overcoming aggregate economic impact in short term.

We have taken challenge to continue our effort to make the company a better one in next years. Because of legacy, operation of the company in 2022 is expected to be affected in terms of business and profitability. Recovery of bad loans has been set the principal target to manage liquidity. Taking steps to regain market confidence will also be in the agenda of the Management.


A. F. Shabbir Ahmad
Managing Director (Current Charge)

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 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 2021, and along with the consolidated and separate profit and loss accounts, the consolidated and separate statement of changes in equity and the 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 and other explanatory information.

In our opinion, except for the effect described in the Basis for Qualified Opinion paragraph the accompanying consolidated financial statements and separate financial statements of the company give a true and fair view of the consolidated balance sheet and the separate balance sheet of the company as at 31 December 2021, 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 Bangladesh Bank, the company act 1994, and other applicable laws and regulations.

Basis for Qualified Opinion

1. According to Financial Institution Regulations 1994 and FID Circular No. 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 is not able to maintain such provision which is the violation of above rules and regulations.
2. In reference to the BSEC directive no. BSEC/CMRRCD/2009-193/217/Admin/90, dated: May 21, 2019, the directors and sponsor of the listed security must hold jointly 30% of paid-up capital. However, the directors and sponsors of the company do not hold 30% shares jointly.

Emphasis of Matter

1. The company has been incurring loss for several years and in accumulation loss was BDT – 6,808,859,449 for the year ended 31st December, 2021 and, as of that date the Company's total liabilities exceeded its total assets by BDT 4,967,787,422. In such circumstances, the newly restructured Board of Directors nominated by the Bangladesh Securities and Exchange Commission (BSEC) are in a process to implement multiple business plans for the revival of this company.
2. Reference to the Note no. 13 to the financial statements, Tax deducted at source amount BDT 234,913,551, VAT deducted at source amount BDT 4,700,075 which has been kept as payable has been shown at BDT 239,613,626. However, the company have not deposited the Tax deducted at source & VAT deducted at source duly in the government treasury. This is a non-compliance of Income tax ordinance, 1984.
3. As per Bangladesh Bank letter reference no. DFIM (C) 1054/10/2022-2808 dated: 29 September 2022, the shortfall of loan loss provision for classified loan stood at BDT 8,728,177,464, among which FAS finance had kept BDT 728,177,464 as loan loss provision for the year ended 31 December 2021 and the rest BDT 8,000,000,000 will be deferred from 2022 to 2029.
4. According to BSEC directive dated January 14, 2021 if any dividend remains 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.
5. Reference to the note no. 10.00 to the financial statement the company had shown BDT 44,665,893 Under "non-financial institutions assets" as per IFRS-5 "Non-current Assets held for sale and discontinued operations". However, such asset is being treated as asset held for sale since last ten years, which is a non-compliance of International Financial Reporting Standard the IFRS 05 Non-current Assets held for Sale and Discontinued Operations requires to sold out the noncurrent

asset within one year from the date of classification as “non-current asset held for sales” in addition the assets cannot be sold at book value, therefore there is significant indication of impairment as per IAS-36. The company has been overstating its assets as well as profits.

6. We physically visited a number of mortgage property against loan, which control were seized by anti- corruption commission. As a result, we are in doubt about the right to sell these properties by FAS Finance & Investment Ltd. In addition, the rent from those properties is not being collected by FAS Finance & Investment Ltd.
7. At the year-end, the current account balance with subsidiary company (FAS Capital Management Ltd.) does not agree due to unrecognized liability of BDT 3,590,663 by the company. However, in the subsequent period the company recognized the liability amounting BDT. 3,590,663.
8. During the audit, we could not confirm the share capital amount in the financial statements with Schedule-X, as the company has yet to update its annual return to the Registrar of Joint Stock Companies & Firms (RJSC).
9. Organization holds Foreign Currency for the IPO refund amounting BDT 7,469,630. The amount has not been disclosed in the Financial Statements.

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

Emphasis of Matter Paragraph of Subsidiary

We draw your attention to the policy note.

1. According to the section 9 of the IFRS 16 (Leases), the Company shall assess whether the contract is, or contains a lease. As per section 23 and 29 of the IFRS 16, the Company shall measure the right-of-use assets and as per section 26 and 36, the Company shall measure the lease liability. However, in our audit, it reveals that the standards in this regard were not being followed.
2. With reference to note no. 6, 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).
3. Reference to the Note #19 to the financial statements, Commission Income BDT 600,000 which previous year income Non-Compliance of IFRS which has a retrospective effect as previous year Income was understated.

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>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;

<p>At year end of 2021 for loans and advances of BDT 2,683,842,110.</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03 August 2002, FID circular no. 03, dated 03 may 2006 and FID circular no. 03 dated 29 April 2013; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; • Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates; 	<ul style="list-style-type: none"> • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh bank guidelines.
<p>See note no. 13.1 of financial statements</p>	
<p>Measurement of deferred tax</p> <p>In 2021, the Company reports net deferred tax liabilities (DTL) amounted to BDT 58,107,408.</p> <p>Significant judgement 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.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTL's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
<p>See note no. 13.3 to the financial statements</p>	
<p>Interest Income on Lease, loans, and advances</p> <p>Recognition of interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income have been involvement of complex IT environment.</p> <p>We have identified recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the company and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances.</p> <p>We performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note no. 22 and 22 (a) to the financial statements</p>	

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

Other matter

In 2019 the company had faced loan scams which had caused the company to suffer huge losses, afterwards in 2021 to protect investors' interest; the BSEC had nominated five independent directors who are in a process to implement multiple business plans for the revival of this company.

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 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 other wise 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 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 managements 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 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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's and 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 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 audit. We remain solely responsible for our audit opinion.

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

Report on other Legal and Regulatory Requirements

In accordance with the International Financial Reporting Standards (IFRS), the Companies Act, 1994, 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 company's statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;

Dhaka, 17 October 2022



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC:2210231522A5797185

FAS Finance & Investment Limited

Consolidated Balance Sheet

As at December 31, 2021

Particulars	Notes	Amount in Taka	
		31-Dec-2021	31-Dec-2020
PROPERTY AND ASSETS			
Cash	2 (a)	104,087	610,419
In hand (including foreign currencies)		28,552	45,789
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		75,535	564,630
Balance with other banks and financial institutions	3 (a)	1,293,796,476	1,086,432,604
In Bangladesh		1,293,796,476	1,086,432,604
Outside Bangladesh		-	-
Money at call and on short notice	4 (a)	-	-
Investments	5 (a)	37,952,546	65,378,561
Government		-	-
Others		37,952,546	65,378,561
Loans, advances and leases		19,302,103,918	19,165,497,994
Loans, cash credits, overdrafts, and leases etc.	6 (a)	19,302,103,918	19,165,497,994
Fixed assets including premises, furniture and fixtures Annexure-1 (a)	8 (a)	354,514,685	387,281,871
Other assets	9 (a)	579,419,522	606,547,832
Non-Financial Institution's assets	10 (a)	44,665,893	44,665,893
Total Assets		21,612,557,127	21,356,415,174
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions, and agents	11 (a)	8,235,815,871	7,694,054,103
Deposits and other accounts	12 (a)	9,162,294,448	8,589,493,098
Fixed deposits	12 (a)	9,157,293,448	8,584,964,098
Other deposits	12 (a)	5,001,000	4,529,000
Others liabilities	13 (a)	9,194,942,519	7,071,611,320
Total Liabilities		26,593,052,838	23,355,158,521
Capital/Shareholders' Equity			
		(4,967,787,422)	(1,997,013,518)
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	154,136,204	157,990,554
Retained earnings	18 (a)	(6,808,859,449)	(3,851,671,794)
Other Components of Equity		(9,731,899)	-
Non-Controlling Interest		(12,708,289)	(1,729,829)
Total Liabilities and Shareholders' Equity		21,612,557,127	21,356,415,174
Net asset value per share		(33.32)	(13.40)

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
 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)

-	-
-	-
-	-
-	-
-	-

Total

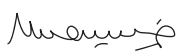
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Other memorandum items

20 (a)

-	-
773,724,007	756,510,979

The annexed notes form an integral part of these Financial Statements.



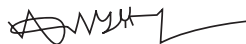
Mr. Mohammed Nurul Amin
 Independent Director & Chairman




Dr. Muhammad Saifuddin Khan
 Independent Director



Mr. A. F. Shabbir Ahmad
 Managing Director (Current Charge)



Mr. A.K.M. Mojibul Haque
 Company Secretary (CC)



Mr. Md. Abdul Bari Sarker
 Senior Vice President & CFO

Signed as per annex report on even date.



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2210231522A5797185

Place: Dhaka

Dated: 17 October 2022

FAS Finance & Investment Limited

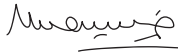
Consolidated Profit and Loss Accounts

For the year ended 31 December 2021


Particulars	Notes	Amount in Taka	
		31-Dec-2021	31-Dec-2020
OPERATING INCOME			
Interest income	22 (a)	295,163,400	79,569,899
Less: Interest paid on deposits and borrowings, etc.	23 (a)	1,920,403,722	1,852,155,359
Net interest income		(1,625,240,322)	(1,772,585,460)
Investment income	24 (a)	6,448,731	18,044,502
Commission, exchange and brokerage	25 (a)	600,000	-
Other operating income	26 (a)	41,785,738	2,606,590
		48,834,468	20,651,092
Total operating income (a)		(1,576,405,854)	(1,751,934,368)
OPERATING EXPENSES			
Salary and allowances	27 (a)	54,223,573	69,239,502
Rent, taxes, insurance, electricity, etc.	28 (a)	3,097,925	3,468,567
Legal expenses	29 (a)	162,392	724,500
Postage, stamps, telecommunication, etc.	30 (a)	1,335,713	1,469,487
Stationery, printings, advertisements, etc.	31 (a)	2,550,744	624,042
Chief executive's salary & fees		4,949,677	5,600,000
Directors' fees	32 (a)	1,575,900	639,150
Auditors' fees	33 (a)	1,471,350	276,000
Depreciation and repairs of FI's assets	34 (a)	32,613,326	35,265,403
Other expenses	35 (a)	11,231,415	14,154,828
Total operating expenses (b)		113,212,015	131,461,479
Profit before provision (c=a-b)		(1,689,617,868)	(1,883,395,847)
Provision against loans, advances and leases	36 (a)	1,286,113,698	300,876,016
Provision for diminution in value of investments	37 (a)	-	(5,602,650)
Other provisions		6,690,262	-
Total provision (d)		1,292,803,960	295,273,366
Profit before taxation (c-d)		(2,982,421,828)	(2,178,669,213)
Provision for taxation	38 (a)	531,627	3,570,094
Current tax		2,932,435	2,978,186
Deferred tax		(2,400,809)	591,908
Net profit after taxation		(2,982,953,455)	(2,182,239,307)
Attributable:		(2,982,953,455)	(2,182,239,307)
Shareholders of the company		(2,971,974,995)	(2,178,025,051)
Non-Controlling Interest		(10,978,460)	(4,214,256)
Appropriations		-	-
Statutory reserve	15	-	-
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		(2,971,974,995)	(2,178,025,051)

Particulars	Notes	Amount in Taka	
		31-Dec-2021	31-Dec-2020
Unrealized Gain or Loss investment in share		(9,731,899)	
Total Other Comprehensive Income		(2,981,706,894)	
Earnings per share-EPS	40(a)	(19.94)	(14.61)

The annexed notes form an integral part of these Financial Statements.



Mr. Mohammed Nurul Amin
Independent Director & Chairman



Dr. Muhammad Saifuddin Khan
Independent Director



Mr. A. F. Shabbir Ahmad
Managing Director (Current Charge)



Mr. A.K.M. Mojibul Haque
Company Secretary (CC)



Mr. Md. Abdul Bari Sarker
Senior Vice President & CFO

Signed as per annex report on even date.



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2210231522A5797185

Place: Dhaka

Dated: 17 October 2022

FAS Finance & Investment Limited

Consolidated Statement of Changes in Shareholders' Equity

For the Year ended 31 December 2021


Particulars	Amount in Taka								
	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Other Component of Equity	Retained earnings	Total	Non Controlling Interest	Total
Balance as at 01 January 2021	1,490,773,640	205,579,082	157,990,554	315,000		(3,851,671,794)	(1,997,013,518)	(1,729,829)	(1,998,743,347)
Prior year adjustment						10,932,990	10,932,990	-	10,932,990
Net profit after taxation for the year	-	-	-	-		(2,971,974,995)	(2,971,974,995)	(10,978,460)	(2,982,953,455)
Unrealized Gain or Loss investment in share					(9,731,899)		(9,731,899)		(9,731,899)
Transfer of revaluation reserve			(3,854,350)			3,854,350	-		-
Balance as at 31 December 2021	1,490,773,640	205,579,082	154,136,204	315,000	(9,731,899)	(6,808,859,449)	(4,967,787,422)	(12,708,289)	(4,980,495,711)

Consolidated Statement of Changes in Shareholders' Equity

For the Year ended 31 December 2020

Particulars	Amount in Taka								
	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Other Component of Equity	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
Prior year adjustment									
Restated Balance	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
Net profit after taxation for the year	-	-	-	-		(2,178,025,051)	(2,178,025,051)	(4,214,256)	(2,182,239,307)
Transfer of revaluation reserve			(4,057,211)			4,057,211	-		-
Balance as at 31 December 2020	1,490,773,640	205,579,082	157,990,554	315,000		(3,851,671,794)	(1,997,013,518)	(1,729,829)	(1,998,743,347)

The annexed notes form an integral part of these Financial Statements.



Mr. Mohammed Nurul Amin
 Independent Director & Chairman


Mr. A.K.M. Mojibul Haque
 Company Secretary (CC)


Mr. A. F. Shabbir Ahmad
 Managing Director (Current Charge)

Place: Dhaka
 Dated: 17 October 2022


Dr. Muhammad Saifuddin Khan
 Independent Director


Md. Abdus Satter Sarker, FCA
 ICAB Enrollment No. 1522
 For and behalf of

Mahfel Huq & Co., Chartered Accountants
 Firm Registration No. P-46323
 DVC: 2210231522A5797185

FAS Finance & Investment Limited

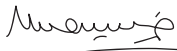
Consolidated Cash Flow Statement

For the Year ended 31 December 2021

Particulars	Amount in Taka	
	31-Dec-2021	31-Dec-2020
Cash flows from operating activities		
Interest receipts	185,089,127	127,052,489
Interest payments	(255,073,523)	(173,799,329)
Dividend receipts	6,584,467	1,925,942
Fee and commission receipts	600,000	-
Previous Year Adjustment	(1,131,187)	
Recoveries on loans previously written off	-	1,994,945
Payments to employees	(58,710,747)	(69,434,892)
Income taxes paid	(16,127,978)	(16,863,341)
Receipts from other operating activities	38,158,352	14,110,135
Payment for other operating activities	(45,700,547)	(15,402,334)
Operating profit before changes in operating assets & liabilities	(146,312,036)	(130,416,385)
Increase/decrease in operating assets and liabilities		
Loans, advances and leases to customers	517,367,517	367,049,184
Other assets	74,766,228	(35,686)
Deposit from other FI's	36,014,346	(3,926,243)
Deposit from customers	(331,537,701)	(151,794,400)
Other liabilities to customer	(55,713,055)	(27,944,620)
Trading liabilities (short-term borrowing)	(201,842,359)	-
Other liabilities	(145,171)	485,608
	38,909,805	183,833,843
Net cash from/(used in) operating activities (a)	(107,402,231)	53,417,458
Cash flows from investing activities		
Purchase/sale of trading securities, shares, bonds, etc.	21,576,027	37,461,384
Purchase/sale of property, plant and equipment	(2,208,056)	(967,775)
Net cash used in investing activities (b)	19,367,971	36,493,609
Cash flows from financing activities		
Increase/(decrease) of long-term borrowings	294,891,800	(55,694,213)
Net cash flow from financing activities (c)	294,891,800	(55,694,213)
Net increase/(decrease) in cash (a+b+c)	206,857,540	34,216,854
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at beginning of the year	1,087,043,023	1,052,826,169
Cash and cash equivalents at end of the year*	1,293,900,563	1,087,043,023

Particulars	Amount in Taka	
	31-Dec-2021	31-Dec-2020
*Cash and cash equivalents at end of the year		
Cash in hand and balance with Bangladesh Bank	104,087	610,419
Balance with other banks	1,293,796,476	1,086,432,604
	1,293,900,563	1,087,043,023
Net operating cash flow per share-NOCFPS	(0.72)	0.36
	41.a	

The annexed notes form an integral part of these Financial Statements.



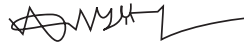
Mr. Mohammed Nurul Amin
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Company Secretary (CC)



Mr. Md. Abdul Bari Sarker
Senior Vice President & CFO

Signed as per annex report on even date.



