Annual Report 2022

SUSTAINABLE DEVELOPMENT GOALS

Bangladesh Infrastructure Finance Fund Limited

BIFFL

Financing the Future

Annual Report 2022

Bangladesh Infrastructure Finance Fund Limited

BIFFL

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Letter of Transmittal

The Shareholders of BIFFL
Bangladesh Bank
Bangladesh Securities Exchange Commission
Registrar of Joint Stock Companies & Firms
National Board of Revenue and other Stakeholders

Subject: Annual Report of BIFFL for the year ended 31 December 2022.

Dear Sir/Madam

We are pleased to enclose a copy of the Annual Report of Bangladesh Infrastructure Finance Fund Limited (BIFFL) along with audit report and audited financial statements for the year ended 31 December 2022 for kind consideration and record.

Best Regards.

Sincerely Yours,

Company Secretary (CC)

Advisory Board

A H M Mustafa Kamal, FCA, MP
Hon'ble Minister, Ministry of Finance, and
Chairman of the Advisory Board, BIFFL

Obaidul Quader, MP
Hon'ble Minister
Ministry of Road Transport
and Bridges

Adv. Nurul Majid Mahmud Humayun, MP
Hon'ble Minister
Ministry of Industries

Dr. Tawfiq-e-Elahi Chowdhury, BB
Hon'ble Energy Adviser to the
Hon'ble Prime Minister
The Prime Minister's Office

Khalid Mahmud Chowdhury, MP
Hon'ble Minister of State
Ministry of Shipping

Abdur Rouf Talukder
Governor
Bangladesh Bank

Lokman Hossain Miah
Executive Chairman
Bangladesh Investment
Development Authority

Dr. Zaidi Sattar
Chairman
Policy Research Institute of
Bangladesh

Dr. Mohammed Farashuddin
Former Governor
Bangladesh Bank

Message from the Chairman of the Advisory Board

A H M Mustafa Kamal, FCA, MP

Hon'ble Minister,
Ministry of Finance,
Government of the People's Republic of Bangladesh, and
Chairman of the Advisory Board, Bangladesh Infrastructure Finance Fund Limited

As Bangladesh continues to make progress, there is a greater need than ever before to prioritize infrastructure development.

আ হ ম মুস্তফা কামাল, এফসিএ, এমপি
মন্ত্রী
অর্থ মন্ত্রণালয়
গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

A H M Mustafa Kamal, FCA, MP
Minister
Ministry of Finance
Government of the People's
Republic of Bangladesh

Message

I am delighted to be informed that Bangladesh Infrastructure Finance Fund Limited has completed a successful 12-year journey and is holding its 12th Annual General Meeting. On behalf of the advisory board, I wish to express my sincere gratitude to the shareholders, directors, and management for ensuring the sustainable and steady growth of BIFFL over the past twelve years, despite various challenging conditions such as the pandemic and ongoing conflicts in Europe.

Under the dynamic leadership of our honorable Prime Minister, Sheikh Hasina, Bangladesh is progressing towards achieving several milestones in accordance with the vision and principles laid out by the father of the nation, Bangabandhu Sheikh Mujibur Rahman.

Over the past few years, Bangladesh has established itself as `Role Model` of economic progress in the global economy. Despite the challenges posed by the second wave of COVID 19, the government has kept the economy functional and recorded an impressive GDP growth. Additionally, the country has made remarkable strides in agriculture, technology, and entrepreneurship, positioning itself as a hub for innovation and development.

Moreover, government plans regarding frontier technologies which would be one of the catalysts for turning Bangladesh into a developed country by 2041. Our ultimate goal is to turn Bangladesh into a developed country that thrives on knowledge and innovation by 2041, and a resilient and prosperous Delta by 2100.

Finally, the development and expansion of infrastructure services, as well as their improved quality, are crucial for the advancement of industrialization. Therefore, investing in infrastructure is a top priority on the agenda. As Bangladesh continues to make progress, there is a greater need than ever before to prioritize infrastructure development. The government acknowledges that the private sector has a significant role in extending infrastructure services to meet the demands that are currently unmet.

I would like to express my heartfelt appreciation to the management and employees of BIFFL, who are working tirelessly to elevate this organization to new heights. I extend my best wishes for a successful 12th AGM of BIFFL.

06 June, 2023

(AHM Mustafa Kamal, FCA, MP)

Message from the Chairman of the Board of Directors

FATIMA YASMIN

Senior Secretary
Finance Division, Ministry of Finance, and
Chairman, Bangladesh Infrastructure Finance Fund Limited

Despite the adversity faced, BIFFL has remained steadfast in its mission to promote sustainable development of the country.

সিনিয়র সচিব
অর্থ বিভাগ
অর্থ মন্ত্রণালয়
গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

Senior Secretary
Finance Division
Ministry of Finance
Government of the People's Republic of Bangladesh

Dear Esteemed Shareholders and Distinguished Stakeholders, It is my distinct pleasure to address and welcome you on behalf of the Board on the occasion of 12th Annual General Meeting (AGM) of Bangladesh Infrastructure Finance Fund Limited (BIFFL). First and foremost, I would like to express my heartfelt gratitude to our shareholders for their unwavering support and trust as well as to the Members of the Advisory Board for their active guidance.

Over the past year, we have witnessed unprecedented global changes that have profoundly impacted economies and the business environment. From the ongoing pandemic to the impact of Russia-Ukraine crisis, BIFFL has consistently thrive to adapt and foster resilience like never before. Despite the adversity faced, BIFFL has remained steadfast in its mission to promote sustainable development of the country. Up until 31 December 2022, BIFFL, in aggregate, approved BDT 8,028.16 crore in different areas including core infrastructures, energy efficiency, renewable energy, food & agriculture, environmental conservations areas, women entrepreneurship development etc.

In 2022, BIFFL witnessed a loan & investment portfolio growth of 33.79% while the total assets size increased by 13.31%. The net profit after tax stood at BDT 76.14 crore which is 24.33% higher than the last year. At the year end, the EPS and NAV increased to BDT 3.30 and BDT 117.19 from BDT 2.65 and BDT 114.95 respectively. This strong performance has been resulted from our strong commitment to promote financing transformative and sustainable projects and businesses. We also appreciate the dedication, commitment and hard work of BIFFL management. I would like to express my sincere appreciation to our esteemed development partners including JICA, ADB, AFD and KfW whose generous funding has been instrumental in propelling the initiatives of BIFFL in the domains of energy efficiency, renewable energy, and sustainable infrastructure development, food and agricultural value chain development etc. Through their unwavering support and shared vision for sustainable development, we have been able to implement transformative projects that are shaping a greener, more resilient and sustainable future.

Last but not least, I want to convey my sincere thanks to our valuable clients for keeping trust on BIFFL. Gratefulness goes to our regulators like Ministry of Finance, Bangladesh Bank, The Securities and Exchange Commission. Your continued trust, support, and collaboration are fundamental to our success.

I believe BIFFL has the potential to become one of the key drivers of Bangladesh's sustainability transition. The Board will continue to oversee and work closely with management in pursuit of this dream.

(Fatima Yasmin)

www.mof.gov.bd, Email: secretary@finance.gov.bd, Telephone: +88 02 9512201, Fax: +88 02 9576003
Address: Building # 11, Floor#11th Bangladesh Secretariat, Dhaka-1000

Board of Directors

Fatima Yasmin
Senior Secretary, Finance Division, Ministry of Finance, and Chairman of the Board of Directors, BIFFL

Md. Habibur Rahman, BPAA
Senior Secretary, Power Division, Ministry of Power, Energy and Mineral Resources

Sharifa Khan
Secretary, Economic Relations Division, Ministry of Finance

Md. Monjur Hossain
Secretary, Bridges Division, Ministry of Road Transport and Bridges

A B M Amin Ullah Nuri
Secretary, Road Transport and Highways Division, Ministry of Road Transport and Bridges

Mohammad Salahuddin
Secretary
The Prime Minister's Office

Dr. Md. Khairuzzaman Mozumder
Secretary, Energy and Mineral Resources Division, Ministry of Power, Energy and Mineral Resources

Hasan Khaled Foisal
Joint Secretary, Finance Division, Ministry of Finance

S. M. Anisuzzaman
Chief Executive Officer, Bangladesh Infrastructure Finance Fund Limited

Directors' Profile

FATIMA YASMIN

Chairman,
Bangladesh Infrastructure Finance Fund Limited, and
Senior Secretary, Finance Division, Ministry of Finance

Ms. Fatima Yasmin, the Senior Secretary, Finance Division, Ministry of Finance joined BIFFL as Director on 4 June 2020 in the 87th meeting of the Board of Directors. Ms. Yasmin became the Chairman of the Board of Directors in the 105th Board Meeting of BIFFL. As the Chairman, Ms. Yasmin has successfully conducted 9 (nine) meetings until May 2023. As Director, Ms. Yasmin has attended 27 (twenty-seven) meetings of the Board until May 2023.

In July 2022, Ms. Yasmin became the first female Finance Secretary of Bangladesh. She joined the Bangladesh Civil Service in 1991. Throughout her career, she held various positions within several Government ministries, including Agriculture, Women and Children Affairs, Defense, Finance Division, and Economic Relations Division of the Ministry of Finance. In addition, Ms. Yasmin served as the Vice Chairman of the Export Promotion Bureau and the Director General of the Institute of Public Finance (IPF) within the Ministry of Finance. She also worked as a Project Manager for the International Jute Organization in 2002, and later served as a management consultant for the Asian Development Bank in 2007, as well as an economic adviser to the European Delegation in Dhaka in 2013.

Ms. Yasmin has obtained Master's in Business Administration (MBA) from the Institute of Business Administration (IBA), University of Dhaka. She is also a Hubert H. Humphrey Public Policy Fellow of the US State Department in 2004-2005 at the Rutgers University, USA. She completed her Master's in Development Economics from Australian National University (ANU), Canberra in 1995. Additionally, she has successfully completed an executive program on Leading Successful Programs from John F. Kennedy School of Government at Harvard University.

During her extensive career, Ms. Yasmin participated in numerous professional training courses and traveled to various countries as part of her official duties.

MD. HABIBUR RAHMAN, BPAA

Director, Bangladesh Infrastructure Finance Fund Limited, and
Senior Secretary, Power Division,
Ministry of Power, Energy and Mineral Resources

Mr. Md. Habibur Rahman, BPAA, Senior Secretary, Power Division, Ministry of Power, Energy and Mineral Resources took over the responsibility as Director of BIFFL on 31 December 2020 in the 92nd meeting of the Board of Directors. He is also a member of the Audit Committee of BIFFL. As Director, Mr. Rahman has attended 21 (twenty-one) meetings of the Board and 6 (six) Audit Committee meetings until May 2023.

Mr. Rahman, a career bureaucrat, joined the Bangladesh Civil Service (Administration) cadre in 1991 and belongs to the 10th batch. He started his career as an Assistant Commissioner in the Office of the Divisional Commissioner, Rajshahi and subsequently posted at the Office of the Deputy Commissioner, Natore to work there as an Assistant Commissioner till February'93. He worked in the Refugee, Relief and Repatriation Commission at Cox's Bazar from March'93 to February'94. Later, he worked as Assistant Commissioner (Land) in Habiganj Sadar from April'94 to September'96. Thereafter, he worked as Assistant Director in the Bureau of Anti-Corruption from October'96 to November'98. He was appointed as Assignment Officer in the Prime Minister's Office and worked there till September'01. He worked at Finance Division from January'03 to September'05 and at Ministry of Education from February'06 to May'07.

The high point of his career has been his long stint of more than fifteen years in the Finance Division. He was one of the early bunch of officers who steered the transition from the traditional method of budget making to the Medium-Term Budget Framework (MTBF). There, he worked as Deputy Secretary (Budget-1), Joint Secretary (Budget 1) before eventually being elevated to the position of Additional Secretary (Budget 1) and was the lynchpin of national budget preparation. He was also a Budget Specialist on the Financial Management Reform Programme and Deepening DMTBF and Strengthening Financial Accountability Project under Finance Division. He has been teaching all areas pertaining to Public Financial Management at the Institute of Public Finance and most other training institutes and has been instrumental in developing a critical mass of civil servants steeped in Public Finance.

Mr. Rahman earned his BSc. and MSc. in Applied Physics and Electronics from the University of Dhaka. He holds another Master's degree in Economic Development Policy and Research from the University of Birmingham, UK. He also received training on Government Budget Management, Public Financial Management, Professional Development and Performance Management from India, Singapore, USA, UK and New Zealand. In addition, he attended numerous seminars, workshops, study tours at home and abroad. Mr. Rahman is a recipient of the prestigious Public Administration Award of 2017 for his outstanding contribution to public sector.

Mr. Rahman hails from Bangakha village of Lakshmipur Sadar Upazila of Lakshmipur District. He is married and blessed with three daughters.

SHARIFA KHAN

Director, Bangladesh Infrastructure Finance Fund Limited, and
Secretary, Economic Relations Division,
Ministry of Finance

Ms. Sharifa Khan, Secretary Economic Relations Division (ERD), Ministry of Finance, joined BIFFL as the Director on 30 July 2022 in the 105th meeting of the Board of Directors. She is also the Chairman of the Audit Committee. As of May 2023, she attended 10 (ten) Board meetings and 3 (three) Audit Committee meetings as the Director. Before assuming her current position, she served as the Member (Secretary) of the Planning Commission of Bangladesh.

Ms. Sharifa Khan joined Bangladesh Civil Service on 26 January 1991. During her illustrious career, she held various positions in the Ministry of Agriculture, Bangladesh Public Administration Training Centre (BPATC), Deputy Commissioner's office in Dhaka, WTO Cell and the Ministry of Commerce. She served approximately five years at the International Fertilizer Development Center (IFDC). She also earned a high reputation as the Commercial Counsellor at the Bangladesh High Commission in London from 2012 to 2017.

Ms. Sharifa Khan earned her Bachelor's (Honors) and Master's in economics from the University of Dhaka. Additionally, she received Diploma and Master's in development economics from the Australian National University (ANU), Australia and completed a nine-month advanced Economics and Quantitative Techniques course from the Bangladesh Institute of Development Studies (BIDS).

Ms. Sharifa Khan has participated in various domestic and international training, seminars, and conferences and has extensive experience in international trade and economic development-related issues. She is a reputed speaker on international trade, WTO issues, free trade agreements, and macroeconomic management and acts as a guest speaker at various government and private institutions. She has published several articles in various local and international journals on global trade, LDC graduation, intellectual property rights, and agriculture negotiations.

MD. MONJUR HOSSAIN

Director, Bangladesh Infrastructure Finance Fund Limited, and
Secretary, Bridges Division,
Ministry of Road Transport and Bridges

Mr. Md. Monjur Hossain, the Secretary, Bridges Division, Ministry of Road Transport & Bridges, joined BIFFL as Director on 20 February 2022 in the 101st meeting of the Board of Directors. He is also the Chairman of the Executive Committee of BIFFL. As Director, Mr. Monjur Hossain has attended 13 (thirteen) meetings of Board of Directors and 8 (eight) Executive Committee meetings until May 2023.

Mr. Hossain belongs to Bangladesh Civil Service. In his civil service career, he has served successfully in different important positions of the Government. He has expertise in human resource management, strategic planning, and policy formulation and implementation.

In his long career, he has worked in various levels of field administration including the President's Office, Ministry of Public Administration, Bangladesh Public Service Commission, Ministry of Health and Family Planning, Ministry of Education etc.

Mr. Hossain obtained post-graduation degree in International Relations under the University of Dhaka and completed Master's degree in Public Administration from the Lee Kuan Yew School of Public Policy, National University of Singapore.

A B M AMIN ULLAH NURI

Director, Bangladesh Infrastructure Finance Fund Limited, and
Secretary, Road Transport and Highways Division,
Ministry of Road Transport and Bridges

Mr. A B M Amin Ullah Nuri, the Secretary, Road Transport and Highways Division, Ministry of Road Transport and Bridges joined BIFFL as Director on 26 June 2022 in the 104th meeting of Board of Directors. He is also a member of the Audit Committee of BIFFL. Mr. Nuri attended 10 (ten) Board meetings and 3 (three) Audit Committee meetings since his joining the Board of Directors until May 2023.

Mr. Nuri joined Bangladesh Civil Service as Assistant Commissioner on 1 April 1993. He served in various levels of administration with dedication and success. He joined the Divisional Commissioner Rajshahi office as Assistant Commissioner. His notable works and posts are Assistant Commissioner, Sirajganj Collectorate; Assistant Commissioner (Lands), Nangalkot and Daudkandi; Senior Assistant Commissioner & 1st Class Magistrate, Lakshmipur Collectorate; Revenue Deputy Collector, Feni Collectorate; Officer-in-Charge, Refugee Camp, Cox's Bazar; Upazila Nirbahi Officer, Melandah, Daudkandi and Feni Sadar Upazila; Additional Deputy Commissioner, Narayanganj District; Chief Executive Officer, Narayanganj City Corporation; Deputy Secretary, Ministry of Industries and Ministry of Public Administration, Joint Secretary and Additional Secretary, Ministry of Religious Affairs; Hajj Officer, Makkah and Madinah, Saudi Arabia; Additional Secretary, Ministry of Housing and Public Works; Chief Executive Officer, Dhaka South City Corporation, and Chairman, Rajdhani Unnayan Kartripakkha (RAJUK). He has been serving as Secretary of Road Transport and Highways Division since 4 June 2022.

Mr. Nuri completed his B.S.S (Honors) and M.S.S. degree in Political Science from University of Dhaka.

He has attended various trainings, seminars/ workshops as part of his professional development in USA, Japan, Singapore, Thailand, Malaysia, China, Vietnam, India, Turkey, UK, Saudi Arabia, South Korea and Indonesia.

MOHAMMAD SALAHUDDIN

Director, Bangladesh Infrastructure Finance Fund Limited, and Secretary, The Prime Minister's Office

Mr. Mohammad Salahuddin, the Secretary of the Prime Minister's Office, was appointed Director to the Board of Directors of BIFFL on 4 January 2023 in the 110th meeting of the Board of Directors. He is also a member of the Audit Committee of BIFFL. Mr. Mohammad Salahuddin attended 4 (four) Board meetings and 1 (one) Audit Committee meeting since joining the Board of Directors until May 2023.

Mr. Mohammad Salahuddin joined the Bangladesh Civil Service on 25 April 1994. Mr. Salahuddin has served as Prime Minister's Office Secretary since 8 December 2022. He worked in a wide range of Government positions in his long, illustrious career in field administration and Ministry. In 1994, he joined at Divisional Commissioner's office, Khulna and started his career as Assistant Commissioner. Before the current position, Mr. Mohammad Salahuddin was Private Secretary to the Hon'ble Prime Minister of the People's Republic of Bangladesh, Director General of the Prime Minister's Office, Deputy Commissioner and District Magistrate of Dhaka and Panchagarh District, Upazilla Nirbahi Officer in Natore and Gaibandha, Assistant Commissioner (Land) at Gazipur and Tangail.

Mr. Mohammad Salahuddin obtained his master's degree in Philosophy from the University of Dhaka. He held key positions in the Prime Minister's Office, Ministry of Industries, and Power Division. Mr. Mohammad Salahuddin received international training on Transforming Criminal Justice in the UK. He received training in India to enhance his skills in good governance.

DR. MD. KHAIRUZZAMAN MOZUMDER

Director, Bangladesh Infrastructure Finance Fund Limited, and
Secretary, Energy and Mineral Resources Division
Ministry of Power, Energy and Mineral Resources

Dr. Md. Khairuzzaman Mozumder, Secretary, Energy & Mineral Resources Division joined as a Director to the Board of Directors of BIFFL on 15 February 2023 in the 111th Board Meeting of BIFFL. He is a member of the Executive Committee of BIFFL as well. Since joing as a Board Member, Dr. Md. Khairuzzaman Mozumder has attended 3 (three) Board meetings and 2 (two) Executive Committee meetings.

Dr. Md. Khairuzzaman Mozumder, an accomplished professional with a 30-year career in various fields combining finance, macroeconomics, international economics, customs, trade facilitation issues, international development, WTO issues, and international trade. Before joining the Energy and Mineral Resources Division under the Ministry of Power, Energy and Mineral Resources, he served as Additional Secretary (Macroeconomic) in the Finance Division under the Ministry of Finance. He joined Bangladesh Civil Service in April 1993, and later served in various positions of BCS (Customs & Excise) in the National Board of Revenue under the Ministry of Finance.