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2210231522A5797185

Place: Dhaka

Dated: 17 October 2022

FAS Finance & Investment Limited

Balance Sheet

As at December 31, 2021

Particulars	Notes	Amount in Taka	
		31-Dec-2021	31-Dec-2020
PROPERTY AND ASSETS			
Cash	2	100,519	577,697
In hand (including foreign currencies)	2.1	24,984	13,067
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.2	75,535	564,630
Balance with other banks and financial institutions	3	1,265,379,599	1,084,845,035
In Bangladesh	3.1	1,265,379,599	1,084,845,035
Outside Bangladesh		-	-
Money at call and on short notice	4	-	-
Investments	5	12,933,450	14,432,507
Government	5.1	-	-
Others	5.2	12,933,450	14,432,507
Loans, advances and leases		19,279,293,580	19,190,799,108
Loans, cash credits, overdrafts, and leases etc.	6	19,279,293,580	19,190,799,108
Bills purchased and discounted	7	-	-
Fixed assets including premises, furniture and fixtures (Annex-1)	8	344,538,432	374,953,497
Other assets	9	792,981,953	824,134,736
Non-Financial Institution's assets	10	44,665,893	44,665,893
Total Assets		21,739,893,426	21,534,408,473
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	7,891,711,610	7,301,735,107
Deposits and other accounts	12	9,550,453,793	9,094,036,379
Fixed deposits	12.1	9,545,452,793	9,089,507,379
Other deposits	12.1	5,001,000	4,529,000
Others liabilities	13	8,585,004,932	6,832,600,784
Total Liabilities		26,027,170,335	23,228,372,270
Capital/Shareholders' Equity		(4,287,276,909)	(1,693,963,797)
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	154,136,204	157,990,554
Retained earnings	18	(6,136,949,648)	(3,548,622,073)
Other Components of Equity		(1,131,187)	-
Total Liabilities and Shareholders' Equity		21,739,893,426	21,534,408,473
Net asset value per share		(28.76)	(11.36)

Particulars	Notes	Amount in Taka	
		31-Dec-2021	31-Dec-2020
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		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments	19	-	-
Total		-	-
Other memorandum items	20	-	-

The annexed notes form an integral part of these Financial Statements.



Mr. Mohammed Nurul Amin
Independent Director & Chairman



Dr. Muhammad Saifuddin Khan
Independent Director



Mr. A. F. Shabbir Ahmad
Managing Director (Current Charge)



Mr. A.K.M. Mojibul Haque
Company Secretary (CC)



Mr. Md. Abdul Bari Sarker
Senior Vice President & CFO

Signed as per annex report on even date.



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2210231522A5797185

Place: Dhaka

Dated: 17 October 2022

FAS Finance & Investment Limited

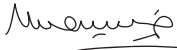
Profit and Loss Accounts

For the Year ended 31 December 2021

Particulars	Notes	Amount in Taka	
		31-Dec-2021	31-Dec-2020
OPERATING INCOME			
Interest income	22	323,016,359	205,588,558
Less: Interest paid on deposits and borrowings, etc.	23	1,770,680,164	1,825,521,000
Net interest income		(1,447,663,805)	(1,619,932,442)
Investment income	24	(118,204)	13,937,861
Commission, exchange and brokerage	25	-	-
Other operating income	26	333,022	1,770,202
		214,817	15,708,063
Total operating income (a)		(1,447,448,988)	(1,604,224,379)
OPERATING EXPENSES			
Salary and allowances	27	49,316,951	64,283,277
Rent, taxes, insurance, electricity, etc.	28	2,429,672	3,196,602
Legal expenses	29	111,392	724,500
Postage, stamps, telecommunication, etc.	30	1,131,850	1,271,291
Stationery, printings, advertisements, etc.	31	2,439,704	611,697
Chief executive's salary & fees		4,949,677	5,600,000
Directors' fees	32	1,320,000	546,000
Auditors' fees	33	1,442,600	230,000
Depreciation and repairs of FI's assets	34	30,155,206	32,314,435
Other expenses	35	9,980,934	12,827,508
Total operating expenses (b)		103,277,986	121,605,310
Profit before provision (c=a-b)		(1,550,726,973)	(1,725,829,689)
Provision against loans, advances and leases	36	1,036,992,592	300,876,016
Provision for diminution in value of investments	37	-	1,707,507
Other provisions	13.09	6,690,262	-
Total provision (d)		1,043,682,854	302,583,523
Profit before taxation (c-d)		(2,594,409,827)	(2,028,413,212)
Provision for taxation	38	(520,395)	3,316,953
Current tax	13.2	1,940,096	2,750,902
Deferred tax	13.3	(2,460,491)	566,051
Net profit after taxation		(2,593,889,432)	(2,031,730,165)
Appropriations		-	-
Statutory reserve	15	-	-
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		(2,593,889,432)	(2,031,730,165)

Particulars	Notes	Amount in Taka	
		31-Dec-2021	31-Dec-2020
Other Comprehensive Income		(1,131,187)	-
Total Other Comprehensive Income		(2,595,020,619)	(2,031,730,165)
Earnings per share-EPS	40	(17.40)	(13.63)

The annexed notes form an integral part of these Financial Statements.




Mr. Mohammed Nurul Amin
Independent Director & Chairman



Dr. Muhammad Saifuddin Khan
Independent Director



Mr. A. F. Shabbir Ahmad
Managing Director (Current Charge)



Mr. A.K.M. Mojibul Haque
Company Secretary (CC)



Mr. Md. Abdul Bari Sarker
Senior Vice President & CFO

Signed as per annex report on even date.



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2210231522A5797185

Place: Dhaka

Dated: 17 October 2022

FAS Finance & Investment Limited

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2021


Particulars	Amount in Taka						
	Paid-up capital	Statutory reserve	Revaluation reserve	Other Components of Equity	Other reserve	Retained earnings	Total
Balance as at 01 January 2021	1,490,773,640	205,579,082	157,990,554	-	315,000	(3,548,622,073)	(1,693,963,797)
Prior year Adjustment	-	-	-	-	-	1,707,507	1,707,507
Net profit after taxation for the year	-	-	-	-	-	(2,593,889,432)	(2,593,889,432)
Unrealized Gain or Loss investment in share	-	-	-	(1,131,187)	-	-	(1,131,187)
Transfer of revaluation reserve	-	-	(3,854,350)	-	-	3,854,350	-
Balance as at 31 December 2021	1,490,773,640	205,579,082	154,136,204	(1,131,187)	315,000	(6,136,949,648)	(4,287,276,909)

For the Year ended 31 December 2020

Particulars	Amount in Taka						
	Paid-up capital	Statutory reserve	Revaluation reserve	Other Components of Equity	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
Net profit after taxation for the year	-	-	-	-	-	(2,031,730,165)	(2,031,730,165)
Transfer of revaluation reserve	-	-	(4,057,211)	-	-	4,057,211	-
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)

The annexed notes form an integral part of these Financial Statements.



Mr. Mohammed Nurul Amin
 Independent Director & Chairman


Mr. A.K.M. Mojibul Haque
 Company Secretary (CC)


Dr. Muhammad Saifuddin Khan
 Independent Director


Mr. A. F. Shabbir Ahmad
 Managing Director (Current Charge)


Mr. Md. Abdul Bari Sarker
 Senior Vice President & CFO


Md. Abdus Satter Sarkar, FCA
 ICAB Enrollment No. 1522
 For and behalf of

Mahfel Huq & Co., Chartered Accountants
 Firm Registration No. P-46323
 DVC: 2210231522A5797185

FAS Finance & Investment Limited

Cash Flow Statement

For the year ended 31 December 2021

Particulars	Amount in Taka	
	31-Dec-2021	31-Dec-2020
Cash flows from operating activities		
Interest receipts	212,942,086	185,043,819
Interest payments	(105,349,965)	(202,574,840)
Dividend receipts	17,532	1,132,302
Previous year adjustment	(1,131,187)	-
Recoveries on loans previously written off	-	1,994,945
Payments to employees	(53,804,125)	(64,478,667)
Payments to suppliers	-	-
Income taxes paid	(16,127,978)	(6,217,618)
Receipts from other operating activities	(2,936,007)	10,175,702
Payment for other operating activities	(42,859,965)	(13,406,030)
Operating profit before changes in operating assets & liabilities	(9,249,609)	(88,330,387)
Increase/decrease in operating assets and liabilities		
Loans, advances and leases to customers	534,957,934	354,208,756
Other assets	(34,675)	-
Deposit from other FI's	(499,999)	(3,926,243)
Deposit from customers	(346,017,753)	(197,251,119)
Other liabilities to customer	20,081,392	(27,944,620)
Trading liabilities (short-term borrowing)	(316,064,256)	-
Other liabilities	(145,171)	(200,000)
	(107,722,528)	124,886,774
Net cash from/(used in) operating activities (a)	(116,972,137)	36,556,387
Cash flows from investing activities		
Purchase/sale of trading securities, shares, bonds, etc.	4,249,779	49,449,000
Purchase/sale of property, plant and equipment	(2,112,056)	(967,775)
	2,137,723	48,481,225
Cash flows from financing activities		
Increase/(decrease) of long-term borrowings	294,891,800	(51,452,174)
Dividend paid	-	-
	294,891,800	(51,452,174)
Net cash flow from financing activities (c)	294,891,800	(51,452,174)
Net increase/(decrease) in cash (a+b+c)	180,057,386	33,585,438
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at beginning of the year	1,085,422,732	1,051,837,294
Cash and cash equivalents at end of the year*	1,265,480,118	1,085,422,732

Particulars	Amount in Taka	
	31-Dec-2021	31-Dec-2020
Cash and cash equivalents at end of the year		
Cash in hand and balance with Bangladesh Bank	100,519	577,697
Balance with other banks	1,265,379,599	1,084,845,035
Treasury bills	-	-
Prize bond	-	-
	1,265,480,118	1,085,422,732

Net operating cash flow per share-NOCFPS **41** **(0.78)** **0.25**

The annexed notes form an integral part of these Financial Statements.



Mr. Mohammed Nurul Amin
Independent Director & Chairman



Dr. Muhammad Saifuddin Khan
Independent Director



Mr. A. F. Shabbir Ahmad
Managing Director (Current Charge)



Mr. A.K.M. Mojibul Haque
Company Secretary (CC)



Mr. Md. Abdul Bari Sarker
Senior Vice President & CFO

Signed as per annex report on even date.



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2210231522A5797185

Place: Dhaka
Dated: 17 October 2022

FAS Finance & Investment Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December, 2021

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)	24,984	-	75,535	-	-	-	100,519
Balance with other banks and financial institution	14,534,821	1,250,844,778	-	-	-	-	1,265,379,599
Money at call and on short notice	-	-	-	-	-	-	-
Investments	234,411	468,822	2,109,696	10,120,521	-	-	12,933,450
Loan, advances and leases	27,595,541	55,463,058	249,683,521	947,130,935	17,999,420,525	-	19,279,293,580
Fixed assets including premises, furniture and fixture	-	-	-	-	344,538,432	-	344,538,432
Other assets	-	-	-	-	792,981,953	-	792,981,953
Non-Financial Institution's assets	-	-	-	-	44,665,893	-	44,665,893
Total assets	42,389,757	1,306,776,658	251,868,752	957,251,456	19,181,606,803	21,739,893,426	
Liabilities							
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	90,155,926	126,622,095	2,165,685,011	5,509,248,578	-	-	7,891,711,610
Deposits and other accounts	491,943,913	1,192,570,758	7,758,107,167	105,297,275	2,534,680	-	9,550,453,793
Provision and other liabilities	150,522,341	481,528,921	851,267,974	7,101,685,696	-	-	8,585,004,932
Total liabilities	732,622,180	1,800,721,774	10,775,060,152	12,716,231,549	2,534,680	26,027,170,335	
Net liquidity excess/(shortage)	(690,232,423)	(493,945,116)	(10,523,191,400)	(11,758,980,093)	19,179,072,123	(4,287,276,909)	

FAS Finance & Investment Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2021

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& 5thfloor), 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 2019 BSEC (letter no. BSEC/CMRRCD/2009-193/217/Admin/90 Dated 21 May 2019) 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):

1. Consolidated and Separate Balance Sheet as at December 31, 2021
2. Consolidated and Separate statement of Profit and Loss for the year ended December 31, 2021
3. Consolidated and Separate Statement of Cash Flows for the year ended December 31, 2021;
4. Consolidated and Separate Statement of Changes in Equity for the year ended December 31, 2021;
5. Liquidity Statement for the year ended December 31, 2021;
6. Notes to the Consolidated and Separate Financial Statements for the year ended December 31, 2021.

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 2021, the Company has not adopted any change of accounting estimates and consistently applies same accounting estimates for the year of 2020.

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 2021.

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
6	Income Taxes	12	Partially Complied
7	Property, Plant and Equipment	16	Complied
8	Employee Benefits	19	Complied
9	Accounting for Government Grants and	20	Not Applicable
10	The Effects of Changes in Foreign Exchange	21	Complied
11	Borrowing Costs	23	Complied
12	Related Party Disclosures	24	Complied
13	Accounting and Reporting by Retirement	26	Not Applicable
14	Separate Financial Statements	27	Complied
15	Investments in Associates and Joint Ventures	28	Not Applicable
16	Financial Reporting in Hyperinflationary	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	37	Complied
23	Intangible Assets	38	Complied
24	Investment Property	40	Not Applicable
25	Agriculture	41	Not Applicable
Sl.	Name of IFRS	IFRS No.	Status
1	First-time Adoption of International Financial	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	5	Not Applicable
6	Exploration for and Evaluation of Mineral	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 2021 to 31 December 2021.

1.02.18 Director of the Company:

At the end of the year under audit, there were Five 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 2020 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
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 2021.

1.02.30 Provision for taxation:

Provision for current year income tax has been made @ 37.50% as prescribed in the Finance Act, 2021. 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%
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%
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%
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, 2021 to December 31, 2021, 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, 2021 to December 31, 2021 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 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.

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
2	Cash		
	Cash in hand (including foreign currency)	24,984	13,067
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	75,535	564,630
		100,519	577,697
2.1	Cash in hand (including foreign currency)		
	Local currency	24,984	13,067
	Foreign currency	-	-
		24,984	13,067

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	75,535	564,630
Foreign currency	-	-
	75,535	564,630
Agent Bank of Bangladesh Bank	-	-
	75,535	564,630

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 1.50% 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	49,661,567	40,739,127
Actual reserve maintained	61,346	185,064
Surplus/(shortage)	(49,600,221)	(40,554,063)

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
(b)	Statutory liquidity reserve (SLR)		
	Required reserve (Including CRR)	307,670,864	258,958,759
	Actual reserve maintained (Including CRR)	275,952,076	1,043,547,948
	Surplus	(31,718,788)	784,589,189
	Total required reserve	307,670,864	258,958,759
	Total actual reserve maintained	275,952,076	1,043,547,948
	Surplus/(shortage)	(31,718,788)	784,589,189
2 (a)	Consolidated Cash		
	i. Cash in hand (including foreign currency)		
	FAS Finance & Investment Limited	2.1 24,984	13,067
	FAS Capital Management Limited	3,568	32,722
		28,552	45,789
	ii. Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)		
	FAS Finance & Investment Limited	2.2 75,535	564,630
	FAS Capital Management Limited	-	-
		75,535	564,630
		104,087	610,419

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
3	Balance with other banks and financial institutions		
	In Bangladesh	3.1	1,265,379,599
	Outside Bangladesh		1,084,845,035
			1,265,379,599
			1,084,845,035

3.1 In Bangladesh**Current deposits**

Bank Name	Branch	A/C No.		
Al-Arafah Islami Bank Ltd.	VIP Road Branch, Nayapaltan, Dhaka	CD-0141020041903	5,743	11,233
First Security Islami Bank Ltd.	Dilkusha Branch, Dhaka	CD-010111100028541	97,189	98,339
Islami Bank Bangladesh Ltd.	Foreign Ex. Cor. Br., Dhaka	AWCA-1090100819116	89,482	91,782
Meghna Bank Ltd.	Principal Branch, Gulshan, Dhaka	CD-110111100000917	18,275	18,965
NRB Bank Ltd.	Corporate Branch, Dhaka	CD-1012010102227	308,058	277,148
Pubali Bank Ltd.	Mohakhali Branch, Dhaka	CD-3677901015917	774,669	7,135,439
Southeast Bank Ltd.	Gulshan Branch, Dhaka	CD-001011100017141	13,328,986	25,022,987
Uttara Bank Ltd.	Corporate Branch, Dhaka	CD-154512200212029	61	61
			14,622,463	32,655,954

Special notice deposit accounts

Bank Name	Branch	A/C No.		
Bank Asia Ltd.	Paltan Branch, Dhaka	SND-04936000058	2,523	203,394
Bank Asia Ltd.	Sonargaon-Janapath Road Branch, Dhaka	SND-07536000033	64,428	64,894
Bangladesh Commerce Bank Ltd.	Principal Branch, Dhaka	SND-00232000082	105,023	104,411
BASIC Bank Limited	Bangshal Branch, Dhaka	SND-0616-01-0000635	4,003	4,989
Dutch Bangla Bank Ltd.	Gulshan Branch, Dhaka	SND-1161200000974	3,724,010	998,375
Dutch Bangla Bank Ltd.	Gulshan Branch, Dhaka	SND-1161200003865	1,262,156	1,287,065
Dutch Bangla Bank Ltd.	CDA Avenue Branch, Chittagong	SND-1291200000707	2	693
EXIM Bank Ltd.	Gulshan Branch, Dhaka	SND-00713100065009	19,936	21,191
First Security Islami Bank Ltd.	Dilkusha Branch, Dhaka	SND-010113100001512	370,958	368,031
First Security Islami Bank Ltd.	Ring Road Branch, Dhaka	SND-013313100000056	306,877	289,442
First Security Islami Bank Ltd.	Dilkusha Branch, Dhaka	SND-010113100002301	2,187	3,270
First Security Islami Bank Ltd.	Dilkusha Branch, Dhaka	SND-13100009342	92,146	91,715
Mercantile Bank Ltd.	Main Branch, Dhaka	SND-110113100002380	543	2,373
Midland Bank Ltd.	Dilkusha Corporate Branch, Dhaka	SND-0001-1090000296	22,724	128,239
Mutual Trust Bank Ltd.	Gulshan Branch, Dhaka	SND-0022-0320000131	92,280	92,471
Mutual Trust Bank Ltd.	CDA Avenue Branch, CTG	SND-0009-0320000889	3,120	8,870
Mutual Trust Bank Ltd.	Sylhet Branch, Sylhet	SND-0023-0320000578	129,007	42,664
NCC Bank Ltd.	Bashundhara Branch, Dhaka	SND-0096-0325000017	7,398	7,286
NCC Bank Ltd.	Gulshan Branch, Dhaka	SND-0012-0325000802	61,537	60,602
NRB Bank Ltd.	Bhulta Branch, Dhaka	SND-1131030002531	4,100	1,546

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
	NRB Commercial Bank Ltd. Principal Branch, Dhaka SND-01013600000012	39,659	39,659
	One Bank Limited Ganakbari Branch, Savar SND-0053000000323	3,306	4,379
	Padma Bank Ltd. Motijheel Branch, Dhaka SND-0113000007464	18,600	18,727
	Prime Bank Limited Dhanmondi Branch, Dhaka SND-14631090025594	250	-
	Pubali Bank Ltd. Narsingdi Branch, Narsingdi SND-0722102000518	176,424	167,128
	Social Islami Bank Ltd. Begum Rokeya Sarani Br., Dhaka SND-0131360001027	500,531	531
	South Bangla Agriculture & Commerce Bank Limited Gulshan Branch, Dhaka SND-1130000097627	192	1,977
	The Premier Bank Limited Tejgaon Link Road Br., Dhaka SND-13100000020	1,133,157	155
	Uttara Bank Ltd. Corporate Branch, Dhaka SND-154514100041132	1,925	1,884
	Woori Bank Ltd. Dhaka Branch, Dhaka NDA-923000195	7,423	8,688
		8,156,425	4,024,649
	Savings deposits	-	-
	Foreign currency:		
	Bank Name Branch Name A/C No.		
	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	-	-
		-	-
	Fixed deposits		
	International Leasing and Financial Services Limited	673,555,394	586,249,765
	Premier Leasing & Finance Limited	459,680,650	432,550,000
	Social Islami Bank Limited	29,364,667	29,364,667
	Southeast Bank Ltd.	80,000,000	-
		1,242,600,711	1,048,164,432
		1,265,379,599	1,084,845,035
	3.1.a Account-wise/grouping of balance with other banks and financial institutions		
	Current deposits	14,622,463	32,655,954
	Special notice deposit accounts	8,156,425	4,024,649
	Savings deposits	-	-
	Foreign currency	-	-
	Fixed deposits	1,242,600,711	1,048,164,432
		1,265,379,599	1,084,845,035
		-	-
	3.1.b Maturity grouping of balance with other banks		
	Repayable-on demand	14,622,463	32,655,954
	-up to 3 months	1,250,757,136	107,625,000
	-over 3 months but within 1 year	-	619,639,081
	-over 1 year but within 5 years	-	324,925,000
	-over 5 years	-	-
		1,265,379,599	1,084,845,035

Notes	Particulars	Amount in Taka		
		31-Dec-2021	31-Dec-2020	
3 (a) Consolidated balance with other banks and financial institutions				
i. In Bangladesh:				
	FAS Finance & Investment Limited	3.1.a	1,265,379,599	1,084,845,035
	FAS Capital Management Limited	3 (a)i	28,416,877	1,587,569
			1,293,796,476	1,086,432,604
ii. Outside Bangladesh:				
	FAS Finance & Investment Limited		-	-
	FAS Capital Management Limited		-	-
			1,293,796,476	1,086,432,604
3 (a)iBank balance of FAS Capital Management Limited				
Current deposits				
Bank Name	Branch	A/C No.		
Woori Bank Ltd., Dhaka Branch, Dhaka		CDA-923920015	-	-
			<u>-</u>	<u>-</u>
Special notice deposit accounts				
Bank Name	Branch	A/C No.		
Dutch Bangla Bank Ltd.	Gulshan Branch, Dhaka	SND-116.120.1505	122,824	94,551
Dutch Bangla Bank Ltd.	Gulshan Branch, Dhaka-LRHR	SND-116.120.4323	2,990	1,396
Mutual Trust Bank Ltd.	Gulshan Branch, Dhaka	SND-0022-0320000793	27,818	16,255
One Bank Ltd.	Principal Branch	SND-0013000001743	2,390	18,787
One Bank Ltd.	Principal Branch	SND-0013000001754	5,320	6,241
Social Islami Bank Ltd.	Gulshan Branch, Dhaka	SND-0081360000649	24,656	26,062
The City Bank Ltd.	Gulshan Branch, Dhaka	6002-PIAA	23,339	1,274,289
The City Bank Ltd.	Gulshan Branch, Dhaka	SND-3101221156001	28,178,551	101,207
The City Bank Ltd.	Gulshan Branch, Dhaka	SND-3101221156003	18,551	37,274
Woori Bank Ltd.	Dhaka Branch, Dhaka	NDA-923000208	10,438	11,507
			28,416,877	1,587,569
Fixed deposits				
	FAS Finance & Investment Limited		388,159,345	504,543,281
			388,159,345	504,543,281
	Less: Inter company transaction		(388,159,345)	(504,543,281)
			<u>-</u>	<u>-</u>
Total			28,416,877	1,587,569

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
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	12,933,450	14,432,507
5.1	In Government securities		
	Treasury bills	-	-
	Others	-	-
		-	-
5.2	Other investments		
	Preference shares	-	-
	Ordinary shares (Quoted and Unquoted)	12,933,450	14,432,507
		12,933,450	14,432,507
		12,933,450	14,432,507
5.2.a	Ordinary shares (Quoted and Unquoted)		
	Quoted		
	AB Bank Limited	2,551,500	3,611,497
	AND Telecom Limited	-	-
	Esquir Knit Composite Limited	357,000	470,025
	New Line Clothings Limited	-	-
	Niloy Cement Industries Limited	24,950	67,845
	Nitol Insurance Company Limited	-	-
	Runner Automobiles Limited	-	283,140
		2,933,450	4,432,507
	Unquoted		
	Achia Sea Foods Limited	10,000,000	10,000,000
		10,000,000	10,000,000
		12,933,450	14,432,507
	(A schedule of investments in share is given in annexure-2)		
5.3	Maturity grouping		
	Repayable-on demand	-	-
	-up to 3 months	703,233	721,625
	-over 3 months but within 1 year	2,109,696	2,164,876
	-over 1 year but within 5 years	10,120,521	11,546,006
	-over 5 years	-	-
		12,933,450	14,432,507

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
5 (a)	Consolidated Investments		
	i. In Government securities		
	FAS Finance & Investment Limited	-	-
	FAS Capital Management Limited	-	-
		-	-
	ii. Other Investments		
	FAS Finance & Investment Limited	12,933,450	14,432,507
	FAS Capital Management Limited	25,019,096	50,946,054
		37,952,546	65,378,561
		37,952,546	65,378,561
5 (a)i	Ordinary shares (Quoted and Unquoted) of FAS Capital Management Limited		
	Quoted		
	AB Bank Limited	5,838,750	11,408,235
	AFC Agro Industries Ltd.	562,000	-
	Appollo Ispat Complex Limited	-	6,995,376
	Beximco Ltd.	1,484,000	-
	BSRM Ltd.	1,033,000	-
	Continental Insurance Company Ltd.	-	1,054,153
	Coppertech Industries Ltd.	-	4,192,588
	Crystal Insurance Company Ltd.	-	108,780
	Dominage Steel Building Systems Ltd.	-	115,492
	Eastland Insurance Company Ltd.	1,935,000	-
	Evince Textile Mills Ltd.	-	1,379,646
	Exim Bank Ltd.	530,136	-
	Far East Knitting & Dyeing Industries Ltd.	780,000	-
	Khulna Power Company Ltd.	-	4,435,768
	M.L. Dyeing Ltd.	2,446,500	5,015,000
	Power Grid Company Ltd.	1,192,000	-
	Prime Bank Ltd.	645,000	-
	Robi Axiata Ltd.	-	550,980
	Saif Powertec Limited	1,915,000	-
	Saiham Textile Mills Ltd.	-	7,124,324
	Sea Pearl Beach Tesort & Spa Ltd.	448,000	732,003
	Simtex Industries Limited	4,462,500	7,833,709
	Square Pharma Limited	1,071,500	-
	S.S. Steels Ltd.	378,000	-
	Unilever Consumer Care Ltd.	297,710	-
	Total	25,019,096	50,946,054
6	Loans, advances and leases	19,279,293,580	19,190,799,108
6.1	Maturity wise grouping's		
	Repayable-on demand	-	-
	-not more than 3 months	83,058,599	441,037,669
	-more than 3 months but not more than 1 year	249,683,521	446,201,345
	-more than 1 year but not more than 5 years	947,130,935	1,242,379,921
	-more than 5 years	17,999,420,525	17,061,180,173
		19,279,293,580	19,190,799,108

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
6.2	Loans, cash credits, overdrafts, and leases etc		
	In Bangladesh		
	Loans-General	19,014,998,812	18,911,711,304
	Cash credits	-	-
	Overdrafts	-	-
	Leases	264,294,768	279,087,804
		19,279,293,580	19,190,799,108
	Outside Bangladesh	-	-
		19,279,293,580	19,190,799,108
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	18,512,503,593	18,455,939,509
	Advance to customer groups	766,789,987	734,859,599
		19,279,293,580	19,190,799,108
6.4	Industry-wise loans, advances and leases		
	Agriculture	277,529,377	276,102,471
	Cement and allied industry	-	-
	Electronics and electrical products	102,298,896	102,298,896
	Food production and processing industry	8,810,073	8,810,073
	Garments and knitwear	589,903,189	594,707,313
	Glass, glass ware and ceramic industry	-	-
	Housing	2,447,243,154	2,466,463,297
	Iron, steel and engineering	-	-
	Jute & jute products	102,474,109	180,437,132
	Leather and leather products	9,187,361	9,187,361
	Marjin loan	-	-
	Merchant banking	2,391,673,540	2,415,431,689
	Others	188,157,603	198,099,729
	Paper, printing and packaging	160,388,548	160,388,548
	Pharmaceuticals and chemicals	1,546,587,907	1,531,323,158
	Plastic industry	2,460,997	2,582,587
	Power, gas, water and sanitary service	66,554,901	81,344,879
	Ship manufacturing industry	264,573,907	264,573,907
	Telecommunication and information technology	-	-
	Textile	252,905,146	260,097,558
	Trade and commerce	9,073,581,949	8,921,348,775
	Transport and aviation	1,794,962,923	1,717,601,735
		19,279,293,580	19,190,799,108
6.5	Geographical Location-wise (Division)		
	In Bangladesh		
	Dhaka	19,141,690,064	19,050,415,742
	Chattagram	133,352,079	136,048,439
	Sylhet	4,251,437	4,334,927
		19,279,293,580	19,190,799,108
6.6	Classification of loans, advances and leases		
	Unclassified		
	Standard	1,939,974,490	2,114,317,393
	Special mention account	196,003,597	43,447,887
	Total unclassified loans, advances and leases	2,135,978,087	2,157,765,280

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
	Classified		
	Sub-standard	15,887,116	247,779,679
	Doubtful	22,331,187	183,967,515
	Bad/Losses	17,105,097,190	16,601,286,634
	Total classified loans, advances and leases	17,143,315,493	17,033,033,828
		19,279,293,580	19,190,799,108
6.7	Particulars of loans, advances and leases		
i)	Loans considered good in respect of which the FI's is fully secured	10,278,929,385	10,464,239,806
ii)	Loans considered good against which the FI's holds no security other than the debtors' personal guarantee	5,612,142,687	5,132,962,368
iii)	Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	3,388,221,508	3,593,596,934
iv)	Loans adversely classified but provision not maintained there against	-	-
		19,279,293,580	19,190,799,108
	Note/ Discloser:		
	Bangladesh Bank vide their letter No-DFIM(C)1054/10/1022-2808 dated September 29, 2022 has given NOC for maintaining required provision of Tk. 872.52 Crore as of the year ended on 31.12.2021. Out of which Tk. 72.52 Crore to be maintained in 2021, for the remaining balance of provision shortfall of Tk. 800.00 Crore a deferral has been allowed for maintaining equally in 8 (eight) years from the year 2022 to 2029. The provision for Tk. 72.52 Crore has been maintained in 2021 and thereby complied.		
v)	Loans due by directors or officers of the FI's or any of them either separately or jointly with any other persons	-	-
vi)	Loans due from companies or firms in which the directors of the FI's are interested as Directors, partners or Managing agents or, in case of private companies, as members	-	-
vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the FI's or any of them either separately or jointly with any other persons	-	-
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)	291,695,883	349,160,960
	b) Amount of loan written off	-	-
	c) Amount realized against loan previously written off	-	1,909,513
	d) Provision kept against loans classified as bad/loss on the date preparing the balance sheet	1,872,131,781	1,580,435,898
	e) Interest creditable to interest suspense account	3,042,677,356	2,437,736,413
xi)	Written off loan		
	Opening Balance	241,530,639	243,440,152
	During the year	-	-
	Cumulative to date (as per Bangladesh Bank guidelines)	241,530,639	241,530,639
	The amount of written off loans for which law suits have been filed for its recovery	241,530,639	241,530,639

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
6 (a)	Consolidated loans, cash credits, overdrafts, and leases etc		
	i. In Bangladesh		
	FAS Finance & Investment Limited	19,279,293,580	19,190,799,108
	FAS Capital Management Limited	1,736,405,309	1,602,430,956
		21,015,698,889	20,793,230,064
	Less: Inter company transaction	(1,713,594,971)	(1,627,732,070)
		19,302,103,918	19,165,497,994
	ii. Outside Bangladesh		
	FAS Finance & Investment Limited	-	-
	FAS Capital Management Limited	-	-
		-	-
		19,302,103,918	19,165,497,994
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	8,595,471	8,477,221
	Office decoration	8,957,959	8,957,959
	Office equipment	10,453,680	10,453,680
	Motor vehicles	26,710,605	26,678,950
	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	121,471,352	122,512,515
	Software	638,421	638,421
		586,971,625	587,862,885
	Less: Accumulated depreciation:		
	Office building	147,088,440	138,562,421
	Furniture & fixture	4,919,644	4,512,314
	Office decoration	5,012,395	4,573,999
	Office equipment	6,888,148	6,258,937
	Motor vehicles	18,427,399	16,447,025
	Electrical installation	1,678,912	1,612,107
	Computer	5,929,783	4,962,977
	Telephone line & PABX system	735,369	676,731
	Right of use Assets	51,323,116	34,909,674
	Software	429,986	393,203
		242,433,193	212,909,388
	Written down value at the end of the year	344,538,432	374,953,497

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
8 (a)	Consolidated fixed assets including premises, furniture and fixtures		Annexure-1 (a)
	FAS Finance & Investment Limited	344,538,432	374,953,497
	FAS Capital Management Limited	9,976,253	12,328,374
		354,514,685	387,281,871
9	Others assets		
	Income generating		
	i) Investment in Shares of subsidiary companies		
	-In Bangladesh	243,000,000	243,000,000
	-Outside Bangladesh	-	-
		243,000,000	243,000,000
	Non-income generating		
	ii) Stationery, stamps, printing, materials, etc.	183,371	179,751
	iii) Advance rent and advertisement	-	540,000
	iv) Interest accrued on investment but not collected, commission & brokerage receivable on shares and debenture and income receivable	138,849,749	186,592,689
	v) Security deposit	509,300	509,300
	vi) Preliminary, formation and organization expenses,	20,656,174	20,086,796
	vii) Branch adjustment (net reconciled)	-	-
	viii) Suspense account	-	-
	ix) Silver	-	-
	x) Advance corporate income tax	379,182,826	363,054,848
	xi) Accounts receivable	10,600,533	10,171,352
	xii) Deferred tax asset	-	-
	xiii) Others	-	-
		549,981,953	581,134,736
		792,981,953	824,134,736
9.1	Investment in Shares of subsidiary companies		
	In Bangladesh	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 (AIT)		
	Advance income tax on bank interest	2,042,434	2,033,696
	Advance income tax on dividend	7,357,281	7,357,281
	Advance income tax (LTU)	311,392,281	308,433,634
	Advance income tax on motor vehicle	1,383,445	1,093,445
	Advance income tax on share placement	5,620,000	5,620,000
	Advance income tax (source Tax)	277,355	277,355
	Advance income tax on FDR Interest	51,110,030	38,239,437
		379,182,826	363,054,848
9.2 (a)	Consolidated advance corporate income tax		
	FAS Finance & Investment Limited	379,182,826	363,054,848
	FAS Capital Management Limited	19,653,053	15,924,412
		398,835,879	378,979,260