Dr. Mozumder served in various capacities in Government and international development, holding offices in Finance Division, Ministry of Commerce, National Board of Revenue, Deputy Commissioner's Office of Bandarban, USAID Programme (as COP of IBI project), Business Promotion Council, and Bangladesh Foreign Trade Institute. He has also served as an adjunct faculty at the Bangladesh Institute of Governance and Management (BIGM).

Dr. Mozumder has a PhD in Government Political Economy from the University of Essex, United Kingdom. He has also obtained an MA in Political Economy from the McGill University, Canada. He obtained B.S.S (Honors) and M.S.S in International Relations from the University of Dhaka. He also received advanced certificates in French Language. During his long professional career, he participated in numerous training programs at home and abroad covering fiscal affairs, finance, trade, and development issues.

HASAN KHALED FOISAL

Director, Bangladesh Infrastructure Finance Fund Limited, and
Joint Secretary, Finance Division, Ministry of Finance

Mr. Hasan Khaled Foisal, Joint Secretary, Finance Division, Ministry of Finance joined BIFFL as Director on 18 November 2021 in the 99th meeting of the Board of Directors. He is also a member of the Executive Committee of BIFFL. As Director, Mr. Foisal attended 16 (sixteen) meetings of the Board and 9 (nine) Executive Committee meetings until May 2023.

Mr. Hasan Khaled Foisal joined Bangladesh Civil Service in 1999. Mr. Foisal is a Joint Secretary to the Government of Bangladesh and he is currently working in the Finance Division, Ministry of Finance. His work in and outside of the Government has focused mainly on economic policy. He has worked in three major areas of the Finance Division: Macroeconomic Wing, Budget Wing, and presently, in Treasury and Debt Management Wing.

He was posted as the Counsellor (Commerce) in Myanmar from August'16 to November'20. During his tenure as a Counsellor, he was involved in the endeavour on the Bangladesh side to establish regular economic relations with Myanmar that befits the two neighbours. However, his main contribution during this trying time was to assist the Government of Bangladesh to tackle the Rohingya crisis.

Mr. Foisal has worked in the FTA wing of the Ministry of Commerce. He has also worked as a Fellow at Bangladesh Foreign Trade Institute. Besides regular activities, he co-authored the first report on the Border Haat between India and Bangladesh that brought about the inception of the Border Haats on a pilot basis which later graduated to a regular arrangement.

Mr. Hasan Khaled Foisal is an ex-cadet of the Barisal Cadet College. He has completed his Bachelor's and Master's degree in Economics from the University of Dhaka. Later, as an Asian Development Bank Fellow, he completed his postgraduate degree in International and Development Economics from the Australian National University.

S. M. ANISUZZAMAN

Chief Executive Officer, and
Ex-officio Member of the Board of Directors

Mr. S. M. Anisuzzaman, Chief Executive Officer, joined BIFFL on 4 May 2020. Before joining BIFFL, Mr. Anisuzzaman worked in National Housing Finance and Investments Limited as the Deputy Managing Director. He has attended 28 (twenty eight) meetings of the Board until May 2023.

Mr. Anisuzzaman, a skilled and adaptable management executive, has accumulated over 28 years of vast experience in the financial sector of Bangladesh. Throughout his lengthy career, he has occupied various senior roles in multiple banks and non-bank financial institutions (NBFIs). Due to his outstanding performance in the banking profession, he has received numerous accolades and has been honored with the 'Best Manager' award several times.

After earning his B.Sc. in Civil Engineering from BUET, Mr. Anisuzzaman pursued an MBA in Strategic and International Management from the University of Dhaka. Moreover, he has participated in numerous training programs offered by prestigious national and international institutions. His profession has also led him to travel extensively across the globe, visiting many different countries.

CEO's Review

S. M. ANISUZZAMAN
Chief Executive Officer, BIFFL

"BIFFL proudly embraces its responsibility and capacity to facilitate the transition towards a more sustainable future."

Distinguished Stakeholders,

Throughout 2022, we have continued to deliver on our purpose 'Financing the Future' whilst creating a more sustainable and inclusive future for our people and businesses. Despite the initial threat posed by the omicron variant of Covid-19, the world economy started 2022 with a strong economic recovery, so did the economy of Bangladesh. However, the global economy faced a new challenge- 'The Russia-Ukraine War' which posed a global economic turmoil is yet to settle. Almost all nations felt the effects of global economic uncertainty, including higher energy and food prices, mounting inflation rates and volatile markets. All these experiences and associated turmoil have serious ramifications on our economy and organization as well. Despite all these challenges, 2022 shall be marked as another year of success for BIFFL.

BIFFL in 2022

Up until the end of 2022, BIFFL approved an aggregate amount of BDT 8,028 crore. Out of that amount BDT 5,770 crore was in infrastructure, BDT 2,252 crore in sustainable finance and about BDT 6 crore in other areas including Women Entrepreneurship and SME projects. In spite of the lingering impact of global pandemic and economic turmoil caused by Russia-Ukraine war, the loan & investment portfolio has grown further compared to 2021.

Driven by well targeted marketing efforts, we have been able to utilize a significant portion of funds under the Energy Efficiency and Conservation Promotion Financing Project (EECPFP) funded by JICA. By 2022, almost 100% of fund under two phases of the project has been earmarked for different projects.

Besides, we continued to collaborate with different development partners from home and abroad in ensuring sustainable growth and infrastructure development. BIFFL is always looking to diversify its portfolio. To this end, it selects the most promising projects to enhance its contribution towards the national economy.

Intending to support women in accessing affordable financial services, BIFFL established Women Entrepreneurship Development Unit (WEDU) and signed a participation agreement with the Bangladesh Bank for refinancing support. Thus far, BIFFL has financed about 300 SMEs under the portfolio with reasonable success. Additional support has been acquired in this sector from the Agence Française de Développement (AFD). The AFD supported 'Energy Efficiency, Renewable Energy and Women Entrepreneurship Financing Project' extends concessional and long term financing in energy efficient industries, renewable energy generation and women entrepreneurship development.

In 2022, BIFFL entered into partnership with German Development Agency- 'KfW'. Under the loan agreement executed between the Government of Bangladesh and KfW, BIFFL received EUR 40.00 million loan and EUR 1.00 million grant for implementation of "Energy Efficiency in the Industry' project. The purpose of the project is to extend refinancing facility of sub-loans to industrial companies, including Small and Medium Enterprises (SMEs), for investment in energy efficient extensions and/or replacements of equipment and machinery as well as production processes.

BIFFL, in recognition of its roles towards sustainability, has been awarded by BIBM in the "9th Annual Banking Conference 2022" as one of the top rated sustainable NBFI. Besides, BIFFL has also been awarded by NBR as the 4th largest taxpayer in 2022 in the Non-Bank Financial Institution (NBFI) category.

BIFFL's Annual Report-2021 achieved the '2nd Runner Up' position in the category of 'Best Presented Annual Report-Public Sector Entity' category in the 'ICAB National Award'.

Financial Position

BIFFL's total assets increased by 13.31 percent to an amount of BDT 4,931 crore in 2022 compared to BDT 4,352 crore in 2021. In 2022, the net profit after tax increased by 24.33 percent to BDT 76.14 crore from BDT 61.24 crore in 2021.

Contribution to National Exchequer and Dividend to Shareholders

BIFFL has been making a consistent contribution to the National Exchequer. In 2022, it has contributed an amount of BDT 96.43 crore as taxes and declared BDT 27.96 crore cash dividend to its shareholders.

Infrastructure Development and Sustainability

To ensure a safe and livable future for the next generation, sustainable growth is a must for Bangladesh. Infrastructure development is the key to spreading access to opportunities that the global village has to offer. As one of the leading proponents of sustainable infrastructure development in the country, BIFFL proudly embraces its responsibility and capacity to facilitate the transition towards a more sustainable future. We actively engage in advising, supporting, and financing our esteemed customers, empowering them to embark on environmentally conscious initiatives.

For us there is much room to grow in this sector, both in terms of physical and social infrastructure. In the Global Risks Report 2021, importance has been given to creating enabling environments in order to cope with and recover from the pandemic situation by the World Economic Forum. As such, ICT literacy, flexible work arrangements and digital legal framework have come to the fore as important prerequisites for economic resilience. BIFFL has acknowledged the need for adaptation and worked to sustain a safe, enabling work environment for its staff over the past year. This has led to increased productivity and profit for the organization.

In the infrastructure sector, with large-scale projects being developed all over the country like Rooppur Nuclear Power Plant, Dhaka Metro Rail, Dhaka Elevated Expressway, Dhaka Bypass Expressway, Matarbari Deep Sea Port, Economics Zones, Dhaka-Chattogram Express Railway, Karnaphuli Tunnel, Expansion of Hazrat Shahjalal International Airport, Moheshkhali LNG Terminal etc., there is massive scope to work in the upcoming years in the infrastructure sector in Bangladesh. BIFFL hopes to partner in these and other large projects as per its obligation to create a developed Bangladesh.

Global Economic Review

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.

As per report of OECD, global growth slowed in 2022 to 3.2%, more than 1 percentage point weaker than expected at the end of 2021, mainly weighed down by Russia-Ukraine war and the associated cost-of-living crisis in many countries.

Global growth is projected to slow to its third-weakest pace (1.7% in 2023) in nearly three decades, overshadowed only by the 2009 and 2020 global recessions. Investment growth in emerging market and developing economies is predicted to remain below its average rate of the past two decades (WB report).

Investment growth in emerging market and developing economies (EMDEs) is expected to remain below its average rate of the past two decades. In the near term, urgent global efforts are needed to mitigate the risks of global recession and debt distress in EMDEs.

Bangladesh Economic Review

Bangladesh's economy was turning around in the context of tackling the pandemic though the Russia-Ukraine war pose a further threat.

As per Bangladesh Economic Review 2022, 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 Bangladesh Bureau of Statistics (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.

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. However, ADB predicted the growth rate for 2022, 2023 and 2024 to be 7.1%, 5.3% and 6.5% respectively.