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
9 (a)	Consolidated others assets		
	i. Income generating		
	FAS Finance & Investment Limited	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	549,981,953	581,134,736
	FAS Capital Management Limited	29,694,096	103,875,346
		579,676,049	685,010,082
	Less: Inter company transaction	(256,527)	(78,462,250)
		579,419,522	606,547,832
		579,419,522	606,547,832
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	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	7,891,711,610	7,301,735,107
	Outside Bangladesh	-	-
		7,891,711,610	7,301,735,107
11.1	In Bangladesh		
	SME Refinancing Loan	-	-
	Agrani Bank Limited	70,000,000	70,000,000
	Al-Arafah Islami Bank Limited	579,061,786	556,626,110
	Bangladesh Commerce Bank Limited	263,122,222	237,816,667
	Bangladesh Development Bank Limited	158,768,333	158,500,000
	Bangladesh Infrastructure Finance Fund Limited (BIFFL)	26,900,000	26,900,000
	Bank Asia Limited	195,850,627	152,430,296
	BASIC Bank Limited	450,540,249	428,160,923
	Dhaka Bank Limited	139,587,097	126,448,142
	Fareast Finance & Investment Limited	36,116,092	36,116,092
	ICB Islamic Bank Limited	5,720,444	6,520,444
	International Leasing and Financial Services Limited	402,566,537	399,838,032
	Meghna Bank Limited	53,776,250	52,500,000
	Mercantile Bank Limited	2,007,210,069	1,824,787,905
	Midland Bank Limited	298,573,532	273,500,397
	Mutual Trust Bank Limited	432,377,980	389,342,799
	NCC Bank Limited	105,014,438	97,328,380
	NRB Bank Limited	318,646,907	290,476,042
	NRB Commercial Bank Limited	250,399,440	227,357,542
	One Bank Limited	210,610,078	184,921,658
	Prime Bank Limited	57,870,428	53,491,300
	Rupali Bank Limited	33,066,383	33,066,383
	Social Islami Bank Limited	103,302,895	96,781,658
	Sonali Bank Limited	68,600,000	68,600,000
	South Bangla Agriculture & Commerce Bank Limited	840,754,616	787,490,133
	State Bank of India	51,331,721	47,186,336
	The Premier Bank Limited	507,875,758	465,325,524
	UAE-Bangladesh Investment Company Limited	6,317,646	7,819,701
	Uttara Bank Limited	211,322,562	195,824,354
	Woori Bank Limited	6,427,520	6,578,289
		7,891,711,610	7,301,735,107

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
11.2	Security against Borrowings from other banks, financial institutions and agents		
	Secured	7,891,711,610	7,301,735,107
	Unsecured	-	-
		7,891,711,610	7,301,735,107
11.3	Maturity grouping's		
	Repayable-on demand	-	-
	-up to 3 months	216,778,021	306,025,907
	-over 3 months but within 1 year	2,165,685,011	3,678,142,707
	-over 1 year but within 5 years	5,509,248,578	3,317,566,493
	-over 5 years	-	-
		7,891,711,610	7,301,735,107
11 (a)	Consolidated borrowings from other banks, financial institutions and agents		
	FAS Finance & Investment Limited	7,891,711,610	7,301,735,107
	FAS Capital Management Limited	2,057,699,232	2,020,051,066
		9,949,410,842	9,321,786,173
	Less: Inter company transaction	(1,713,594,971)	(1,627,732,070)
		8,235,815,871	7,694,054,103
12	Deposits and other accounts		
	Current deposits and other accounts	-	-
	Bills payable	-	-
	Savings bank deposits	-	-
	Fixed deposits	9,545,452,793	9,089,507,379
	Bearer certificates of deposit	-	-
	Others deposits	5,001,000	4,529,000
		9,550,453,793	9,094,036,379
12.1	Fixed deposits		
	Deposit from FI's-inside Bangladesh	6,238,340,886	5,729,489,096
	Other than FI's-inside Bangladesh	3,312,112,907	3,364,547,283
		9,550,453,793	9,094,036,379
12.1.a	Maturity analysis of Fixed Deposits		
	Deposit from FI's-inside Bangladesh		
	Repayable-on demand	-	-
	-within 1 month	338,587,345	48,081,720
	-over 1 month but within 6 months	1,045,675,957	5,681,407,376
	-over 6 months but within 1 year	4,854,077,584	-
	-over 1 year but within 5 years	-	-
	-over 5 years but within 10 years	-	-
		6,238,340,886	5,729,489,096
	Other than FI's-inside Bangladesh		
	Repayable-on demand	-	-
	-within 1 month	153,356,568	130,082,877
	-over 1 month but within 6 months	146,894,801	2,440,685,213
	-over 6 months but within 1 year	2,904,029,583	643,191,332
	-over 1 year but within 5 years	105,297,275	149,853,181
	-over 5 years but within 10 years	2,534,680	734,680
		3,312,112,907	3,364,547,283
		9,550,453,793	9,094,036,379

Notes	Particulars	Amount in Taka		
		31-Dec-2021	31-Dec-2020	
12 (a)	Consolidated deposits and other accounts			
	Fixed deposits			
	FAS Finance & Investment Limited	12.1	9,545,452,793	9,089,507,379
	FAS Capital Management Limited		-	-
			9,545,452,793	9,089,507,379
	Less: Inter company transaction		(388,159,345)	(504,543,281)
			9,157,293,448	8,584,964,098
	Others deposits			
	FAS Finance & Investment Limited	12.1	5,001,000	4,529,000
	FAS Capital Management Limited		-	-
			5,001,000	4,529,000
			9,162,294,448	8,589,493,098
13	Others liabilities			
	Accumulated provision against loans, advances and leases	13.1	2,683,842,110	1,646,849,518
	Provision for current tax	13.2	449,055,455	447,115,359
	Deferred tax liabilities	13.3	58,107,408	60,567,899
	Interest suspense account	13.4	3,042,677,356	2,600,642,284
	Accounts payable		168,422	313,593
	Accrued expenses		2,557,323	6,415,506
	Provision for gratuity	13.5	8,993,456	6,257,776
	Provision against investments	13.6	-	1,707,507
	Provident fund	13.7	3,798,131	5,794,082
	Leases advance		1,429,206	1,429,206
	Advance installment		53,427,019	33,953,412
	Lease liabilities-Office premises	13.8	87,976,840	92,481,869
	Provision for other assets	13.9	83,025,738	76,335,476
	Unclaimed dividend		1,280,660	1,280,660
	Salary tax		-	663,444
	Interest payable		1,858,790,764	1,701,831,943
	Tax deduction at source		234,913,551	136,164,097
	VAT Payable		4,700,075	3,143,520
	Sundry deposit		10,261,418	9,653,633
			8,585,004,932	6,832,600,784
13.1	Accumulated provision for loans, advances and leases			
	Provision for classified loans, advances and leases			
	Opening balance		1,624,147,895	1,274,936,984
	Fully provided debts written off during the year	(-)	-	-
	Recovery of amounts previously written off	(+)	-	-
	Specific provision made for the year	(+)	976,728,013	349,210,911
	Recoveries and provision no longer required	(-)	-	-
	Net charge to profit and loss statement	(+)	-	-
	Total Provision for classified loans, advances and leases		2,600,875,908	1,624,147,895
	Provision for unclassified loans, advances and leases			
	Opening balance		22,701,623	71,036,518
	Provision for the year		60,264,579	-
	Adjustment during the year		-	(48,334,895)
	Total provision for unclassified loans, advances and leases		82,966,202	22,701,623
	Total provision against loans, advances and leases		2,683,842,110	1,646,849,518
	Provision for	Required	Maintained	Excess/(Shortage)
	Classified loans, advances & leases	10,600,875,908	2,600,875,908	(8,000,000,000)
	Un-classified loans, advances & leases	82,966,202	82,966,202	(0)
		10,683,842,110	2,683,842,110	(8,000,000,000)

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020

Note/ Discloser:

Bangladesh Bank vide their letter No-DFIM(C)1054/10/1022-2808 dated September 29, 2022 has given NOC for maintaining required provision of Tk. 872.52 Crore as of the year ended on 31.12.2021. Out of which Tk. 72.52 Crore to be maintained in 2021, for the remaining balance of provision shortfall of Tk. 800.00 Crore a deferral has been allowed for maintaining equally in 8 (eight) years from the year 2022 to 2029. The provision for Tk. 72.52 Crore has been maintained in 2021 and thereby complied.

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

FAS Finance & Investment Limited	13.1	2,683,842,110	1,646,849,518
FAS Capital Management Limited		338,789,879	89,668,773
		3,022,631,989	1,736,518,291

13.2 Provision for current tax

Opening balance	447,115,359	444,364,457
Add: Provision made during the year	1,940,096	2,750,902
Less: Adjustment during the year	-	-
	449,055,455	447,115,359

13.2.1 Reconciliation of effective tax rate:

	Effective Tax rate	
Profit before provision and tax		(1,550,726,973)
Tax on net loss @ 37.5%		(581,522,615)
Tax on Dividend income@ 20%	-	-
Tax on Gain/(loss) on sale of shares @10%	0.0008%	(11,820)
Minimum Tax @ .6% revenue	-0.1251%	1,940,096
Deductible expenses		
Effective tax rate	-0.1243%	1,928,276

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

13.2 (a) Consolidated provision for current tax

FAS Finance & Investment Limited	13.2	449,055,455	447,115,359
FAS Capital Management Limited		5,205,299	4,212,960
		454,260,754	451,328,319

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 International 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, 2021 (Excluding revaluation reserve)	70,690,082	46,545,094	(24,144,988)	37.5%	(9,054,371)

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, 2021 (Excluding revaluation reserve)	70,690,082	46,545,094	(24,144,988)	37.5%	(9,054,371)
Right of Use Asset	18,488,517	26,273,971	7,785,454	37.5%	2,919,545
Revalued amount of Building	117,172,254	-	(117,172,254)	37.5%	(43,939,595)
Base amount of Land	80,903,546	-	(80,903,546)	4.0%	(3,236,142)
					(53,310,563)
Liabilities:					
Employee gratuity fund as on December 31, 2021	8,993,456	-	(8,993,456)	37.5%	(3,372,546)
Employee Provident fund as on December 31, 2021	3,798,131	-	(3,798,131)	37.5%	(1,424,299)
					(4,796,845)
Total:Deferred tax liability as on December 31, 2021					(58,107,408)
Deferred tax liability as on December 31, 2020					(60,567,899)
Deferred tax (expenses)/Income as on December 31, 2021					2,460,491

Opening Deferred Tax	60,567,899	60,001,848
Deferred Tax Expense/(Income)	(2,460,491)	566,051
Closing Deferred Tax Liability/(Asset)	58,107,408	60,567,899

Opening Deferred Tax	60,567,899	60,001,848
Deferred Tax Expense/(Income)	(2,460,491)	566,051
Closing Deferred Tax Liability/(Asset)	58,107,408	60,567,899

13.3 (a) Consolidated deferred tax liabilities

FAS Finance & Investment Limited	13.3	58,107,408	60,567,899
FAS Capital Management Limited		(128,311)	(187,994)
		57,979,096	60,379,905

13.4 Interest suspense account

Opening balance		2,600,642,284	962,601,404
Transfer during the year	(+)	1,212,862,972	2,184,415,364
Recovery during the year	(-)	(770,827,900)	(546,374,484)
Written off during the year	(-)	-	-
		3,042,677,356	2,600,642,284

13.4 (a) Consolidated interest suspense account

FAS Finance & Investment Limited	13.4	3,042,677,356	2,600,642,284
FAS Capital Management Limited		247,209,890	132,987,993
		3,289,887,246	2,733,630,277

13.5 Provision for gratuity

Opening balance		6,257,776	2,224,973
Add: Provision made during year		3,086,130	4,032,803
Less: Adjustment during the year		(350,450)	-
		8,993,456	6,257,776

13.6 Provision against investments

Opening balance		-	-
Add: Provision made during the year		-	1,707,507
Less: Adjustment during the year		-	-
		-	1,707,507

Notes	Particulars	Amount in Taka		
		31-Dec-2021	31-Dec-2020	
13.6 (a) Consolidated provision against investments				
	FAS Finance & Investment Limited	13.6	-	1,707,507
	FAS Capital Management Limited		-	9,225,481
			-	10,932,988
N.B: During the year, FAS Finance & Investment and his subsidiary had accounted investment in share in accordance to IFRS-9, para 4.1.2A, 5.7.5. Therefore, there is no provision for any loss in share investment.				
13.7 Provident fund				
	Opening balance		5,794,082	3,989,442
	Add: Provision made during the year		3,733,300	4,751,110
	Less: Adjustment during the year		(5,729,251)	(2,946,470)
			3,798,131	5,794,082
13.8 Lease liabilities-Office premises				
	Opening balance		92,481,869	97,805,643
	Add: Addition during the year		10,771,607	10,620,818
	Less: Adjustment during the year		(15,276,636)	(15,944,592)
			87,976,840	92,481,869
13.8 (a) Consolidated lease liabilities-Office premises				
	FAS Finance & Investment Limited	13.8	87,976,840	92,481,869
	FAS Capital Management Limited		-	1,133,821
			87,976,840	93,615,690
13.9 Provision for other assets				
	Opening balance		76,335,476	76,335,476
	Add: Addition during the year		6,690,262	-
	Less: Adjustment during the year		-	-
			83,025,738	76,335,476
13. (a) Consolidated other liabilities				
	FAS Finance & Investment Limited	13	8,585,004,932	6,832,600,784
	FAS Capital Management Limited		610,194,115	317,472,786
			9,195,199,046	7,150,073,570
	Less: Inter company transaction	9(a)	(256,527)	(78,462,250)
			9,194,942,519	7,071,611,320
14 Share Capital				
			1,490,773,640	1,490,773,640
14.1 Authorized Capital				
	210,000,000 ordinary shares of Taka 10 each		2,100,000,000	2,100,000,000
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		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		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-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
Sponsors/Directors	13.20	13.20	19,682,870	19,682,870
Government	-	-	-	-
Institutions	9.90	16.83	14,758,659	25,094,164
Foreign	-	-	-	-
General public	76.90	69.96	114,635,835	104,300,330
	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-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
1-500	2,434	2,549	0.27%	0.26%
501-5,000	4,495	3,753	6.52%	5.12%
5,001-10,000	1,098	1,006	5.80%	5.01%
10,001-20,000	760	784	7.58%	7.62%
20,001-30,000	303	303	5.14%	4.99%
30,001-40,000	153	173	3.67%	4.06%
40,001-50,000	117	110	3.66%	3.42%
50,001-100,000	199	219	9.76%	10.24%
100,001-1000,000	170	177	49.78%	26.99%
1,000,001 and above	1	15	7.83%	32.29%
	9,730	9,089	100%	100%

No. of Shares		Value of Shares	
31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
405,155	385,536	4,051,550	3,855,360
9,712,871	7,632,463	97,128,710	76,324,630
8,653,127	7,470,310	86,531,270	74,703,100
11,297,156	11,367,007	112,971,560	113,670,070
7,657,682	7,433,754	76,576,820	74,337,540
5,464,922	6,046,585	54,649,220	60,465,850
5,451,953	5,105,591	54,519,530	51,055,910
14,548,636	15,265,122	145,486,360	152,651,220
74,207,142	40,235,153	742,071,420	402,351,530
11,678,720	48,135,843	116,787,200	481,358,430
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 2021

Sl. No.	Name	Position	Total Nos. of Share	Value of Shares	% of Shareholding
1	Mr. Mohammed Nurul Amin	Chairman & Independent Director	-	-	-
2	Dr. Mohammad Saifuddin Khan	Independent Director			
3	Brigadier General Abu Sayeed Mohammad Ali (Retd.)	Independent Director	-	-	-
4	Dr. Syed Abdulla Al Mamun FCMA	Independent Director			
5	Mr. Md. Salim	Independent Director	-	-	-
6	Mr. Prithish Kumar Sarker	Managing Director & CEO (Ex-Officio)			
7	Reptiles Farm Limited	Director	8,004,150	80,041,500	5.37%
8	P & L International Limited	Director	11,678,720	116,787,200	7.83%
12	Institutions		14,201,847	142,018,470	9.53%
13	General public		115,192,647	1,151,926,470	77.27%
Total			149,077,364	1,490,773,640	100%

Amount in Taka

31-Dec-2021

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 31.12.2021 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 2021 is TK.1,007,860,319 as against available core capital of Tk.: (5,124,900,015) and supplementary capital of Tk. 230,954,207 making a total of Tk. (4,893,945,808) thereby showing surplus/(short) capital/equity of Tk. (5,901,806,127) 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	(6,808,859,448)
Minority Interest in Subsidiaries	(12,708,289)
Non-Cumulative irredeemable Preferences shares	-
Dividend Equalization account	-
Other (if any item approved by BB)	-
Total	(5,124,900,015)

Deductions from Tier-I (Core Capital)

Book value of Good will 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	(5,124,900,015)

14.06.02 Supplementary capital (Tier II)

General provision on unclassified loans and advances	163,618,004
Provision for off-balance sheet exposure	-
Exchange equalization account	-
Asset revaluation reserves (Up to 50%)	77,068,102
Other	(9,731,899)
Sub total	230,954,207
Applicable Deductions if any	-
Total Eligible Tier-2 Capital	230,954,207
(A) Total Eligible Capital (Tier-1 + Tier-2)	(4,893,945,808)

Total assets including off- balance Sheet items **21,612,557,127**

Total risk -weighted assets(RWA) **10,078,603,193**

Amount in Taka

31-Dec-2021

(B) Total Required Capital (10% of Total RWA or MCR, whichever is higher)

1,007,860,319

(C) Surplus / (Shortfall) (A-B)

(5,901,806,127)

Capital adequacy ratio**-48.56%****Risk weighted assets (RWA)****A. Credit Risk**

On-Balance sheet

10,895,329,664

Off-Balance sheet

-

10,895,329,664**B. Market Risk****75,905,088****C. Operational Risk****(892,631,559)****Total RWA (A+B+C)****10,078,603,193****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	639,587,007
	ii) Maturity less than 3 months	2,924,493
h)	Claims on Corporate (excluding equity exposure)	-
i)	Claims under Credit Risk Mitigation	-
j)	Claims categorized as retail portfolio & small enterprise (excluding consumer investment)*	159,061
k)	Consumer investment (Loan)	6,633,123
l)	Claims fully secured by residential property	19,738,818
m)	Claims fully secured by commercial real estate	180,056,680
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.	1,577,491,943
	Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.	1,510,994,032
	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.	3,106,536,505
	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	806,731,445

		Amount in Taka
		31-Dec-2021
	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	105,196,051
o)	Investments in Capital Market Exposures	2,359,425,003
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	354,514,685
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	225,340,818
	Risk weighted assets(RWA)	10,895,329,664

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 NBFI	-
	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)**10,895,329,664****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	37,952,544	37,952,544	75,905,088
C Foreign Exchange Position	-	-	-
Total(A+B+C)	37,952,544	37,952,544	75,905,088
Risk weighted assets (RWA)	379,525,440	379,525,440	759,050,880

Amount in Taka

31-Dec-2021

C. Operational Risk

Gross income	(1,785,263,119)
Average gross income	(595,087,706)
Capital charge for operational risk (15% of Average gross income)	(89,263,156)
Risk Weighted Assets	(892,631,559)

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 2021 is Tk. 1,033,221,747 as against available core capital of Tk. (4,440,281,926) and supplementary capital of Tk. 149,886,146 making a total of Tk. (4,290,395,780) there by showing surplus capital/(Shortfall) equity of Tk. (5,323,617,527) at that date. Details are shown below:

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	(6,136,949,648)
Minority Interest in Subsidiaries	-
Non-Cumulative irredeemable Preferences shares	-
Dividend Equalization account	-
Other (if any item approved by BB)	-
Total	(4,440,281,926)

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	(4,440,281,926)
--------------------------------------	------------------------

Supplementary capital (Tier II)

General provision on unclassified loans and advances	73,949,231
Provision for off-balance sheet exposure	-
Exchange equalization account	-
Asset revaluation reserves (Up to 50%)	77,068,102
Other	(1,131,187)

Sub total

Applicable Deductions if any	-
Total Eligible Tier-2 Capital	149,886,146
(A) Total Eligible Capital (Tier-1 + Tier-2)	(4,290,395,780)

Total assets including off- balance Sheet items 21,739,893,426

Total risk -weighted assets(RWA) 10,332,217,468

		Amount in Taka
		31-Dec-2021
(B) Total Required Capital (10% of Total RWA or MCR, whichever is higher)		1,033,221,747
(C) Surplus / (Shortfall) (A-B)		(5,323,617,527)
Capital adequacy ratio		-41.52%
Risk weighted assets (RWA)		
A. Credit Risk		
On-Balance sheet		11,105,265,467
Off-Balance sheet		-
		11,105,265,467
B. Market Risk		
C. Operational Risk		
Total RWA (a+b+c)		(798,914,900)
		10,332,217,468
A. Credit Risk		
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	625,378,568
	ii) Maturity less than 3 months	2,924,493
h)	Claims on Corporate (excluding equity exposure)	-
i)	Claims under Credit Risk Mitigation	-
j)	Claims categorized as retail portfolio & small enterprise (excluding consumer investment)*	159,061
k)	Consumer investment (Loan)	6,633,123
l)	Claims fully secured by residential property	19,738,818
m)	Claims fully secured by commercial real estate	180,056,680
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.	1,577,491,943
	Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.	1,510,994,032
	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.	3,106,536,505
	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	806,731,445

Amount in Taka

31-Dec-2021

	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	105,196,051
o)	Investments in Capital Market Exposures	2,603,420,629
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)	Investments in premises, plant and equipment and all other fixed assets	344,538,432
r)	Claims on all fixed assets under operating lease	-
s)	All other assets	-
t)	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	- - - 215,465,687
	Risk weighted assets (RWA)	11,105,265,467

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	-
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 NBFI 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)**11,105,265,467****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	12933450	25,866,900
C	Foreign Exchange Position	-	-
	Total (A+B+C)	12,933,450	25,866,900
	Risk weighted assets (RWA)	129,334,500	258,669,000

C. Operational Risk

Gross income	-1597829799
Average gross income	(532,609,933)
Capital charge for operational risk (15% of Average gross income)	(79,891,490)
Risk Weighted Assets	(798,914,900)

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
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	315,000	315,000
		315,000	315,000
16.1	Capital reserve		
	Opening balance	315,000	315,000
	Add: Addition during the year	-	-
		315,000	315,000
17	Revaluation Reserve		
	Land	80,903,545	80,903,545
	Office building	73,232,659	77,087,009
		154,136,204	157,990,554
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
17.2	Revaluation reserve-Office building		
	Opening balance	77,087,009	81,144,220
	Add: Addition during the year	-	-
		77,087,009	81,144,220
	Less: Transfer of revaluation reserve	(3,854,350)	(4,057,211)
		73,232,659	77,087,009
18	Retained earnings		
	Opening balance	(3,548,622,073)	(1,520,949,119)
	Prior year adjustment	1,707,507	-
	Net profit after taxation	(2,593,889,432)	(2,031,730,165)
	Transfer to statutory reserve	-	-
	Stock dividend paid-2018	-	-
	Add: Transfer of revaluation reserve	3,854,350	4,057,211
		(6,136,949,648)	(3,548,622,073)
18 (a)	Consolidated retained earnings		
	Opening balance	(3,851,671,794)	(1,677,703,954)
	Prior year adjustment	10,932,990	-
	Consolidated net profit after taxation	(2,971,974,995)	(2,178,025,051)
	Transfer to statutory reserve	-	-
	Stock dividend paid-2018	-	-
	Add: Transfer of revaluation reserve	3,854,350	4,057,211
		(6,808,859,449)	(3,851,671,794)
19	Undrawn formal standby facilities, credit lines and other commitments		
	Leases, loans & advances commitments outstanding	-	-
		-	-

Notes	Particulars	Amount in Taka		
		31-Dec-2021	31-Dec-2020	
19 (a) Consolidated undrawn formal standby facilities, credit lines and other commitments				
	FAS Finance & Investment Limited	19	-	-
	FAS Capital Management Limited		-	-
20 Other memorandum items				
	Customers' stocks of securities-Merchant Banking Wing		-	-
20 (a) Consolidated other memorandum items				
	FAS Finance & Investment Limited	20	-	-
	FAS Capital Management Limited	20 (a)i	773,724,007	756,510,979
			773,724,007	756,510,979
20 (a)i Other memorandum items of FAS Capital Management Limited				
	Customers' stocks of securities-Merchant Banking Wing		773,724,007	756,510,979
			773,724,007	756,510,979

This amount consists of portfolio investors' investment at cost price.

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
21	Profit and loss account		
	Income		
	Interest, discount and similar income	323,016,359	205,588,558
	Dividend income	-	1,129,636
	Fee, commission and brokerage	-	-
	Gains less losses arising from investment securities	(118,204)	12,808,225
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income	333,022	1,770,202
	Gains less losses arising from dealing securities	-	-
	Income from Non-FI's assets	-	-
	Profit less losses on interest rate changes	-	-
		323,231,176	221,296,621
	Expenses		
	Interest, fee and commission	1,770,680,164	1,825,521,000
	Losses on loans, leases and advances	-	-
	Administrative expenses	63,705,006	76,839,843
	Other operating expenses	9,980,934	12,827,508
	Depreciation on FI's assets	29,592,046	31,937,959
		1,873,958,150	1,947,126,310
		(1,550,726,973)	(1,725,829,689)
		-	-
22	Interest income		
	Interest on loans, advances and leases	222,568,018	111,663,675
	Interest on placement with other banks and financial institutions	100,448,341	93,924,883
	Interest on foreign currency balance	-	-
		323,016,359	205,588,558
22 (a)	Consolidated interest income		
	FAS Finance & Investment Limited	323,016,359	205,588,558
	FAS Capital Management Limited	5,847,376	3,059,139
		328,863,735	208,647,697
	Less: Inter company transaction	(33,700,335)	(129,077,798)
		295,163,400	79,569,899
23	Interest paid on deposits, borrowings, etc.		
	Interest on deposits	986,034,530	1,037,787,289
	Interest on borrowings	774,785,105	777,112,893
	Interest on lease liabilities-Office premises	9,860,529	10,620,818
	Interest on foreign bank accounts	-	-
		1,770,680,164	1,825,521,000
23 (a)	Consolidated interest paid on deposits, borrowings, etc.		
	FAS Finance & Investment Limited	1,770,680,164	1,825,521,000
	FAS Capital Management Limited	183,423,893	186,519,889
		1,954,104,057	2,012,040,889
	Less: Inter company transaction	(33,700,335)	(159,885,530)
		1,920,403,722	1,852,155,359

Notes	Particulars	Amount in Taka		
		31-Dec-2021	31-Dec-2020	
24	Investment income			
	Gain/(loss) on sale of shares	24.01	(118,204)	12,808,225
	Dividend on shares		-	1,129,636
			(118,204)	13,937,861
	Details break-up of gain/(loss) on share investment for the year 2021 has given below:			
24.01	Name of Share Investment:	Sales Price	Purchase Price	Gain/(Loss)
	AB Bank Ltd.	42,206	73,704	(31,499)
	Esquire Knit Com.Ltd.	5,901	11,025	(5,124)
	Runner Autom. Ltd.	201,559	283,140	(81,582)
		249,665	367,869	(118,204)
				-
24 (a)	Consolidated investment income			
	FAS Finance & Investment Limited	24	(118,204)	13,937,861
	FAS Capital Management Limited		6,566,935	4,106,641
			6,448,731	18,044,502
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		600,000	-
			600,000	-
26	Other operating income			
	Gain/(loss) on sale of fixed assets		5,597	(225,178)
	Misc. Income		80,000	-
	Processing fees		425	435
	Recovery against written off		-	1,994,945
	Office rent income		247,000	-
			333,022	1,770,202
26 (a)	Consolidated Other operating income			
	FAS Finance & Investment Limited	26	333,022	1,770,202
	FAS Capital Management Limited		47,290,888	31,728,076
			47,623,910	33,498,278
	Less: Inter company transaction		(5,838,172)	(30,891,688)
			41,785,738	2,606,590
27	Salary and allowances			
	Basic salary, provident fund contribution and all other allowances		45,911,951	59,848,444
	Festival and incentive bonus		3,405,000	4,434,833
			49,316,951	64,283,277

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
27 (a) Consolidated salary and allowances			
	FAS Finance & Investment Limited	49,316,951	64,283,277
	FAS Capital Management Limited	4,906,622	4,956,225
		54,223,573	69,239,502
28 Rent, taxes, insurance, electricity, etc.			
	Rent, rates, taxes and electricity, etc.	2,310,639	2,639,131
	Insurance premium	119,033	557,471
		2,429,672	3,196,602
Disclosure related to Rent, rate and taxes:			
	Actual rent, rates, taxes and electricity, etc.	20,799,156	24,681,373
	Less: Reclassification of rent expenses (as per IFRS 16: Leases)	(18,488,517)	(22,042,242)
	Rent expenses as reported	2,310,639	2,639,131
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	2,429,672	3,196,602
	FAS Capital Management Limited	668,253	271,965
		3,097,925	3,468,567
	Less: Inter company transaction	-	-
		3,097,925	3,468,567
29 Legal expenses			
	Professional & legal fees	111,392	724,500
		111,392	724,500
29 (a) Consolidated legal expenses			
	FAS Finance & Investment Limited	111,392	724,500
	FAS Capital Management Limited	51,000	-
		162,392	724,500
30 Postage, stamps, telecommunication, etc.			
	Telephone & fax	502,054	695,087
	Internet	540,291	523,600
	Postage and stamp	89,505	52,604
		1,131,850	1,271,291
30 (a) Consolidated postage, stamps, telecommunication, etc.			
	FAS Finance & Investment Limited	1,131,850	1,271,291
	FAS Capital Management Limited	203,863	198,196
		1,335,713	1,469,487
31 Stationery, printings, advertisements, etc.			
	Printing	1,137,371	321,615
	Stationery & Photocopy	257,312	178,589
	Publicity and advertisement	1,045,021	111,493
		2,439,704	611,697

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
31 (a) Consolidated stationery, printings, advertisements, etc.			
	FAS Finance & Investment Limited	2,439,704	611,697
	FAS Capital Management Limited	111,040	12,345
		2,550,744	624,042
32 Directors' fees			
	Directors' fees	1,320,000	546,000
		1,320,000	546,000
32 (a) Consolidated Directors' fees			
	FAS Finance & Investment Limited	1,320,000	546,000
	FAS Capital Management Limited	255,900	93,150
		1,575,900	639,150
33 Auditors' fees			
	Statutory audit fees	1,442,600	230,000
		1,442,600	230,000
The audit fee represents the fees for auditing the accounts of the Company for the financial year 2021 & Special Audit & Tax Audit. No other fees was paid to the auditor for any other services.			
33 (a) Consolidated Auditors' fees			
	FAS Finance & Investment Limited	1,442,600	230,000
	FAS Capital Management Limited	28,750	46,000
		1,471,350	276,000
34 Depreciation and repairs of FI's assets			
Depreciation			
	Office building	8,526,019	8,974,758
	Furniture & fixture	407,330	416,429
	Office decoration	438,396	487,107
	Office equipment	629,211	565,345
	Motor vehicles	2,048,616	2,711,211
	Electrical installation	66,805	78,594
	Computer	966,806	1,137,418
	Telephone line & PABX system	58,638	68,986
	Right of use Assets	16,413,442	17,454,837
	Software	36,783	43,274
		29,592,046	31,937,959
Repairs			
	Fixed assets repair and maintenance	563,160	376,476
		563,160	376,476
		30,155,206	32,314,435
34 (a) Consolidated Depreciation and repairs of assets			
	FAS Finance & Investment Limited	30,155,206	32,314,435
	FAS Capital Management Limited	2,458,120	2,950,968
		32,613,326	35,265,403
35 Other expenses			
	A.G.M. expenses	200,547	201,250
	Bank charge and excise duty	1,840,659	1,623,328
	Books, newspaper and periodicals	16,713	13,470
	Business promotion	-	10,000
	CDBL charge	3,600	1,800
	Corporate social responsibility	-	500,000
	Entertainment	777,685	380,821

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
	Fees, subscription and donation	1,378,810	1,668,841
	Fine	1,000,000	4,000,000
	Fuel, oil and lubricants	731,117	938,304
	Miscellaneous expenses/NID verification charge	2,011	-
	Office maintenance	995,922	1,091,298
	Picnic/ Business Conference/ Corporate Day Out	-	-
	Portfolio management fees	14,296	83,956
	Registration and renewal	106,661	107,170
	Security service	1,605,400	1,755,795
	Staff welfare, training and education/Uniform	19,169	90,342
	TA & DA	489,501	361,133
	VAT Expenses	798,843	-
		9,980,934	12,827,508
35 (a) Consolidated Other expenses			
	FAS Finance & Investment Limited	9,980,934	12,827,508
	FAS Capital Management Limited	1,511,777	1,411,276
		11,492,711	14,238,784
	Less: Inter company transaction	(261,296)	(83,956)
		11,231,415	14,154,828
36 Provision against loans, advances and leases	13.1		
	On un-classified loans	60,264,579	(48,334,895)
	On classified loans	976,728,013	349,210,911
		1,036,992,592	300,876,016
36 (a) Consolidated provision against loans, advances and leases			
	FAS Finance & Investment Limited	1,036,992,592	300,876,016
	FAS Capital Management Limited	249,121,106	-
		1,286,113,698	300,876,016
37 Provision for diminution in value of investments	13.6		
	In quoted shares	-	1,707,507
		-	1,707,507
37 (a) Consolidated provision for diminution in value of investments			
	FAS Finance & Investment Limited	-	1,707,507
	FAS Capital Management Limited	-	(7,310,157)
		-	(5,602,650)
38 Provision for taxation			
	Current tax	1,940,096	2,750,902
	Deferred tax	(2,460,491)	566,051
		(520,395)	3,316,953
38 (a) Consolidated provision for taxation			
	Current tax		
	FAS Finance & Investment Limited	1,940,096	2,750,902
	FAS Capital Management Limited	992,339	227,284
		2,932,435	2,978,186
	Deferred tax		
	FAS Finance & Investment Limited	(2,460,491)	566,051
	FAS Capital Management Limited	59,683	25,857
		(2,400,809)	591,908
		531,627	3,570,094