Bangladesh made a rapid recovery from the Covid-19 pandemic supported by prudent macroeconomic policies. But, the economy now faces considerable challenges with global economic uncertainty, rising inflationary pressure, energy shortages, a balance-of-payments deficit, and a revenue shortfall. Rising commodity prices and a surge in imports in the second half of FY22 resulted in a Balance of Payments (BoP) deficit and accelerating inflation. To achieve its vision of attaining upper middle-income status by 2031, Bangladesh needs to create jobs through a competitive business environment, increase human capital and build a skilled labor force, develop efficient infrastructure, and establish a policy environment that attracts private investment. In light of the above, BIFFL is preparing to extend its support in developing new infrastructure and industries and thereby creating new employment.

Caring for Society and the Environment

Conservation of society and the environment is paramount to BIFFL. As a responsible organization, BIFFL has taken necessary measures to go further with sustainable development. Our safeguard policy is maintained and implemented through a panel of local and international experts with significant experience in their field.

We help our clients to comply with the national and global safeguard standards by advising them in various capacities through our Environmental and Social Unit. We have updated our environmental and social commitment recently to achieve long-term sustainability. We are strongly committed to complying with environmental and social best practices.

Financing the Future

The global pandemic has changed the outlook of BIFFL in many ways. As recommended by the World Economic Forum, the key to adapting to the pandemic situation is creating an enabling environment within the organizational framework. BIFFL has proactively braced for the impact of the global pandemic. We are continuously working to improve our ICT backbone. Furthermore, BIFFL is working to review its policies and bring them up to date with the post-pandemic world.

We are actively working with our stakeholders and development partners to map out the future of infrastructure development in Bangladesh while keeping in consideration the new risks that have arisen out of the current state of affairs- especially the conflict in Europe.

In the meantime, our mandate for the development of infrastructure in Bangladesh remains steadfast. Considering the huge amount of work to be done, we are looking to leverage funds from the market as well as from our development partners, courtesy of reputation and goodwill. Our aim is not only to provide financing for the projects involved but also to provide services as a complete financial solution package for the projects. Through all our actions, we are committed to maintaining the utmost transparency and depth in risk management and compliance. We assign due emphasis on accounts integrity, transparency and anti-money laundering safeguards, information security and resource development.

To ensure a sustainable future and attaining the SDGs, we are expanding and diversifying our portfolio in infrastructure, including energy efficiency, renewable energy, connectivity, hi-tech parks, economic zones, social development initiatives (e.g., social safeguards, gender equality, environmental considerations, CSR etc.) and so forth. We will continue to carry with pride our identity as one of the forces financing the future.

Note of Thanks

With due honor and respect, I voice sincere gratitude to the Hon'ble Prime Minister, the Hon'ble Finance Minister, the Ministry of Finance, the PPP Authority, Bangladesh Bank, Bangladesh Securities and Exchange Commission and other regulators for precious guidance and support.

I am thankful to the valued development partners- JICA, The World Bank, ADB, KfW, AFD for their continuous cooperation and support. I also wish to convey my thanks to all of our shareholders, partners and clients who form an extensive network of business assets. I express deep admiration for the Hon'ble Chairman and esteemed Directors of the Board, who hold top positions in the important ministries and possess exceptional skills and experiences. Guided by the dynamic leadership of the Hon'ble Chairman, the Board has consistently provided insightful guidance to the organization. Finally, I acknowledge the efforts and dedication of fellow colleagues in placing us where we stand today.

S. M. Anisuzzaman
Chief Executive Officer

Navigating through this Report

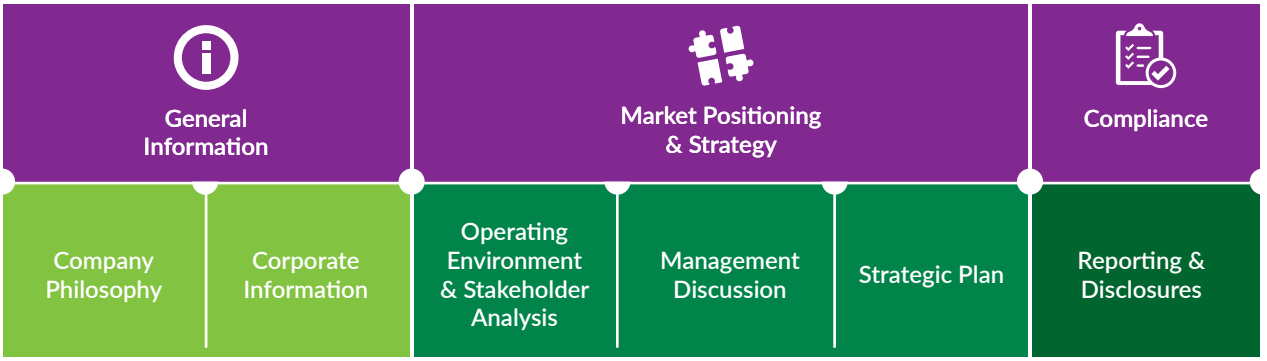
This report is designed to give an overview of BIFFL's organizational strategy based on its vision, mission and present situation based on the resources at its disposal. The contents of this report are meant to answer key questions pertaining to the company's condition, as follows:

Core topic	Where to look	What is to be found
Identity	• Corporate Milestones • Our Philosophies • Code of Conduct • Core Values • Corporate Information • Advisory Board • Board of Directors • Our Products and Services • Corporate Social Responsibilities	• BIFFL is the largest NBFI in the country in terms of capital base and is mandated to support sustainable infrastructure development.
Standing in the industry and means of value creation	• Value Addition • Business Model • Awards and Recognitions • Corporate Governance and Compliance • Statement on Contribution to Government Exchequer • Sustainable Finance & Green Banking	• Position in the bigger picture. • Means of conducting business. • Organizational hierarchy for business model and performance optimization. • Contribution to national economy.
Reflections and deliberations of the leadership	• Message from the Chairman of the Advisory Board • Message form the Chairman of the Board of Directors • CEO's Review • Statement on Corporate Governance	• Broad overview of current standing and future trajectory. • The key drivers of success and incisive analysis of business verticals. In-depth review of governance and control framework.
Current market condition and competitive landscape	• Operating Environment and Stakeholder Analysis	• Macroeconomic aspects that shape the industry. • Market forces and the competitive landscape that shape BIFFL's business. Key competencies and scope of improvement.
Risks and Mitigation	• Statement on Risk Management • Non-Performing Loan (NPL) Management • Disclosure on Capital Adequacy and Market Discipline	• Risk identification and quantification. • A look at risk distribution through heat maps. • Risk mitigation tools and techniques. • Stress Testing.
Review of financial performance	• Management Discussion and Performance Analysis • Notice, Reports & Financial Analysis	• Review of financial performance. • Independent Auditor's Report to the Shareholders and Financial Statements.

About Integrated Reporting

BIFFL's Annual Report 2022 has been presented as an 'Integrated Report' with the goal of describing how BIFFL has effectively operated in consistence with its policies to add value for shareholders and customers. It covers the BIFFL's activities in boosting infrastructure development, economic growth, inclusive prosperity as well as sustainability.

Content Overview



Scope of the Report

In presenting the integrated report, we have referred to the guidelines issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is consistent with the integrated reporting framework issued by the International Integrated Reporting Council (IIRC). In communicating the company's operations and financial performance, financial information has been extracted from the Audited Financial Statements for the FY2022 with relative comparative information. The financial statements consistently comply with the requirements of:

- International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs);
- The Companies Act, 1994;
- The Financial Institutions Act, 1993;
- The Securities and Exchange Commission Act, 1993;
- Relevant rules and regulations of Bangladesh Bank and other regulators;
- Requirements of Development Partners; and
- Other applicable laws and regulations of the land.

The disclosure of non-financial information has been extracted from internally maintained records.

Our corporate governance practice has been disclosed in line with guidelines of the Corporate Governance Code (CGC) issued by BSEC in 2018. Moreover, there have not been any significant changes to the scope, boundary and reporting basis since the last reporting date as of 31 December 2021.

External Assurances

The company has obtained external assurance through the following reports in the reporting period under consideration:

Audit Report on Financial Statements	ACNABIN Chartered Accountants
Entity Credit Rating	Credit Rating Information and Services Limited (CRISL) Emerging Credit Rating Limited (ECRL)
Comprehensive Inspection Report & FICL Inspection	Bangladesh Bank

Comparability & Materiality

The information disclosed in this report is on similar basis as in the 2021 report in terms of the entities covered and measurement procedures used. Ratios used are comparable across the industry. It entails all

material topics relating to business strategy, risk and areas of critical importance to our stakeholders and is arranged in a coherent manner in order to express the company's agenda with clarity.

Availability of the Annual Report

The hard copy of the annual report is sent to all the shareholders, prior to holding the Annual General Meeting, giving due notice. Besides, for the benefit of all stakeholders, our report has been uploaded on the website biffl.org.bd

Statement on Integrity of the Integrated Report

I acknowledge the responsibility to ensure the integrity of the disclosure contained in this Integrated Report, which comprises the discussion, analysis and disclosures pertaining to stewardship of the company, which should be read in conjunction with the audited financial statements. The annual report has been prepared in accordance with the IIRC's international reporting framework and addresses the material matters pertaining to the long-term sustainability of the company and presents, to the best of my knowledge, the integrated performance of BIFFL and the impacts thereof.

S. M. Anisuzzaman
Chief Executive Officer

শুদ্ধাচার ও শিষ্টাচার
সভ্য জাতির অহংকার ।
করলে সবাই চেষ্টা
এগিয়ে যাবে দেশটা ।

ফারুক নওয়াজ

Corporate Milestones

2010

29 July
Cabinet meeting approved the formation of BIFFL, its Memorandum of Association and Articles of Association

2011

11 March
Incorporation of the company with the highest paid-up capital in the business history of the country (BDT16.0 billion/USD200 million)

12 April
Ministry of Finance approved the formation of the 7-member Board of Directors

20 April
The first meeting of the Board of Director held at the Finance Division, Ministry of Finance

16 October
Obtained license from Bangladesh Bank

2012

01 February
Mr. Md. Atiquzzaman joined as the first full-time Executive Director & CEO of BIFFL

2013

10 October
Signed participation agreement with Bangladesh Bank to participate in the "Refinance Scheme for Renewable Energy & Environment Friendly Financeable Sector"

2014

03 June
Signed participation agreement with Bangladesh Bank to participate in the "Financing Brick Kiln Efficiency Improvement Project"

2016

21 March
Formed a Women Entrepreneur Development Unit (WEDU)

11 December
Arranged Green Brick Convention 2016

2017

14 January
Approved BIFFL's First 5- year Strategic Investment Plan (2017-2021)

25 November
Organized BIFFL Green Convention & Expo 2017

2018

3 June
Moved into new Corporate Office at Eskaton Garden

10 July
Reached disbursement milestone of BDT20 billion

9 August
Signed Master Facility Agreement with Bangladesh Bank under IPFF II

2018

4 October
Successfully organized Green & PPP Convention and Expo 2018 in Dhaka and Chattogram

Jan-Nov
Approved SME, ICT, HR, Equity, Accounts, Treasury and ESMF Policies

December
Signed participation agreement with BB under "Refinance Scheme for Green Products/Initiatives"

December
Obtained USBC LEED Platinum Certification for Corporate Office

December
Achieved paid-up capital of BDT2,108 crore

2019

July
Signed a Term Sheet with Summit Towers Limited (STL) and IDLC Finance Limited for raising innovative long-term financing through issuance of bond from the Investment Promotion Financing Facility (IPFF)

November
Awarded as the 4th Largest Tax Payer in the Non-Bank Financial Institution category for the tax year 2018-19

December
Won the 1st prize in the 19th ICAB National Award

December
Won the 2nd Runner Up prize in SAFA Best Presented Annual Report Award

December
SAARC Anniversary Award for Corporate Governance Disclosure in Annual Report, 2018 in the category of Public Sector entities

2020

January
Subsidiary Loan Agreement (SLA) of Energy Efficiency and Conservation Promotion Financing Projects (Phase 2) executed with the Ministry of Finance (MoF)

August
Signing of Loan Agreement of JICA funded Food Value Chain Improvement Project

2021

February
Awarded as the 3rd Largest Tax Payer in the Non-Bank Financial Institution category for the assessment year 2019-20

April
CTA and Onshore Facility Agreement of Dhaka Bypass Expressway Development Company Limited signed

August
Credit Facility Agreement for Energy Efficiency Renewable Energy and Women Entrepreneurship Finance (EEREWEF) project to be implemented by BIFFL signed between ERD and AFD

December
Awarded as the '2nd Largest Taxpayer for the assessment year 2020-2021' in the NBFI category

2022

January
Subsidiary Loan Agreement (SLA) for EEREWEF project signed between Finance Division and BIFFL

January
BIFFL delegation attended World Future Energy Summit Abu Dhabi, UAE

August
Bangladesh Infrastructure Finance Fund Limited (BIFFL) has been awarded for special contribution to income tax revenue collection for the Fiscal Year 2021-22 under the NBFI category by the Large Taxpayers Unit of National Board of Revenue.

2022

August
BIFFL has been awarded the 2nd runner up for best presented Annual Reports, Integrated Reporting, and Corporate Governance Disclosures -2021 under public sector category in the 22nd ICAB National Award. Commerce Minister, Mr. Tipu Munshi as Chief Guest handed over the crest at the event held at Pan Pacific Sonargaon Hotel in Dhaka on 3rd December 2022

December
SAFA Award Ceremony 2022, Bangladesh Infrastructure Finance Fund Limited (BIFFL) received the 'Certificate of Merit' under the Public Sector category in the South Asian Federation of Accountants Best Presented Annual Reports 2021 which was hosted by Institute of Chartered Accountants of Nepal (ICAN) at Kathmandu, Nepal on 18 December 2022

2023

February
Signing of 'Separate Agreement' with Kreditanstalt für Wiederaufbau (KfW) for implementation of Energy Efficiency in the Industry (EEI) project

March
BIFFL has completed its successful 12-year journey

May
Signing of Subsidiary Loan Agreement (SLA) with Finance Division, Ministry of Finance for implementation of 'Energy Efficiency in the Industry (EEI) project funded by Kreditanstalt für Wiederaufbau (KfW)

Awards and Recognitions

1. 4th Highest Tax Payer Recognition Award for the assessment year 2021-22 in the category of Non-Bank Financial Institution by National Board of Revenue (NBR).

2. Awarded 'Certificate of Merit' under the Public Sector category in the South Asian Federation of Accountants (SAFA) Best Presented Annual Reports 2021 Awards Program.

3. 2nd runner up for best presented Annual Reports, Integrated Reporting, and Corporate Governance Disclosures -2021 under public sector category in the 22nd ICAB National Award.

4. Awarded for special contribution to income tax revenue collection for the Fiscal Year 2021-22 under the NBFI category by the Large Taxpayers Unit of NBR.

5. 3rd Highest Tax Payer Recognition Award for the assessment year 2019-20 under NBFI category by NBR.

6. Champion of 19th ICAB National Award for Best Presented Annual Reports 2018 under Public Sector category .

7. 2nd Largest Taxpayer Recognition Award for the assessment year 2020-21 under NBFI category by NBR.

8. 1st runner up in 18th ICAB National Award for Best Presented Annual Reports 2017 under Public Sector category.

9. 4th Largest Taxpayer Recognition Award for the assessment year 2018-19 under NBFI category by NBR.

10. 3rd Largest Taxpayer Recognition Award for the assessment year 2017-18 under NBFI category by NBR.

11. 2nd runner up in South Asian Federation of Accountants (SAFA) Best Presented Annual reports Awards and SAARC Anniversary Awards for Corporate Governance Disclosures 2018 under Public Sector Entities.

Our Philosophies

Vision

Leading the process of national development by leveraging relative strengths of public and private sectors through financing infrastructure (including PPP) as well as sustainable development projects.

Mission

- To perform as a highly skilled financial institution by adopting the best international practices and maintaining highest standard of integrity and ethics in financing infrastructure as well as sustainable development projects;
- To encourage inclusive growth and protect the environment for sustainable development;
- To act as a catalyst in developing physical and social infrastructure where private sector participants can contribute alongside the public sector;
- To provide a vehicle for capital market development by exploring and utilizing different instruments to capture domestic and foreign investments in infrastructure sectors; and
- To support national initiative for achieving SDG 2030 and Vision 2041.

Goals

- To supplement achieving SDG 2030, Vision 2041, and Delta Plan 2100 of the Government through investment in infrastructure as well as sustainable development projects;
- To ensure adequate infrastructure development of the country through promotion of PPP;
- To cater to the requirements of critically important infrastructure projects through customized and structured financial solutions; and
- To bring in dynamism and necessary expertise in the financial industry for financing infrastructure projects.

Objectives

- Launching innovative financial products;
- Introducing infrastructure bonds as a long-term source of financing;
- Developing a vibrant infrastructure market from the perspective of both the investors and financiers;
- Achieving development goals while conserving nature; and
- Attracting private investment in long-term infrastructure projects by addressing the asset liability mismatch of existing sources of finance.

Code of Conduct

The Code of Conduct sets forth the rules and principles for the stakeholders i.e., Board of Directors, Board Committees, employees at all levels, business partners, service providers and customers of BIFFL to uphold and promote the interests of the company.

BIFFL adopted the Code of Conduct as circulated by the Bangladesh Bank through DFIM Circular no.-04 dated 12 December 2017.

BIFFL employees should strictly adhere to the following:

Display the highest standard of professionalism and commitment to ethics and integrity in their conduct

Behave in such a manner that will enrich the image, dignity and reputation of the company

Discharge duties efficiently and faithfully towards protecting the best interests of the company and its stakeholders

Refrain from disclosing confidential and sensitive information of the company to unauthorized persons

Ensure compliance in every action

Core Values

Core values of BIFFL include the following:

Ensure a working environment where the employees can perform to the best of their abilities and achieve their full potential

Maintain zero tolerance on corruption and sexual harassment

Ensure no discrimination based on gender, race, religion, color, disabilities and nationalities

Provide equal opportunities for all employees

Maintain non-smoking environment in the office

Act as a tax-abiding entity by contributing to the Government Exchequer

Act as a socially responsible entity by participating in CSR activities

Nurture a culture of accountability and transparency in its business operations

Conserve energy using best possible technologies and thorough management

Prioritize social and environmental safeguards compliance

Corporate Information

Board Of Directors

Chairman

Ms. Fatima Yasmin
Senior Secretary, Finance Division,
Ministry of Finance

Directors

Mr. Md. Habibur Rahman
Senior Secretary, Power Division,
Ministry of Power, Energy and Mineral Resources

Ms. Sharifa Khan
Secretary, Economic Relations Division,
Ministry of Finance

Mr. Md. Monjur Hossain
Secretary, Bridges Division,
Ministry of Road Transport and Bridges

Mr. A B M Amin Ullah Nuri
Secretary, Road Transport and Highways Division,
Ministry of Road Transport and Bridges

Mr. Mohammad Salahuddin
Secretary, The Prime Minister's Office

Dr. Md. Khairuzzaman Mozumder
Secretary, Energy and Mineral Resources Division,
Ministry of Power, Energy and Mineral Resources

Mr. Hasan Khaled Foisal
Joint Secretary, Finance Division,
Ministry of Finance

Mr. S. M. Anisuzzaman
Chief Executive Officer, BIFFL
Ex-officio Member of the Board

Executive Committee

Chairman

Mr. Md. Monjur Hossain

Member

Dr. Md. Khairuzzaman Mozumder
Mr. Hasan Khaled Foisal
Mr. S. M. Anisuzzaman

Audit Committee

Chairman

Ms. Sharifa Khan

Member

Mr. Md. Habibur Rahman
Mr. A B M Amin Ullah Nuri
Mr. Mohammad Salahuddin

Chief Executive Officer

Mr. S. M. Anisuzzaman

Company Secretary (CC)

Mr. Shahariar Alam ACA

Registered Office

Unique Heights (Level-3)
117 Kazi Nazrul Islam Avenue,
Eskaton Garden, Dhaka- 1217, Bangladesh
IP Phone: +8809638124335
FAX: +880-2-9348518

Website

biffl.org.bd

Incorporation

Company Registration No-C91370/11
March 21, 2011

Licensed By Bangladesh Bank

DFIM (L)-32
October 16, 2011

Share Capital

Authorized Capital
BDT 10,000 crore
Paid-up Capital
BDT 2,308 crore
Value per Share
BDT 100 each
Ownership
Government of Bangladesh
Represented By
Finance Division, Ministry of Finance

Auditors

ACNABIN Chartered Accountants
BDBL Bhaban (Level-13 & 15)
12 Kawran Bazar Commercial Area
Dhaka-1215

Sectors, Products and Services

Sectors for Investment

A. Infrastructure

i. Power & Energy
ii. Transportation & Connectivity
iii. Port, Container Depot & Terminal
iv. Economic Zone & Industrial Park
v. IT & Telecom
vi. Tourism & Hospitality
vii. Healthcare & Education

B. Sustainable Finance

i. Renewable Energy
ii. Green Building
iii. Energy Efficient Technologies
iv. Waste Treatment & Recycling
v. Other Innovative Green projects

Products and Services

1. Advisory Services

a) Reviewing preliminary business plan/concept note prepared by project sponsors
b) Conducting market research for the project
c) Drawing full-fledged, sound business plan
d) Devising an optimal financial structure/package
e) Liaising and advising for necessary authority permissions

2. Financing Services

Considering the varying needs of the projects, BIFFL extends finances through different 13 loan and equity products.