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020

39 Appropriations

Retained earnings-brought forward	(3,548,622,073)	(1,520,949,119)
Less: Adjustment for prior year	-	-
Add: Post-tax profit for the year	(2,593,889,432)	(2,031,730,165)
	(6,142,511,505)	(3,552,679,284)
Add: Depreciation on increased value due to revaluation	3,854,350	4,057,211
Less: Stock dividend-2018	-	-
Transferred to:	-	-
Statutory reserve	-	-
General reserve	-	-
Proposed dividend	-	-
	(6,138,657,155)	(3,548,622,073)

40 Earnings per share

Earning attributable to ordinary shareholders (Net profit after tax)	(2,593,889,432)	(2,031,730,165)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Earnings per share-EPS	(17.40)	(13.63)

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)	(2,971,974,995)	(2,178,025,051)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Earnings per share-EPS	(19.94)	(14.61)

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	(116,972,137)	36,556,387
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Net operating cash flow per share-NOCFPS	(0.78)	0.25

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

Net cash from operating activities	(107,402,231)	53,417,458
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Net operating cash flow per share-NOCFPS	(0.72)	0.36

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020
42	Reconciliation of Net Profit with Cash Flows from Operating Activities		
	Net profit after tax	(2,593,889,432)	(2,031,730,165)
	Adjustments for non-cash items:		
	Add: Depreciation	29,592,046	31,937,959
	Add: provision for leases, loans, advances & investment	1,043,682,854	302,583,523
	Add: provision for taxation	(520,395)	3,316,953
	Add/(Less): Accrued expenses	533,780,821	1,490,661,245
	Add/(Less): Accrued income	47,742,940	(41,678,103)
	Less: Gain on sale of fixed assets	(5,597)	225,178
		1,654,272,669	1,787,046,755
	Changes in operating assets and liabilities		
	(Increase)/Decrease in leases, loans and advances	(88,494,472)	(1,262,696,094)
	(Increase)/Decrease in other assets	(3,212,901)	(636,323)
	Previous year adjustment	(1,131,187)	
	Increase/(Decrease) in short term borrowings	13,222,457	(204,000,288)
	Increase/(Decrease) in term & other deposits	456,417,414	144,893,860
	Payment of corporate tax	(16,127,978)	(6,217,618)
	Increase/(Decrease) in other liabilities	19,936,221	(28,144,620)
	Increase/(Decrease) in interest suspense	442,035,072	1,638,040,880
		822,644,626	281,239,797
	Net cash from/(used in) operating activities	(116,972,137)	36,556,387
42.a	Reconciliation of Net Profit with Cash Flows from Operating Activities (Consolidated)		
	Net profit after tax	(2,982,953,455)	(2,182,239,307)
	Adjustments for non-cash items:		
	Add: Depreciation	32,040,167	34,758,703
	Add: provision for leases, loans, advances & investment	1,292,803,960	295,273,366
	Add: provision for taxation	531,627	3,570,094
	Add/(Less): Accrued expenses	481,436,770	1,546,089,011
	Add/(Less): Accrued income	47,850,536	(41,893,059)
	Less: Gain on sale of fixed assets	(5,597)	225,178
		1,854,657,463	1,838,023,293
	Changes in operating assets and liabilities		
	(Increase)/Decrease in leases, loans and advances	(136,605,924)	(1,313,434,139)
	(Increase)/Decrease in other assets	(280,629)	(2,425,386)
	Increase/(Decrease) in short term borrowings	13,222,457	(204,000,288)
	Previous year adjustment	(1,750,840)	-
	Increase/(Decrease) in term & other deposits	572,801,350	190,350,579
	Payment of corporate tax	(19,856,619)	(16,863,341)
	Increase/(Decrease) in other liabilities	37,106,997	(27,022,826)
	Increase/(Decrease) in interest suspense	556,256,969	1,771,028,873
		1,020,893,761	397,633,472
	Net cash from/(used in) operating activities	(107,402,231)	53,417,458.00
43	Net asset value per share		
	Total assets	21,739,893,426	21,534,408,473
	Total liabilities	26,027,170,335	(23,228,372,270)
		(4,287,276,909)	(1,693,963,797)
	Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
	Net asset value per share (Last year restated)	(28.76)	(11.36)

Notes	Particulars	Amount in Taka	
		31-Dec-2021	31-Dec-2020

43 (a) Consolidated net asset value per share

Total assets	21,612,557,127	21,356,415,174
Total liabilities	(26,580,344,549)	(23,353,428,692)
Borrowings from other banks, financial institutions, and agents	(8,235,815,871)	(7,694,054,103)
Deposits and other accounts	(9,162,294,448)	(8,589,493,098)
Others liabilities	(9,194,942,519)	(7,071,611,320)
Non-controlling interest	12,708,289	1,729,829
	(4,967,787,423)	(1,997,013,518)
Weighted average number of ordinary shares outstanding	149,077,364	149,077,364
Net asset value per share (Last year restated)	(33.32)	(13.40)

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. Mohammed Nurul Amin	Chairman & Independent Director	Nominated Director, FAS Capital Management Limited (FCML) Nominated from FAS Finance & Investment Limited
2	Dr. Mohammad Saifuddin Khan	Independent Director	Associate Professor, Department of Finance, University of Dhaka. Independent Director, Dhaka Regency Hotel & Resort Ltd. Independent Director, Al- Haj Textile Mills Ltd. Independent Director, Bangladesh Welding Electrodes Ltd.
3	Brigadier General Abu Sayeed Mohammad Ali (Retd.)	Independent Director	N/A
4	Dr. Syed Abdulla Al Mamun FCMA	Independent Director	Director, North West Power Generation Company Limited.
5	Mr. Md. Salim	Independent Director	Nominated Director, FAS Capital Management Limited (FCML). Nominated from FAS Finance & Investment Limited. Senior Faculty Member, Bangladesh Academy for Securities Markets (An Academic Wing of BSEC)
6	Mr. Prithish Kumar Sarker	Managing Director & CEO (Ex-Officio)	FAS Capital Management Limited (Nominated Director) Nominated from FAS Finance & Investment Limited.

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-2021		Addition		Adjustment		Balance as at 31-Dec-2021	
			Taka	Taka	Taka	Taka	Taka	Taka		
FAS Capital Management Limited	Loan	Subsidiary Company	1,627,732,070	133,614,196	47,751,295	1,713,594,971				
FAS Capital Management Limited	Equity Investment	Subsidiary Company	243,000,000	-	-	243,000,000				
FAS Capital Management Limited	TDR	Subsidiary Company	504,543,281	33,700,335	150,084,267	388,159,349				
FAS Finance & Investment Limited Employee's Contributory Provident Fund	TDR	Common Control	7,919,777	2,048,749	-	9,968,526				
FAS Capital Management Limited Employees Provident Fund	TDR	Common Control	2,282,505	272,962	-	2,555,467				
FAS Capital Management Limited Employees Gratuity Fund	TDR	Common Control	3,490,374	276,726	350,000	3,417,100				

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

Name	Status	No. of Shares
Mr. Pritish Kumar Sarker	Managing Director & CEO	-
Md. Golam Shaugatul karim	VP & CFO	-
Md. Farukuzzaman	VP & COO	-
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,

Name	Status	No. of Shares
Mr. Md. Nurul Haque Gazi	Deputy Managing Director	-
Md. Golam Shaugatul karim	VP & CFO	-
Md. Farukuzzaman	VP & COO	-
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-2021	
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-imbursement of expenses incurred for the company's business.

45.02 Key management benefits

Benefits	2021		2020	
	Directors	Executives	Directors	Executives
Salary	Nil	9,218,000	Nil	9,059,346
Festival Bonus	Nil	1,284,000	Nil	1,149,000
Provident Fund	Nil	506,400	Nil	1,126,052
Gratuity	Nil	844,000	Nil	945,997
Medical Assistance	Nil	1,282,800	Nil	1,214,800
Group Insurance	Nil	15,850	Nil	68,925
Conveyance allowance & Transport	Nil	385,700	Nil	1,518,845
Total:		13,536,750		15,082,965

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

Name	Position	2021	2020
Mr. Md. Zahangir Alam	Chairman & Independent Director	44,000	Nil
Mr. Md. Abul Shahjahan	Director	44,000	Nil
Mr. Fazlul Hoque Khan	Director	44,000	Nil
Mr. S. M. Shamsul Alam	Director	44,000	Nil
Dr. Uddab Mallick	Director	17,600	Nil
Ms. Soma Ghosh	Director	17,600	Nil
Mr. S. M. N Nurul Alam Chowdhury	Director	8,800	Nil
Up to 31 May, 2021			
Mr. Mohammad Nurul Amin	Chairman & Independent Director	140,800	Nil
Dr. Muhammad Saifuddin Khan	Independent Director	272,800	Nil
Brigadier General Abu Sayeed Mohammad Ali (Retd.)	Independent Director	211,200	Nil
Dr. Syed Abdulla Al Mamun FCMA	Independent Director	272,800	Nil
Mr. Md. Salim	Independent Director	202,400	Nil
Mr. Pritish Kumar Sarker	Managing Director & CEO	4,949,677	Nil
Total		6,269,677	0

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

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

Name	2021		2020	
	No. of Meeting Attendance	Attendance Fees	No. of Meeting Attendance	Attendance Fees
Mr. Md. Zahangir Alam	5	44,000	2	17,600
Mr. Md. Abul Shahjahan	5	44,000	2	18,400
Mr. Fazlul Hoque Khan	5	44,000	11	98,400
Mr. S. M. Shamsul Alam	5	44,000	10	89,600
Dr. Uddab Mallick	2	17,600	9	80,800
Ms. Soma Ghosh	2	17,600	8	70,800
Mr. S. M. N Nurul Alam Chowdhury	1	8,800	1	8,800
Up to 31 May 2021				
Mr. Mohammad Nurul Amin	16	140,800	3	26,400
Dr. Muhammad Saifuddin Khan	16	140,800	1	9,200
Brigadier General Abu Sayeed Mohammad Ali (Retd.)	16	140,800	-	-
Dr. Sayed Abdulla Al Mamun FCMA	16	140,800	-	-
Md. Salim	16	140,800	-	-
Total	21	924,000		420,000

(b) Audit Committee Meeting Fees:

During the year, 7 Audit Committee Meetings were held and the following fees were paid :

Name	2021		2020	
	No. of Meeting Attendance	Attendance Fees	No. of Meeting Attendance	Attendance Fees
Dr. Muhammad Saifuddin Khan	7	61,600	Nil	Nil
Dr. Syed Abdulla Al Mamun FCMA	7	61,600	Nil	Nil
Mr. Md. Salim	7	61,600	Nil	Nil
Total	7	184,800	0	0

45.05 Foreign remittance

There were no foreign remittance during the year 2021.

Contingent Liabilities :

There were no contingent liabilities during the year 2021.

45.06 Claims

	31-Dec-2021	31-Dec-2020
	Amount in Taka	
(a) Claim against the company acknowledge as debts.	160,082,645	160,082,645
(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 presentation.

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
Schedule of Property, Plant & Equipment
As on December 31, 2021

a. Cost **Annex-1**
Amount in Taka

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 31.12.2021
	Balance as on 01.01.2021	Addition during the year	Adj./disposal during the year	Balance as on 31.12.2021		Balance as on 01.01.2021	Addition during the year	Adj./disposal during the year	Balance as on 31.12.2021	
Land	2,163,200	-	-	2,163,200		-	-	-	-	2,163,200
Office building	79,559,223	-	-	79,559,223	5%	2,359,059	-	34,737,111	44,822,112	
Furniture & fixture	8,477,221	118,250	-	8,595,471	10%	407,330	-	4,919,644	3,675,826	
Office decoration	8,957,959	-	-	8,957,959	10%	438,396	-	5,012,395	3,945,564	
Office equipment	10,453,680	-	-	10,453,680	15%	629,211	-	6,888,148	3,565,532	
Motor vehicles	26,678,950	107,800	76,144	26,710,605	20%	2,048,616	68,241	18,427,399	8,283,206	
Electrical installation	2,057,474	-	-	2,057,474	15%	66,805	-	1,678,912	378,562	
Computer	11,408,348	-	-	11,408,348	15%	966,806	-	5,929,783	5,478,565	
Telephone line & PABX system	1,067,650	-	-	1,067,650	15%	58,638	-	735,369	332,281	
Right of use Assets	122,512,515	1,899,506	2,940,669	121,471,352		16,413,442	-	51,323,116	70,148,236	
Software	638,421	-	-	638,421	15%	36,783	-	429,986	208,435	
Total	273,974,638	2,125,556	3,016,813	273,083,381		23,425,085	68,241	130,081,863	143,001,518	

b. Revaluation

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 31.12.2021
	Balance as on 01.01.2021	Addition during the year	Adj./disposal during the year	Balance as on 31.12.2021		Balance as on 01.01.2021	Addition during the year	Adj./disposal during the year	Balance as on 31.12.2021	
Land	84,364,660	-	-	84,364,660		-	-	-	-	84,364,660
Office building	229,523,584	-	-	229,523,584	5%	6,166,961	-	112,351,330	117,172,254	
Total	313,888,244	-	-	313,888,244		6,166,961	-	112,351,330	201,536,914	
Total (a+b) at 31 December 2021	587,862,882	2,125,556	3,016,813	586,971,625		29,592,046	68,241	242,433,193	344,538,432	
Balance at 31 December 2020	589,406,915	1,610,900	3,154,930	587,862,882		31,937,959	2,286,627	212,909,388	374,953,494	

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 Schedule of Property, Plant & Equipments
As on December 31, 2021

a. Cost

Annex-1 (a)

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2021
	Balance as on 01.01.2021	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2021	Addition during the year	Adj./disposal during the year	
Land	2,163,200	-	-		-	-	-	2,163,200
Office building	79,559,223	-	-	5%	32,378,052	2,359,059	-	44,822,112
Furniture & fixture	11,476,429	118,250	-	10%	6,213,181	537,164	-	4,844,334
Office decoration	17,606,286	-	-	10%	7,393,715	1,021,257	-	9,191,314
Office equipment	16,661,475	-	-	15%	9,677,601	1,047,581	-	5,936,293
Motor vehicles	26,678,950	107,800	76,144	20%	16,447,025	2,048,616	68,241	8,283,206
Electrical installation	2,057,474	-	-	15%	1,612,107	66,805	-	378,562
Computer	13,415,411	-	-	15%	6,336,145	1,061,890	-	6,017,376
Telephone line & PABX system	1,345,370	-	-	15%	874,015	70,703	-	400,652
Right of use Assets	128,350,332	1,899,506	2,940,669		39,640,652	17,520,281	-	70,148,236
Software	2,904,671	96,000	-	15%	2,068,332	139,851	-	792,488
Total	302,218,821	2,221,556	3,016,813		122,640,825	25,873,206	68,241	152,977,774

b. Revaluation

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2021
	Balance as on 01.01.2021	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2021	Addition during the year	Adj./disposal during the year	
Land	84,364,660	-	-		-	-	-	84,364,660
Office building	229,523,584	-	-	5%	106,184,369	6,166,961	-	117,172,254
Total	313,888,244	-	-		106,184,369	6,166,961	-	201,536,914
Total (a+b) at 31 December 2021	616,107,065	2,221,556	3,016,813		228,825,194	32,040,167	68,241	354,514,688
Balance at 31 December 2020	617,651,095	1,610,900	3,154,930		196,353,118	34,758,703	2,286,627	387,281,871

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, 2021

Annex-2
Amount In Taka

Shares (quoted)

Name of Share	Number of Share	Market Price Per Share	Market Value	Cost of Share	Provision Amount
AB Bank Limited	189,000	13.50	2,551,500	3,537,792	986,292
Esquir Knit Composite Limited	10,200	35.00	357,000	459,000	102,000
Niloy Cement Industries Limited	500	49.90	24,950	67,845	42,895
Runner Automobiles Limited	-	-	-	-	-
			2,933,450	4,064,637	1,131,187

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:			12,933,450	14,064,637	1,131,187

FAS Finance & Investment Limited
Financial Highlights
As on December 31, 2021

Annex-3

Sl. No.	Particulars	Amount in Taka		
		31-Dec-2021	31-Dec-2020	Change in %
1	Paid up capital	1,490,773,640	1,490,773,640	-
2	Total capital	(5,124,900,015)	(1,751,967,911)	192.52
3	Capital surplus/(deficit)	(5,901,806,127)	(3,104,388,552)	(90.11)
4	Total assets	21,612,557,128	21,534,408,473	0.36
5	Total deposits	9,550,453,793	9,094,036,379	5.02
6	Total loans, advances and leases	19,279,293,580	19,190,799,108	0.46
7	Total contingent liabilities and commitments	-	-	-
8	Credit deposit ratio	201.87%	211.03%	(4.34)
9	Percentage of classified loans, advances and leases	88.92%	88.76%	0.19
10	Profit after tax and provision	(2,593,889,432)	(2,031,730,165)	(27.67)
11	Classified loans, advances and leases during the year	17,143,315,493	17,033,033,828	0.65
12	Provisions kept against classified loans	2,600,875,908	1,624,147,895	60.14
13	Provision surplus/deficit	(8,000,000,000)	(7,342,299,240)	(8.96)
14	Cost of fund	10.61%	11.81%	(10.16)
15	Interest earning assets	20,800,707,148	20,533,654,347	1.30
16	Non-interest earning assets	939,186,278	1,000,754,126	(6.15)
17	Return on investment (ROI)	-13.48%	-10.92%	(23.37)
18	Return on asset (ROA)	-12.02%	-9.72%	(23.70)
19	Incomes from investment	(118,204)	13,937,861	100.85
20	Earning per share	(17.40)	(13.63)	(27.67)
21	Net income per share	(17.40)	(13.63)	(27.67)
22	Price earning ration (Times)	-	-	-

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS-9 "Financial Instruments"	"An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)."	"As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue."	"In separate Financial Statements, an amount of BDT 1036.99 million has been charged as incremental provision for leases, loans and advances for the year 2021. Also, as at 31 December 2021, accumulated provision for leases, loans and advances stand at BDT total 2683.84 million. In consolidated Financial Statements, the same amount is BDT 1286.11 million. Also, as at 31 December 2021, accumulated provision for leases, loans and advances stand at BDT total 3022.63 million."
2	Valuation of Investments in quoted and unquoted shares	IFRS-9 "Financial Instruments"	Investment in shares falls either under at "fair value through profit/loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	"During this year, total market value of all shares invested by FAS Finance & Investment Limited is 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, 2021 there was BDT 10.93 million gross losses on consolidated investment in marketable securities."