A. Debt Financing

I. Term Loan
II. Working Capital Loan
III. Bridge Financing
IV. Factoring
V. Take over Financing
VI. Take out Financing
VII. Lease Financing
VIII. Bond Financing
IX. Commercial Papers/ Instruments

B. Equity Investment

I. Ordinary Share
II. Preference Share
III. Mezzanine Financing
IV. Convertible Debt

Value Addition

1. Shareholders

At present, the Government of Bangladesh (GoB) holds 100 percent ownership of BIFFL. It is giving the highest importance to manage its assets and maximize profits by adopting sound governance practices as well as an effective risk management structure.

2. Customers

BIFFL ensures quality investment by conducting due diligence on every project and promotes innovative financing to support our clients in meeting their financing needs.

3. Fund Providers

GoB, Bangladesh Bank, Development Partners, Banks, and Financial Institutions are our main fund providers. BIFFL ensures that the fund is used in the most efficient and productive ways for its stated purpose.

4. Regulators

Our regulators include Bangladesh Bank, Registrar of Joint Stock Companies and Firms (RJSC&F), Bangladesh Securities and Exchange Commission (BSEC), etc. BIFFL ensures compliance with all regulatory guidelines and directives through adopting best processes, practices, and controls.

5. Employees

BIFFL is continuously developing its corporate culture in such a way that employees are trained, developed, and empowered to work and achieve their business objectives. BIFFL is committed to providing leadership and expertise which promotes excellence in work through competence, integrity, respect, and professionalism. It believes in achieving business objectives through focus on quality human resources. BIFFL values diversity and promotes equal treatment and opportunities in recruiting, remuneration, personnel development, and advancement regardless of race, religion, political views, gender, age, nationality, language, marital status, disability etc.

6. Communities

BIFFL commits to promoting inclusive growth of the society through sustainable infrastructure development, eco-friendly investment and CSR initiatives.

7. Environmentally Interested Groups/Non-Government Organizations

While considering a project, BIFFL attaches high importance on its social and environmental impact to make the project sustainable in the long term. Green economy and eco-friendly measures are our foremost priority while considering any investment. BIFFL ensures that the provisions of its Environmental and Social Monitoring Framework (ESMF) and guidelines of development partners are followed along with the national guidelines provided by the Department of Environment. BIFFL's Corporate Head Office is Platinum certified under the LEED 2009 Commercial Interiors Rating System of U.S. Green Building Council.

Business Model

Key Partners

Fund Providers

- Government
- Central Bank
- Development Partners
- Investors
- Banks & FIs

Other Stakeholders

- Shareholders
- Employees
- Customers
- Regulators
- Society
- Environmental Groups
- Media

Key Resources

- Human Capital
- Financial Capital
- IT Resources
- Intellectual Capital
- Social Resources
- Corporate Brand

Key Activities

- Long-Term Project Financing
- Financing Energy Efficiency and Renewable Energy Projects
- Financing Prioritized National Development Projects
- Market Research and Development
- Ensuring Financial Inclusion for Development
- Advisory and Consultancy Services
- Awareness Building and Policy Advocacy

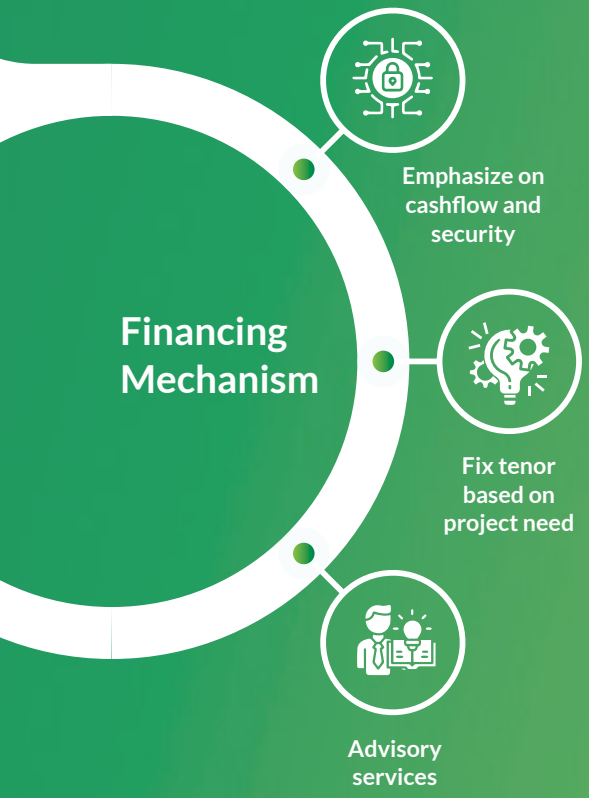
Customer Relations

- Long-Term, throughout the Project Life
- Site Visits
- Personal Assistance
- Guide towards Proper Services
- Awards and Recognition
- Awareness and Training

- Implementation monitoring
- Blend different funds
- Loan syndication

Financing Mechanism

While financing infrastructure projects, BIFFL emphasizes on Government's priority sectors and projects which are more closely related to national development. We assist the project proponents during implementation phases and even after project implementation if needed. Our diverse fund sources and partnerships with local and global partners make it possible to cater to the needs of projects in their entirety.



Cost Structure

- Interest Expense
- Cost of Loan Losses
- Operating Expenses
- CSR

Financial Services

LOAN PRODUCTS

- Term Loan
- Working Capital Loan
- Bridge Financing
- Factoring
- Take over Financing
- Take out Financing
- Lease Financing
- Bond Financing
- Commercial Papers

EQUITY PRODUCTS

- Ordinary Share
- Preference Share
- Mezzanine Financing
- Convertible Debt

Revenue Structure

- Interest Income
- Advisory Services
- Fees and Commission

Customer Segments

- Public Sector Entities
- Private Companies
- PPP Projects
- CMSME
- Women Entrepreneurs

Management Committee (ManCom)

Mr. S. M. Anisuzzaman
Chief Executive Officer
Chairman, ManCom

Mr. Md. Sagir Hossain Khan
Chief Operating Officer
Member, ManCom

Mr. Md. Tanvir Warsi
Head of CRMD,
Member, ManCom

Mr. Sheikh Anower Sadat
Head of C&ID,
Member, ManCom

Mr. Md. Arifur Rahman
Head of SAMD,
Member, ManCom

Mr. Shahariar Alam ACA
Chief Financial Officer,
Member Secretary, ManCom

Mr. Sujit Basak
Head of ICCD,
Member, ManCom

Mr. Muhammed Shahjahan
In charge, HR & Admin,
Member, ManCom

Mr. Md. Afzal Hossain, CFA
Head of Treasury,
Member, ManCom

Mr. Md. Shahriar Kamal Chowdhury
In charge (CAD), Member, ManCom

Event Highlights 2022

BIFFL Management handed over a dividend of BDT 24,49,57,833 to its Chairman, Honorable Senior Secretary, Finance Division, MoF for FY 2021

BIFFL has been awarded as one of the highest taxpayers in the NBFI category for the Fiscal Year 2021-22 by the Large Taxpayers Unit of the NBR

BIFFL observed National Mourning Day and 47th death anniversary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman at it's office

BIFFL received the 'Certificate of Merit' under the Public Sector Category in the South Asian Federation of Accountants (SAFA) Best Presented Annual Reports Awards, Integrated Reporting Awards & SARRC Anniversary Awards for Corporate Governance Disclosures Ceremony 2021 which was hosted by ICAN in Kathmandu, Nepal

CEO, BIFFL received 4th Largest Taxpayers Recognition Award for the assessment year 2021-2022 under the NBFI category from the Chairman of the NBR

BIFFL has been awarded the 2nd runner-up for the best presented Annual Reports, Integrated Reporting, and Corporate Governance Disclosures -2021 under the public sector category in the 22nd ICAB National Award

BIFFL arranged a workshop on ADB Safeguard Policy 2009 conducted by ADB officials

As a part of building awareness and safety among BIFFL employees a workshop on fire-fighting techniques, tools, and fire drill was organized at BIFFL premises

Signing ceremony of consultancy contract for Food Value Chain Improvement Project funded by JICA

Celebration of the victory day of Bangladesh

Distribution of winter clothes to the orphanage as part of CSR

Corporate Social Responsibility

As part of BIFFL's corporate social responsibility initiatives, BIFFL contributed BDT 65,00,000 (Taka sixty-five lac) during the 2022 fiscal year. This contribution aligns with the vision set forth by Bangladesh Bank's Policy Guidelines on Corporate Social Responsibility, which aims to protect, preserve, and uphold the basic rights of underprivileged, distressed, marginalized, hardcore poor, and socially backward sections of the population. The contributed funds were allocated to support various sectors, including the Ashrayan Project, the PM's Relief and Welfare Fund for sudden flood-affected people, the PM's Education Assistance Trust, and assistance for cancer & kidney patients.