3	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	At the year end, in separate Financial Statements interest suspense account has increased to BDT 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 2021 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.
6	Presentation and disclosure of Financial Statements and Financial Instruments	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 Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments. "	"Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor the elements of Other Comprehensive Income allowed include in a Single Comprehensive Income	Financial Statements for 2021 and corresponding year 2020 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank

				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 2021 and corresponding year 2020 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 2021 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.
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 2021 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 2021 and corresponding year 2020 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 2021 and corresponding year 2020 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."
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 2021 and corresponding year 2020 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 2021 and corresponding year 2020 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 2021 and corresponding year 2020 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."

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 (the "Company"), which comprise the Statement of Financial Position as at 31 December 2021, and along with 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 and other explanatory information.

In our opinion, except the effect described in the Basis for Qualified Opinion paragraph the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of 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 laws and regulations.

Basis for Qualified Opinion

- 1) The corporation has been incurring loss year after year. Its accumulated loss was Tk. 686,041,216 for the year ended 31 December 2021 and as of that date the company's Total Liabilities exceeded its Total Assets by Tk. 444,641,926. These conditions or events indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue its operation in foreseeable future.

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

Emphasis of Matter Paragraph

1. According to the section 9 of the IFRS 16 (Leases), the Company shall assess whether the contract is, or contains a lease. As per section 23 and 29 of the IFRS 16, the Company shall measure the right-of-use assets and as per section 26 and 36, the Company shall measure the lease liability. However, in our audit, it reveals that the standards in this regard were not being followed.
2. With reference to note no. 6, 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).
3. Reference to the Note #19 to the financial statements, Commission Income BDT.600,000 which previous year income Non-Compliance of IFRS which has a retrospective effect as previous year Income were understated.

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 of the Company 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Report on other Legal and Regulatory Requirements

In accordance with the International Financial Reporting Standards (IFRS), the Companies Act, 1994, 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 company's statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (iv) the expenditures incurred were for the purpose of the Company's business for the year;

Dhaka, 12 September 2022



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2210181522 AS 970668

FAS Capital Management Limited

Statement of Financial Position

As at 31 December, 2021

Particulars	Notes	Amount in BDT	
		31.12.2021	31.12.2020
PROPERTY AND ASSETS:			
Current Assets :			
Cash:			
In hand	2	3,568	32,722
Balance with bank(s)		-	-
Cash at Bank		28,416,877	1,587,569
In Bangladesh	3	28,416,877	1,587,569
Outside Bangladesh		-	-
Investment		413,178,441	555,489,335
Share Investment	4	25,019,096	50,946,054
Other (TDR)	5	388,159,345	504,543,281
Loans and advances	6	1,736,405,309	1,602,430,956
Others assets	7	35,270,972	103,875,346
Total Current Assets :		2,213,275,167	2,263,415,928
Fixed Assets	8	9,976,254	12,328,374
TOTAL ASSETS		2,223,251,421	2,275,744,302
LIABILITIES AND CAPITAL:			
LIABILITIES:			
Borrowings from other banks, financial institutions and agents	9	2,057,699,232	2,021,184,887
Current Liabilities		610,194,115	316,338,965
Provision for Expenses	10	266,047	76,060,494
Provision for Income Tax	11	5,076,988	4,024,966
Sundry Creditors	12	18,851,310	4,371,258
Interest Suspense Account		247,209,890	132,987,993
Others liabilities	13	338,789,879	98,894,254
TOTAL LIABILITIES		2,667,893,347	2,337,523,852
CAPITAL/SHAREHOLDERS' EQUITY		(444,641,926)	(61,779,550)
Paid-up Capital	14	250,000,000	250,000,000
Retained earnings	15	(686,041,216)	(311,779,550)
Other Components of Equity		(8,600,710)	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,223,251,421	2,275,744,302

OFF-BALANCE SHEET ITEMS

Contingent Liabilities

Acceptances and endorsements
 Letters of Guarantee
 Irrevocable Letters of Credit
 Bills for Collection
 Others 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

-	-
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Other Memorandum Items

773,724,007	756,510,979
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The annexed notes form an integral part of these Financial Statements.



Mahmudul Islam
 Chief Executive Officer




A. F. Shabbir Ahmad
 Director



Mohammed Nurul Amin
 Chairman

Signed as per annex report on even date.

Dated: 12 September 2022, Dhaka


Md. Abdus Satter Sarkar, FCA
 ICAB Enrollment No. 1522
 For and behalf of
 Mahfel Huq & Co., Chartered Accountants
 Firm Registration No. P-46323
 DVC: 2210181522 AS 970668

FAS Capital Management Limited


Statement of Profit or Loss and other Comprehensive Income

For the Period from 01 January 2021 to 31 December, 2021

Particulars	Notes	Amount in BDT	
		31.12.2021	31.12.2020
OPERATING INCOME:			
Interest Income	16	5,847,376	3,059,139
Less: Interest paid on deposit and borrowings, etc.	17	183,423,893	186,519,889
Net Interest Income		(177,576,517)	(183,460,750)
Investment income	18	6,566,933	4,106,641
Commission, exchange and brokerage	19	600,000	-
Other operating income	20	47,290,890	31,728,076
		54,457,823	35,834,717
Total operating income (a)		(123,118,694)	(147,626,033)
OPERATING EXPENSES			
Salary and allowances	21	4,906,622	4,956,225
Rent, taxes, insurance, electricity, etc.	22	668,253	271,965
Postage, stamps, telecommunication, etc.	23	203,863	198,196
Printing, Stationery & Advertisement	24	111,040	12,345
Audit Fees		28,750	46,000
Directors Fees		255,900	93,150
Legal Expenses		51,000	-
Depreciation on Fixed Assets	08	2,448,120	2,820,743
Repair of Fixed Assets	25	10,000	130,225
Other expenses	26	1,511,777	1,411,276
Total operating expenses (b)		10,195,325	9,940,125
Profit before provision (c=a-b)		(133,314,019)	(157,566,158)
Provision for diminution in value of investments		-	(7,310,157)
Provisions on Margin Loan		249,121,106	-
Other Provision		-	-
Total provision (d)		249,121,106	(7,310,157)
Profit before taxation(c-d)		(382,435,125)	(150,256,001)
Provision for taxation		1,052,022	253,141
Current Tax	27	992,339	227,284
Deferred Tax		59,683	25,857
Net profit after taxation		(383,487,147)	(150,509,142)
Unrealized Gain or Loss investment in share		(8,600,710)	-
Total Other Comprehensive Income		(392,087,857)	(150,509,142)
Earning Per Share	28	(15.34)	(6.02)

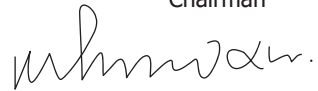
The annexed notes form an integral part of these Financial Statements.


Mahmudul Islam
 Chief Executive Officer


A. F. Shabbir Ahmad
 Director


Mohammed Nurul Amin
 Chairman

Signed as per annex report on even date.


Md. Abdus Satter Sarkar, FCA
 ICAB Enrollment No. 1522
 For and behalf of
 Mahfel Huq & Co., Chartered Accountants
 Firm Registration No. P-46323
 DVC: 2210181522 AS 970668

Dated: 12 September 2022, Dhaka

FAS Capital Management Limited

Statement of Changes in Equity

For the Period ended 31 December, 2021

				Amount in Taka
Particulars	Share Capital	Other Components of Equity	Retained Earnings	Total
Opening Balance as on 01.01.2021	250,000,000	-	(311,779,550)	(61,779,550)
Prior year adjustment	-	-	9,225,481	9,225,481
Net Profit after Taxation for the Period	-	-	(383,487,147)	(383,487,147)
Unrealized gain or loss in share investment	-	(8,600,710)	-	(8,600,710)
Balance as on 31 December, 2021	250,000,000	(8,600,710)	(686,041,216)	(444,641,926)
Balance as on 31 December, 2020	250,000,000	-	(311,779,550)	(61,779,550)

Statement of Changes in Equity


For the Period ended 31 December, 2020

				Amount in Taka
Particulars	Share Capital	Other Components of Equity	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)

The annexed notes form an integral part of these Financial Statements.



Mahmudul Islam
Chief Executive Officer



A. F. Shabbir Ahmad
Director



Mohammed Nurul Amin
Chairman



Md. Abdus Satter Sarkar, FCA
ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants
Firm Registration No. P-46323
DVC: 2210181522 AS 970668

Signed as per annex report on even date.

Dated: 12 September 2022, Dhaka

FAS Capital Management Limited


Statement of Cash Flows

For the period ended 31 December, 2021

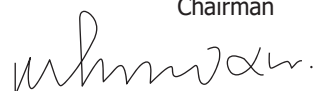
Particulars	Amount in BDT	
	31.12.2021	31.12.2021
Cash Flows From Operating Activities		
Interest receipts	5,847,376	3,059,139
Interest payments	(183,423,893)	(186,519,889)
Investment Income	6,566,933	4,106,641
Commission, exchange and brokerage	600,000	-
Payments to employees	(4,906,622)	(4,956,225)
Other operating income	47,290,890	31,728,076
Prior year adjustment	624,770	-
Payment for other operating activities	(251,961,688)	(2,163,156)
Operating profit before changes in operating assets & liabilities	(379,362,234)	(154,745,414)
Increase/Decrease in operating assets and liabilities		
Margin loan to client	(133,974,353)	(118,765,374)
Other Assets (Receivable)	68,604,374	(14,489,565)
Deposit from customers	14,480,052	3,570,362
Borrowing from other Bank & Financial Institute	36,514,345	63,785,290
Liabilities for Expenses	(75,794,447)	57,278,303
Interest Suspense Account	114,221,897	132,987,993
Other Liabilities	239,895,625	-
	263,947,494	124,367,009
Net cash from/ (used in) operating activities (a)	(115,414,740)	(30,378,405)
Cash Flows From Investing Activities		
Purchase/Sale of trading securities, shares, bonds, etc.	25,926,958	(14,446,898)
Others Investment (FDR)	116,383,936	45,456,719
Purchase/Sale of property, plant and equipment	(96,000)	-
Net cash used in investing activities (b)	142,214,894	31,009,821
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)	26,800,154	631,416
Cash and cash equivalents at beginning of the Year	1,620,291	988,875
Cash and cash equivalents at end of the year	28,420,445	1,620,291

The annexed notes form an integral part of these Financial Statements.


Mahmudul Islam
 Chief Executive Officer


A. F. Shabbir Ahmad
 Director


Mohammed Nurul Amin
 Chairman


Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and behalf of

Mahfel Huq & Co., Chartered Accountants

Firm Registration No. P-46323

DVC: 2210181522 AS 970668

Dated: 12 September 2022, Dhaka

FAS Capital Management Limited

Notes to the Financial Statements

For the Period from January to December, 2021

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 BSEC 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

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:

1. Going Concern;
2. Accrual; except statement of cash flow
3. Historical Cost Convention;
4. International Accounting Standards (IAS's); International Financial Reporting Standard (IFRS's)
5. SEC (Merchant Bankers & Portfolio Manager) Ordinance 1996
6. 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.

Addition 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	Computer & Accessories	15%
2	Furniture & Fixture	10%
3	Office Decoration	10%
4	Office Equipment	15%
5	Software	15%
6	Telephone & PABX	15%
7	Right to Use of Assets	Equal Monthly Lease Period

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 2021-2022 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 2021 to 31 December, 2021.

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 BDT	
		as at	
		31.12.2021	31.12.2020
02	Cash in hand :		
	Cash in Hand	3,568	32,722
	Total	3,568	32,722
03	Cash at Bank :		
	Account No.		
	Dutch Bangla Bank Ltd. Gulshan Branch	122,824	94,551
	Dutch Bangla Bank Ltd. Gulshan Branch-LRHR	2,990	1,396
	Mutual Trust Bank Ltd. Gulshan Branch	27,818	16,255
	Social Islami Bank Ltd. Gulshan Branch	24,656	26,062
	One Bank Ltd. Principal Branch	2,390	18,787
	One Bank Ltd. Principal Branch	5,320	6,241
	The City Bank Ltd. Gulshan Branch	28,178,551	101,207
	The City Bank Ltd. Gulshan Branch	18,551	37,274
	The City Bank Ltd. Gulshan Branch	23,339	1,274,289
	Woori Bank Ltd.-Gulshan Br.	10,438	11,507
	Total	28,416,877	1,587,569
04	Share Investment :		
	Bank:		
	AB Bank Ltd.	5,838,750	11,408,235
	Prime Bank Ltd.	645,000	-
	Exim Bank Ltd.	530,136	-
		7,013,886	11,408,235
	Textile:		
	Simtex Industries Ltd.	4,462,500	7,833,709
	M.L. Dyeing Limited	2,446,500	5,015,000
	Far East Knitting & Dyeing Industries Ltd.	780,000	-
	Evince Textile Mills Ltd.	-	1,379,646
	Saiham Textile Mills Ltd.	-	7,124,324
		7,689,000	21,352,679

Amount in BDT	
as at	
31.12.2021	31.12.2020

Fuel & Power:

Khulna Power Company Ltd

-	4,435,768
-	4,435,768

Engineering:

Power Grid Company Ltd.

BSRM Ltd.

S.S. Steels Ltd.

Saif Powertec Ltd.

Appollo Ispat Complex Ltd.

1,192,000	-
1,033,000	-
378,000	-
1,915,000	-
-	6,995,376
4,518,000	6,995,376

Others:

Eastland Insurance Company Ltd.

Square Pharmab Ltd.

Beximco Ltd.

Unilever Consumer Care Ltd.

Continental Insurance Co.Ltd.

1,935,000	-
1,071,500	-
1,484,000	-
297,710	-
-	1,054,153
4,788,210	1,054,153

Quoted:

Coppertech Industries Ltd.

Crystal Insurance Company Ltd.

Dominage Steel Building Systems Ltd.

Sea Pearl Beach Tesort & Spa Ltd.

AFC Agro Industries Ltd.

Robi Axiata Ltd.

-	4,192,588
-	108,780
-	115,492
448,000	732,003
562,000	-
-	550,980
1,010,000	5,699,843

Total

25,019,096	50,946,054
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5 Term Deposit Receipt (TDR):

Opening Balance

Add: Addition D/Y

Less: Adjustment D/Y

504,543,281	550,000,000
133,523,828	10,543,281
638,067,109	560,543,281
249,907,764	56,000,000
388,159,345	504,543,281

6 Loans and advances:

Margin Loan to Client

1,736,405,309	1,602,430,956
1,736,405,309	1,602,430,956

7 Other Assets :

Accounts Receivable 7.01

Advances, Deposits and Prepayments 7.02

Advance Income Tax (AIT) 7.03

Receivable Interest on FDR

Receivable Dividend Income

6,013,894	8,497,766
2,972,996	3,421,396
20,272,706	15,924,412
5,576,876	75,489,676
434,500	542,096
35,270,972	103,875,346

		Amount in BDT	
		as at	
		31.12.2021	31.12.2020
7	Other Assets :		
	Accounts Receivable	6,013,894	8,497,766
	Advances, Deposits and Prepayments	2,972,996	3,421,396
	Advance Income Tax (AIT)	20,272,706	15,924,412
	Receivable Interest on FDR	5,576,876	75,489,676
	Receivable Dividend Income	434,500	542,096
		35,270,972	103,875,346
7.01	Accounts Receivable :		
	Brokerage House	664,851	4,408,075
	Receivable From FFIL	3,590,663	3,590,663
	Receivable-Settlement Fees- Broker	1,758,380	-
	Receivable-CDBL-All Broker	-	499,028
		6,013,894	8,497,766
The year end, the current account balance with parents company (FAS Finance & Investment Limited) does not agree due to unrecognized liability of TK. 35 lakh by the company.			
07.01.01	Brokerage House :		
	Khwaja Equity Services Ltd.	-	3,743,923
	NCCB Securities & Financial Services Ltd.	699	-
	Shah Mohammad Sagir & Co.Ltd	664,152	664,152
		664,851	4,408,075
7.02	Advances, Deposits and Prepayments		
	Adv.-Nutriqual Limited	826,177	-
	Adv. Office Rent- Patuakhali	600,000	-
	Adv.-P & L International Limited	401,819	-
	Security Deposit: CDBL-DP	200,000	-
	Adv.-ZA Sourcing	405,000	-
	Adv.-ZA Sourcing-Security Deposit	540,000	-
		2,972,996	3,421,396
N.B: Advance & Deposite and Prepayment BDT 2,772,996 FAS Capital Management Ltd. has sent legal notice to the above parties, the amount has high possibility to be recovered.			
07.03	Advance Income Tax (AIT):		
	Opening Balance	15,924,412	5,278,689
	Add: Addition during the year	4,348,294	10,645,723
		20,272,706	15,924,412
	Less: Adjustment during the year	-	-
		20,272,706	15,924,412
08	Fixed Assets :		
	Cost:		
	Opening Balance	28,244,180	28,244,180
	Add: Addition during the year	96,000	-
		28,340,180	28,244,180
	Less:Disposal of Fixed Assets	-	-
		28,340,180	28,244,180
	Accumulated Depreciation		
	Opening Balance	15,915,806	13,095,063
	Add: Charged during the year	2,448,120	2,820,743
		18,363,926	15,915,806
	Less:Disposal of Fixed Assets	-	-
		18,363,926	15,915,806
		9,976,254	12,328,374

(Details of the Fixed Assets are shown in Annexure-1)

		Amount in BDT	
		as at	
		31.12.2021	31.12.2020
09	Borrowings from other banks, financial institutions and agents :		
	Bank 9.01	-	-
	Financial institution: 9.02	2,057,699,232	2,020,051,066
	Lease Liability	-	1,133,821
	Total	2,057,699,232	2,021,184,887
9.01	Borrowings from other financial institutions :		
		-	-
		-	-
		-	-
9.02	Short Term Portion of Long Term Loan :		
	FAS Finance & Investment Ltd.	1,713,594,971	1,627,732,069
	Investment Corporation of Bangladesh	20,961,271	32,315,017
	International Leasing & Financial Services Ltd.	323,142,990	360,003,980
		2,057,699,232	2,020,051,066
		2,057,699,232	2,020,051,066
10	Provision for Expenses :		
	Audit Fees	28,750	46,000
	CDBL Charges	64,797	136,969
	BSEC Renewal Fees	172,500	-
	Interest against loan from ICB	-	646,254
	Interest against loan from ILFSL	-	75,097,751
	Payable to TAX & VAT	-	117,837
	Provident Fund-FCML	-	7,778
	Gratuity Fund-FCML	-	7,905
		266,047	76,060,494
11	Provision for Income Tax :		
	Provision for Current Tax 11.01	5,205,299	4,212,960
	Provision for Deferred Tax 11.02	(128,311)	(187,994)
		5,076,988	4,024,966
11.01	Provision for Current Tax:		
	Opening Balance	4,212,960	3,985,676
	Add:Provision during the year	992,339	227,284
		5,205,299	4,212,960
	Less:Adjustment during the year	-	-
		5,205,299	4,212,960
11.02	Provision for Deferred Tax:		
	Opening Balance	(187,994)	(213,851)
	Add:Provision during the year	59,683	25,857
		(128,311)	(187,994)
	Less:Adjustment during the year	-	-
		(128,311)	(187,994)

Amount in BDT	
as at	
31.12.2021	31.12.2020

12 Sundry Creditors :

All Broker-Cash Account		1,985,061	1,004,090
Discretionary A/C-BD-0001-FFIL		8,475	2,757,849
Discretionary A/C-BD-0002-FFIL		113	563
Discretionary A/C-BD-0003-FFIL		3,369	3,819
Discretionary A/C-BD-0004-FFIL		78,794	79,244
Discretionary A/C-LRHR-Confident		143,812	248,461
Discretionary A/C-LRHR-Secure		205,675	-
Discretionary A/C-General		7,501	267,976
Khwaja Equity Services Ltd.		16,409,254	-
Mika Securities Ltd.		9,256	9,256
		18,851,310	4,371,258

13 Others Liabilities :

Provision against Share Investment	13.01	-	9,225,481
Provision against Margin loan	13.02	338,789,879	89,668,773
		338,789,879	98,894,254

13.01 Provision for Share Investment:

Opening Balance			16,535,638
Add: Provision during the year			(7,310,157)
		-	9,225,481
Less: Adjustment during the year		-	-
			9,225,481

N.B: During the year, FAS capital management had accounted investment in share in accordance to IFRS-9, para 4.1.2A, 5.7.5. Therefore, there is no provision for any loss in share investment.

13.02 Provision against Margin loan:

Opening Balance		89,668,773	89,668,773
Add: Provision during the year		249,121,106	-
		338,789,879	89,668,773
Less: Adjustment during the year (Write Off)		-	-
		338,789,879	89,668,773

14 Share Capital :

14.01 Authorized Capital :

100,000,000 Ordinary Shares of Tk. 10.00 each		1,000,000,000	1,000,000,000
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14.02 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

14.03 Percentage of Shareholding

	2021(%)	Taka	2020(%)	Taka
Financial Institutions	97.2	243,000,000	97.20	243,000,000
Sponsors	2.8	7,000,000	2.80	7,000,000
	100	250,000,000	100	250,000,000

		Amount in BDT	
		as at	
		31.12.2021	31.12.2020
14.04	Name of directors, Sponsors Shareholders & their shareholding		
		Number of Share	Total Value
			%
	FAS Finance & Investment Ltd.	24,300,000	243,000,000
	Mr. Abdul Matlub Ahmad	100,000	1,000,000
	Mr. Abdul Halim	100,000	1,000,000
	Mr. Sudir Chandra Sarker	100,000	1,000,000
	Mr. Uzzal Kumer Nandi	100,000	1,000,000
	Mr. Md. Masum Kabir	100,000	1,000,000
	Mr. Md. Sha Alam (Liton)	100,000	1,000,000
	Mr. Md. Anaware Hossian	100,000	1,000,000
	Total	25,000,000	250,000,000
			100
15	Retained earnings :		
	Opening balance	(311,779,550)	(161,270,408)
	Prior year adjustment	9,225,481	-
	Net Profit after Tax	(383,487,147)	(150,509,142)
	Unrealized gain or loss share in Investment		
		(686,041,216)	(311,779,550)
16	Interest Income :		
	Interest on Margin Loan	5,505,334	2,908,198
	Bank Interest-SND A/c	342,042	150,941
		5,847,376	3,059,139
17	Interest paid on deposit and borrowings, etc. :		
	Bank	-	-
	Financial Institution	183,355,456	186,338,206
	Financial Cost on Lease	68,437	181,683
		183,423,893	186,519,889
18	Investment Income :		
	Capital Gain on Share Investment	6,071,246	3,098,045
	Dividend on Shares Investment	495,687	1,008,596
		6,566,933	4,106,641
19	Commission, Exchange and Brokerage :		
	Trustee Fee	600,000	-
		600,000	-
20	Other Operating Income :		
	Portfolio Management Fees	1,043,641	561,705
	Documentation Fee	37,200	14,400
	Interest on FDR	39,896,864	30,807,732
	Settlement Fee	6,058,736	-
	Interest on Other Income	27,949	41,239
	Work Station Rent	226,500	303,000
		47,290,890	31,728,076

		Amount in BDT	
		as at	
		31.12.2021	31.12.2020
20.01 Portfolio Management Fees :			
	Investor Discretionary Account (IDA) Client	1,029,345	477,749
	Bank Discretionary Account (BDA) Client	14,296	83,956
		1,043,641	561,705
21 Salary and Allowances :			
	Basic Salary and all other allowances	4,140,748	4,184,056
	Provident Fund	212,160	218,455
	Festival Bonus	376,920	376,920
	Leave fare assistance	176,794	176,794
		4,906,622	4,956,225
22 Rent, Taxes, Insurance, Electricity, etc :			
	Office Rent -Service Charge	299,000	21,000
	Electric Bill	331,373	199,373
	Generator Bill	955	637
	Insurance Premium	36,925	50,955
		668,253	271,965
23 Postage, Stamps, Telecommunication :			
	Internet Bill	156,100	146,445
	Stamp & Notary	550	170
	Telephone & Mobile Bill	46,000	49,891
	Postage & Courier	1,213	1,690
		203,863	198,196
24 Printing, Stationery & Advertisement			
	Head Office (Dhaka)	111,040	12,345
		111,040	12,345
25 Repairs			
	Software Maintenance	10,000	130,225
		10,000	130,225
26 Other Expenses :			
	Bank Charge & Commission	38,948	78,610
	CDBL Charge	149,431	-
	Conveyance allowance	35,040	24,875
	Cleaning service bill	75,000	90,000
	Entertainment	24,467	16,516
	Earn Leave Expenses	-	158,850
	Excise Duty Expenses	742,000	766,000
	Fees & Subscription	21,000	12,000
	Fuel & Lubricant	1,472	-
	Newspaper & Periodicals	-	1,540
	Office Maintenance	31,297	58,155
	Renewal Fees	244,010	170,305
	Repair & Maintenance	26,110	6,940
	Share Transfer Fee	47,070	-
	Service Charge	17,250	-
	Security Service Bill	29,700	-
	Spare & Accessories	10,120	9,870
	VAT Expenses	1,920	1,920
	Wasa Bill	16,942	15,695
		1,511,777	1,411,276

Amount in BDT	
as at	
31.12.2021	31.12.2020

27 Income Tax Expense:**As per Minimum Tax Rule applicable 82C****Minimum tax should be charged for making provision of current tax, which is as follows:**

Business receipts	Minimum Tax rate	Taxable amount	Tax Liabe
Interest Income	0.006	5,505,334	33,032
Portfolio Management fee	0.006	1,043,640	6,262
Trustee Commission	0.006	600,000	3,600
Documentation fee	0.006	37,200	223
Interest on TDR	0.006	39,896,864	239,381
Bank Interest	0.006	342,042	2,052
Rental Income	0.006	226,500	1,359
Interest on Other Income	0.006	27,949	168
			286,077
Other receipts			
Income on Share Investment	0.1	6,071,248	607,125
Divident Income	0.2	495,687	99,137
			706,262
			992,339

28 Basic earning per share (EPS) discloser under IAS-33

Net Profit for the year	(383,487,147)	(150,509,142)
Weighted average number of ordinary shares	25,000,000	25,000,000
Basic earning per share (EPS)	(15.34)	(6.02)

29 Net Assets Value (NAV) per Share

Total Assets	2,223,251,421	2,275,744,302
Less: Total Outstanding Liabilities	2,667,893,347	2,337,523,852
Net Assets Value	(444,641,926)	(61,779,550)
Number of Ordinary Share	25,000,000	25,000,000
	(17.79)	(2.47)

30 Net Operating Cash Flow per share

Net Operating Cash Flow	(115,414,740)	(30,378,405)
Number of Ordinary Share	25,000,000	25,000,000
	(4.62)	(1.22)

31 Contingent Liability Disclosure

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

32 Key Management Benefits Disclosure

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

Particulars	2021		2,020	
	Directors	Executive	Directors	Executive
Remunuration			-	-
Meeting Fee	255,900		93,150	
House Rent		603,012		603,012
Bonus		159,910		196,800
Conveyance		120,588		120,612
Medical		241,200		241,200

Amount in BDT	
as at	
31.12.2021	31.12.2020

33 Audit Fee**Statutory audit fee**

25,000

46,000

Audit Fee is fixed by the Shareholders in the Annual General

34 Employees Minimum Pay disclosure

Total Number of Employees

Number of Employees Earn Above Tk. 20,000

4

5

Number of Employees Less than Tk. 20,000

-

5

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. Mohammed Nurul Amin	Chairman (Nominated by FAS Finance & Investment Ltd.)	Independent Director of FAS Finance & Investment Limited
2	Mr. Md. Salim	Director (Nominated by FAS Finance & Investment Ltd.)	Senior Faculty Member, Bangladesh Academy for Securities Markets (An Academic Wing of BSEC), Independent Director of FAS Finance & Investment Limited
3	Mr. Pritish Kumar Sarker	Director (Nominated by FAS Finance & Investment Ltd.)	N/A
4	Mr. Mahmudul Islam	Chief Executive Officer	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 Related Party/ Transaction Nature	Balance as on January 01, 2021	Addition D/Y	Adjustment D/Y	Balance as on December 31, 2021
1	FAS Finance & Investment Ltd/ Loan	1,627,732,069	133,614,197	47,751,295	1,713,594,971
2	FAS Finance & Investment Ltd/ Paid-up Capital	243,000,000	-		243,000,000
3	FAS Finance & Investment Ltd/ TDR	504,543,281	133,523,828	249,907,764	388,159,345

FAS CAPITAL MANAGEMENT LIMITED
Schedule of Property, Plant & Equipment
As on 31 December 2021

Annexure-1
Amount in Taka

Particulars	Cost			Rate (%)	Depreciation			Down Value as on 31.12.2021
	Balance as on 01.01.2021	Addition during the year	Adjustment/ disposal during the year		Balance as on 31.12.2021	Addition during the year	Adjustment/ disposal during the year	
Computer & Accessories	2,007,063	-	-	15	2,007,063	95,084	-	538,811
Furniture & Fixture	2,999,208	-	-	10	2,999,208	129,834	-	1,168,507
Office Decoration	8,648,327	-	-	10	8,648,327	582,861	-	5,245,751
Office Equipment	6,207,795	-	-	15	6,207,795	418,370	-	2,370,761
Telephone & PABX	277,720	-	-	15	277,720	12,065	-	68,370
Right to Use of Assets	5,837,817	-	-		5,837,817	1,106,838	-	-
Balance as on 31 December, 2021	25,977,930	-	-		25,977,930	2,345,052	-	9,392,200
Balance as on 31 December, 2020	25,977,930	-	-		25,977,930	2,716,427	-	11,737,253

Schedule of Intangible Assets
As on 31 December, 2021

Particulars	Cost			Rate (%)	Amortization			Down Value as on 31.12.2021
	Balance as on 01.01.2021	Addition during the year	Adjustment/ disposal during the year		Balance as on 31.12.2021	Addition during the year	Adjustment/ disposal during the year	
Software	2,266,250	96,000	-	15	2,362,250	103,068	-	584,053
Balance as on 31 December, 2021	2,266,250	96,000	-		2,362,250	103,068	-	584,053
Balance as on 31 December, 2020	2,266,250	-	-		2,266,250	104,316	-	591,121
G.Total (2021)	28,244,180	96,000	-	-	28,340,180	2,448,120	-	9,976,254
G.Total (2020)	28,244,180	-	-	-	28,244,180	2,820,743	-	12,328,374



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 25th Annual General Meeting (AGM) of the shareholders of FAS Finance
& Investment Limited will be held on Thursday, December 01, 2022 at 12:00 noon by Virtually through using Digital Platform or
at any adjustment thereof.

Signed this..... Signature of Proxy.....

Day of.....2022

Revenue
Stamp of Tk
20/-

Signature of Shareholder

BO ID:

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

No. of Shares.....

N.B. Important

1. This Proxy Form, duly completed, must be deposited at least 48 hours before the meeting at the Company's Registered Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the shareholders should agree with the specimen signature registered with the Company.



FAS Finance & Investment Limited

Corporate Office: Suvastu Imam Square (4th & 5th Floor)
65, Gulshan Avenue, Gulshan-1, Dhaka-1212

Attendance Slip

I hereby record my attendance at the 25th Annual General Meeting (AGM) of the shareholders of FAS Finance & Investment Limited will be held on Thursday, December 01, 2022 at 12:00 noon by Virtually through using Digital Platform.

Name of Member/Proxy

BO ID:

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

Signature.....

Date.....

N.B. Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and deposit the same at the registration counter on the day of the meeting.

Head Office

Suvastu Imam Square (4th & 5th Floor)
65, Gulshan Avenue
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Phone: +88-02-58815841, Fax: +88-02-222260531
E-mail: Info@fasbd.com

Principal Branch

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Phone: +88-02-58815841, Fax: +88-02-222260531
E-mail: principalbranch@fasbd.com

Chattogram Branch

Ayub Trade Center (4th Floor)
1269/B, Sk. Mujib Road
Agrabad Commercial Area
Chattogram
Phone: +88-031-651596
E-mail: chattogram@fasbd.com

Sylhet Branch

Feroz Center (4th Floor)
Chouhatta, Sylhet Sadar
Sylhet-3100
Phone: +88-029966-37689, 996637645
E-mail: sylhet@fasbd.com

Narsingdi Branch

Index Plaza (Mezzanine Floor)
Station Road, Bowakur
Narsingdi
Phone: +88-02-224451659
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