Strategic Plan

Macroeconomic Aspects Affecting BIFFL

Factors and Aspects	Outcome	BIFFL's Approach
Russia-Ukraine War	• Impacts of Russia-Ukraine war may raise risks in terms liquidity crisis, asset quality, composition of loan portfolio, growth of loan portfolio and others.	• The war has posed no risk to BIFFL in terms of liquidity. At this moment, BIFFL is in a strong liquidity position. The reasons are that BIFFL's sources of fund are well distinguished and long term in nature. BIFFL doesn't depend on public deposits. The Government is the main fund provider. Besides Govt., BIFFL is availing funds from different multilateral/bilateral development agencies. Recently we have availed another new facility from KfW of Germany worth euro 40 million. We are also availing funds under the World Bank funded IPFF II project through Bangladesh Bank. With the increasing number of projects and programs, BIFFL's scope of funding is widening gradually • The Russia-Ukraine war posed a very negative impact on overall business activities of Bangladesh which indirectly affected BIFFL as well. The worldwide economic downturn, hike in oil prices and other necessary commodity prices, currency depreciation, disrupted supply chain resulted in loss of business market and reduced investment. This directly impacted BIFFL's business. As a long-term financier, BIFFL usually invests in capital machineries and construction related areas. Prevailing foreign currency crisis is deterring imports of capital machineries for new investments. Besides, sharp price hike in construction materials and Government's austerity policy resulted in slow progress in new infrastructure development as well. All these issues limit BIFFL's new investment opportunity. • To address these problems, BIFFL is realigning its portfolio focusing on inclusion of new investment areas like food and agriculture sector.
Economic	• Investment-GDP ratio decreased to 31.25% in FY2022-23, from 32.05% in previous fiscal year. The Consumer Price Index (CPI) inflation rate in FY 2022-23 is 7.5%, which was 6.15% in FY2021-22. Satisfactory domestic production, favourable domestic environment, low budget deficit and prudent monetary policy coupled with low fuel and commodity prices in the international markets contributed to subdue inflation level. • The Government expenditure as percentage of GDP has been increased gradually in recent years. However, Government expenditure decreased to 14.8% in the FY 2022-23 from 14.9% in the FY 2021-22. Currently, the larger portion of ADP is financed from domestic sources. • Fiscal policy by Government includes changes in different components of yearly budget like tax rates, interest waivers, refinancing facilities which affect the overall economic activities of the country as well as the performance of BIFFL. • The Government is taking initiatives to implement mega infrastructure projects on a priority basis to achieve the SDG goal 2030 and Vision-2041.	• BIFFL takes timely strategic action on interest rates, business volume, strategic shift on business focus etc. to adjust with the changing economic condition. • BIFFL pursues its core business growth in infrastructure and energy efficient industries. This enables BIFFL to be the support of the Government's SDG goal 2030 and Vision-2041. • As a highly customer responsive organization, BIFFL continued to identify ways of expanding its product offerings and services to cater to wider customer needs. • BIFFL's strong and intelligent workforce monitors the infrastructure development trend on a regular basis to gather and disseminate economic and business information. This enables BIFFL to respond to the market trend in a prompt manner.

Factors and Aspects	Outcome	BIFFL's Approach
Political	• Stable political environment has a positive impact on financial as well as economic development of a country.	• BIFFL adjusts its internal guidelines and projections as per the directives provided by Bangladesh Bank. • BIFFL also prioritizes sectors that the Government attached priority for economic development of the country.
Social	• Growing GDP and per capita income driven by economic progress has paved the way for better social conditions and quality of life for society. However, Bangladesh may experience lower economic growth in coming days due to external events like Russia-Ukraine war.	• Numerous CSR initiatives were initiated for the betterment of society beyond commercial boundaries. Internally, BIFFL continued to adopt sound human resource practices to nurture our valued staff. • Being a people-oriented company, BIFFL remained receptive to people's needs as a socially responsible corporate and a caring employer. • BIFFL emphasized on the importance of creating customer awareness and building customer relationships. So, BIFFL is always looking to invest in areas with high potential but lower access to financial services. • Considering the shrinking economic growth due to Russia-Ukraine war, BIFFL will pursue CSR initiatives more actively along with various stimulus economic incentive-based packages of Bangladesh Government.
Technological	• The role that ICT plays in creating operational efficiency and generating Management Information Systems (MIS) for effective decision making has become vital for BIFFL.	• Required updates were made to the core ICT system to make it more effective and meet user requirements and also to accommodate rapidly changing demands of the industry. • MIS reports are developed on a periodic basis to assemble information needed by key divisions, for decision-making. • BIFFL is at the final stage of installing Core Financial Solutions (CFS) using customized software to keep up with the market.
Environmental	• The green initiative in project financing has a long-term effect on both environment and economy of the country and helps in cost reduction as well. • A World Bank report says, the brick kiln sector consumes 3.5 million tonnes of coal and 1.9 million tonnes of firewood which emitting 9.8 million tonnes of greenhouse gas annually. During the dry season, 58% of the total air pollution in Dhaka city is caused by the brickfields. • Under the 8th Five Year Plan (July 2020 – June 2025), the Government will enhance its focus on moving to greener bricks by promoting the adoption of cleaner technological options.	• BIFFL has a dedicated team working towards minimizing the impact of the highly polluting traditional brick industry in line with its green motto. • BIFFL has a full-fledged Environmental & Social Unit overseeing environmental due diligences of its projects to ensure sustainable economic growth of Bangladesh. • BIFFL is actively seeking projects in the field of energy efficiency, renewable energy, waste recycling and other environment friendly projects. For instance, BIFFL has already invested in a project which is using waste PET bottles as raw material and producing Polyester Staple Fibre (PSF) to be used in Apparel Industries.
Legal	• BIFFL is regulated by the FI Act, 1993 and other periodic guidelines as issued by Bangladesh Bank from time to time.	• Apart from FI Act, 1993 and other prescribed guidelines of Bangladesh Bank, BIFFL also complies with the applicable regulations of RJSC, BSEC and other regulatory bodies.

Market Forces and Competitive Landscape

Analysis of the various market forces provides a starting point for formulating strategy and understanding the competitive landscape in which a company operates. For the benefit of our stakeholders, the existing market forces are broken down to show their impact on BIFFL and our strategic actions in the near future as well as in the long run.

Industry Forces Analysis

Competitive Rivalry: Moderate

Influencing Factors	BIFFL's Strategic Approach
Number of competitors: Financial services industry of Bangladesh is marked by high level of competition with 61 scheduled banks and 35 NBFIs operating in the country. However, most of these FIs are not direct competitors of BIFFL as most of them do not finance infrastructure projects. BIFFL also plays a significant role in financing sustainable and energy efficient projects. **Switching cost:** As there are many local and foreign service providers, the switching cost is low. In most cases, infrastructure financing involves larger amount of loan for a longer tenor. If a customer opts to switch in the middle of a long-term commitment, switching cost is significant as most Banks and FIs will demand compensation in the form of Early Settlement Fees. However, switching cost is low for short term loans. **Quality of products and services:** Even though BIFFL provides specialized financial products and services, there are few local as well as foreign organizations comparable in terms of service quality.	• Focus on relationship building among existing client base and channel resources towards finding new opportunities. • Develop and use innovative financing instruments that cater to the varying needs of infrastructure sector. • Explore different avenues to capture domestic and foreign investment. • Give emphasis on innovative value creation ideas to outplay the competitors. • Build capacity through training, exposure and adopting best market practices.

Suppliers' Power: Moderate

Influencing Factors	BIFFL's Strategic Approach
BIFFL is an NBFI and our major source of fund comprises the Government, different multi-lateral and bilateral financial institutions, institutional investors etc. A key factor in the determination of bargaining power is the control over interest rates and our cost of funds. Bangladesh Bank as well as the Government and development partners have significant control over the rates at which we can source our funds or invest. Various other organizations operate as our vendors for several miscellaneous activities, such as arranging events, advertising and marketing. However, they are responsible only for a small part of our total cost structure.	• Focus on a diversified pool of funds from local as well as foreign institutions. • Develop sustainable relationship with bilateral and multilateral agencies. • Offer competitive interest on bond and good relationship with investors for better negotiations of borrowing rates. • Proper selection of vendors to ensure smooth supply of materials.

Buyers' Power: Moderate

Influencing Factors	BIFFL's Strategic Approach
Eextending larger loan is becoming difficult due to liquidity crisis, tenor mismatch, higher risks etc. Consequently, buyer power is comparatively low for infrastructure financing. However, for borrower with smaller funding needs, buyer power is increasing as the number of banks and FIs are increasing with different types of deposits and investment opportunities. Increased competition has forced many organizations to adopt aggressive growth strategies for their loan portfolio and subsequently started a price war by reducing margin which increased borrower power.	• BIFFL will be able to increase lending rates of the existing loan in case of a likely increase in interest rates portfolio. This is possible as the majority of the portfolio is of a floating nature. • Arrange sustainable and diversified sources of funds for future loan growth. • Strategic emphasis on diversifying the existing portfolio. • Deliver uncompromising services to retain customers and maintain sustainable relationship with borrowers and investment partners.

Threat of Substitute Products: Low

Influencing Factors	BIFFL's Strategic Approach
Infrastructure financing has very few alternatives due to larger fund commitment for longer tenor. For larger loan, BIFFL has little threat of substitute offerings from the competitors. However, many borrowers are now considering financing from foreign sources. BIFFL is playing a leading role in sustainable and energy efficient project financing. For small and SME products there exists a high threat of substitute products. As, BIFFL has very little exposure in SME financing, this sector is not a threat for us.	• Continue to update the technological platform, embrace breakthrough technology and process upgrades to stay ahead of competition and be the first to address new opportunities offered through technology and policy incentives. • Analyse macro-economic environment to understand the financing requirements, price structure, product features, and performance of different sectors. • Ensure maximum satisfaction to retain the company's trusted customers.

Threat of New Entrants: Low

Influencing Factors	BIFFL's Strategic Approach
Even though the financial sector is crowded, there still is possibility of a few more contenders joining in the near future. However, the new local competitors' chances of entering the infrastructure financing sector is low. Involvement of different foreign financing agencies is also increasing day by day. Threat of new entrants largely depends on decisions made by the Government, be it in terms of granting new licenses or varying the scope of services provided and/or operating procedures of financial and non-financial institutions. In the long run however, the industry is assumed to see consolidation in the face of exceeding an optimum number of institutions.	• Maintain strategic relationship with policy implementing agencies, other Government organizations, and multilateral development banks. • Continue efforts in the process of improvement to ensure long-term competitiveness and sustainability.

Entity Analysis

Key Competencies	Reinforcing our enterprise further
The BIFFL Brand	
Twelve years of impeccable track record as a diligent, proactive and customer centric financial service provider	Investment in fostering brand value of BIFFL is to continue.
High prominence among local brands	Continue sustaining our image in the community by remaining as a caring, responsible, transparent and trust-worthy operator while supplementing the image by engaging in community services through our volunteer based community service platform "Manush Manusher Jonno" and other social welfare initiatives.
Customer Centricity	
Customers' need or aspiration-based products and quality service standards	Cornerstone is based on sustained revolution in products and services designed to cater to the latent needs and aspirations of the new niches developed through market study, customer survey and observing the trend.
Swift decision-making	Retaining the upscale office management software and MIS to launching a centralized operations system; focusing to automate all manual processes to increase mobility of relationship managers through offering app-based platform to manage and document customer interactions.
Transparent and ethical	Maintaining ZERO Tolerance for any unethical behaviour (Sexual Harassment and Corruption). Relentlessly providing training programs for new recruits on our code of ethics and values.
Training, counselling and business facilitation services	Launch new non-financial services and expand the horizon for existing business facilitation services.
Infrastructure	
World-class core office management software	Committed to have secured and efficient software to deliver effective customer services.
USGBC LEED Platinum Certificate	BIFFL office space is PLATINUM certified under the LEED 2009 commercial interiors rating system with a total of 90 points. Continue to pursue environment friendly green infrastructure facilities.
Corporate Governance and Compliance	
Stringent regulatory obedience	BIFFL abides by the law of the land in both letter and spirit.
Participative and dynamic manner towards regulatory and industry reform initiatives	BIFFL continues to collaborate with regulators, peers and other industry participants and adopt best practices.
Respectable, experienced and professional Board of Directors	
Quality Human Resources	
Dedicated, competent and empowered human resources	Continue investing in human resources as they are the key driving force of the company.
Focused on continuous training and development	Continue arranging need-based training programs and promote capacity building and leadership quality of the employees..
Highest levels of integrity	Educate and integrate new employees on BIFFL's moral codes, values and ethics.
A winning culture fostered through years of embracing best-in-class practices	Continue seeking for innovation and improvement; continue upholding the culture of trying new things without the fear of failure.
Strong Financial Footing	
Solid capital base	Foster to utilize capital in an organized manner to provide maximum shareholder return as well as to assure sustainability of the profit.

Key Competencies	Reinforcing our enterprise further
Professional & proper fund management	Committed to follow proper fund management practices, utilize bonding to minimize risk factors.
Sound and steady ROA and ROE	Focusing on superior financial results and maintaining shareholder returns by leveraging the financing source.
Scope for Improvement	**Addressing our weaknesses**
Dependence on own capital; No private sector equity or debt (fully owned by Ministry of Finance, Government of Bangladesh)	Planning to issue bond to attract private sector funding and blend foreign and private sector fund to finance several development projects of the country to foster long term economic growth. Focus on Public-Private Partnership (PPP) to collaborate with Government as well as private sector to become a major development partner of the country.
Portfolio concentration in infrastructure development	BIFFL continues bringing innovation in the product suite and carefully finds new niche markets to enter into. To address country and customer needs properly, BIFFL invests in diverse sectors including Power and Energy, Connectivity and Economic Zone, Green and Renewable Energy, Tourism, Social Infrastructure, Small & Medium Enterprises (SMEs), Women Entrepreneur Development and other sectors of utmost importance for the sustainable development of Bangladesh. BIFFL participated in various environment friendly projects including Green Bricks and Waste Recycling to foster environment friendly infrastructure development. Through SME and Women Entrepreneur Development program, BIFFL is ensuring access to finance to marginal borrower and women entrepreneur, which in turn creating jobs for unskilled and semi-skilled worker. Bangladesh being an agro-based economy, BIFFL now a days is also focusing on addressing financing gap in agricultural sector and providing concessional loan to agro and food processing industries as well.
Portfolio concentration in Dhaka (Limitation of having no branch outside Dhaka)	Conscious and strategic effort is in place to expand the geographic coverage and reduce portfolio concentration in Dhaka.

How We Engage Our Stakeholders

Stakeholders are people/communities who may directly or indirectly, positively or negatively affect or be affected by the outcomes of BIFFL's initiatives and the decisions. Multi-stakeholder consultation in policy and strategy development and review is vital to ensure that policies reflect international best practices and incorporate the opinions and needs of those they intend to support. The participation process builds understanding and ownership of the policies and eases implementation.

At BIFFL, we work in the belief that stakeholder relationships are critical for BIFFL to be able to play a positive role in the society. Engagement with our stakeholders enables us to gain insight, to sharpen our decision-making process and improve our capacity to generate shared values. Identification of stakeholders is the key to understand their expectations out of the company and, as such, helps pave the way towards fulfilling those expectations and delivering consistent values. The stakeholder ecosystem of BIFFL can be broadly divided into two categories: the core stakeholder group comprising shareholders, borrowers, suppliers and employees and other stakeholders including regulators, the local community, environmental groups and the media

Stakeholder Engagement Mechanism

Shareholders

Management Philosophy: Ensuring long-term shareholder values, upholding the rights of the shareholders and supporting a broader shareholder constituency to ensure their wealth maximization.

Engagement Mechanism	Frequency	Matters Relevant to the Stakeholders	Our Strategic Response
Shareholder relations forums	P	• Shareholder satisfaction regarding BIFFL's financial position • Shareholder views on key governance and policy matters • Return on equity • Strategy and continuity • Financial performance	• Maintaining a consistent bottom line • Ensuring sustainable return on investment • Engaging in greater transparency and responsible stewardship • Maintaining BIFFL's reputation and credibility • Safeguarding asset quality • Ensuring steady growth
General meetings	A/P		
Annual report	A		
Interim financial statements	Q		
Disclosures and announcements	P		
Corporate website	24/7		
EC meeting, AC meeting and Board meeting	P		
Meetings and consultations	P		
CSR activities	R		

A – Annually | P – Periodically | Q – Quarterly | R – Regularly | 24/7 – 24 hours 7 days

Development Financial Institutions (Investors)

Management Philosophy: Engaging Development Financial Institutions (Investors) as partners of BIFFL rather than a mere creditor.

Engagement Mechanism	Frequency	Matters Relevant to the Stakeholders	Our Strategic Response
General meetings	N/A	• Transparency • Building a responsible culture • Sustainable business performance and growth • Responsible lending and investment • Financial inclusion and access to products and services	• Green Loan Initiative launched to incentivize energy efficient and other sustainable projects • Engaging in greater transparency and responsible stewardship • Sharing project pipeline andproject implementation status
Annual report	A		
Interim financial statements	P		
Investor presentation	P		
Meetings and consultations	P		
One-to-one discussions	P		
General correspondence	P		
Technical Assistant (TA)	P		
Corporate website	24/7		
Review meeting	P		
Exchange & exposure	P		

A – Annually | P – Periodically | Q – Quarterly | R – Regularly | 24/7 – 24 hours 7 days

This **Stakeholder Engagement Assessment Matrix** gives a brief overview of how BIFFL identifies and manages its stakeholders considering the impact of BIFFL on stakeholders and the impact of each stakeholders on its activities.

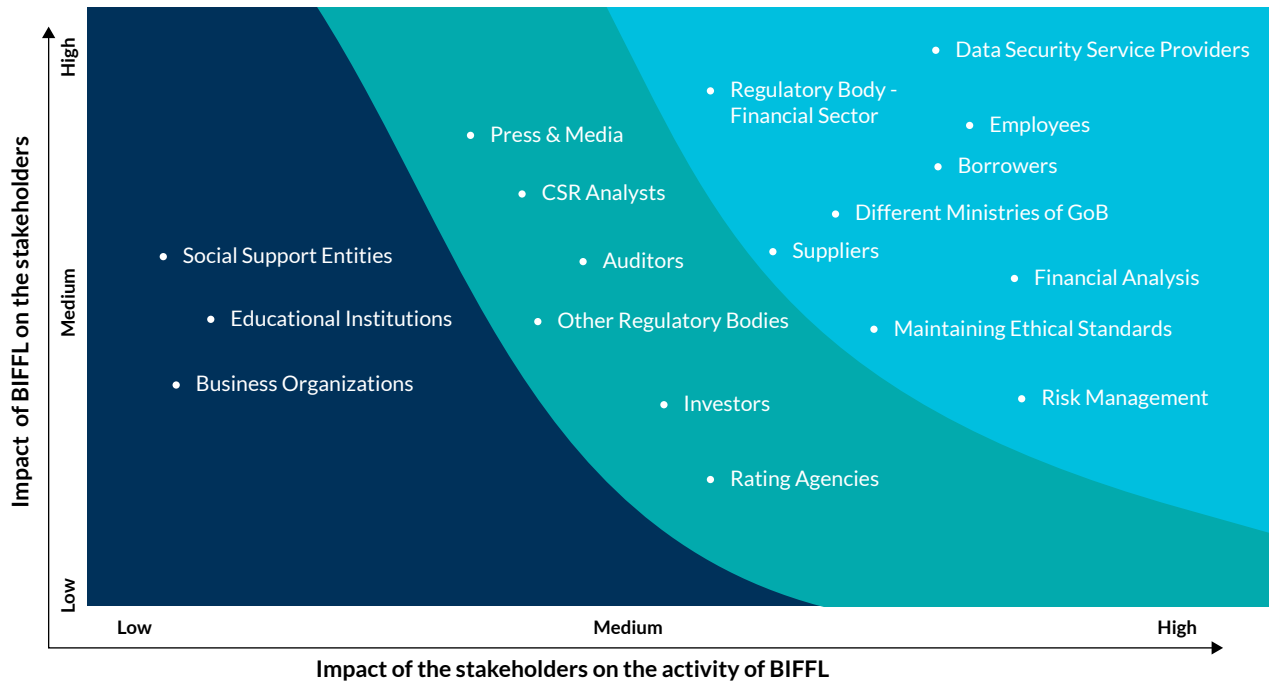


Figure: Stakeholder engagement assessment matrix

Employees

Management Philosophy: Commitment to create a conducive environment for the employees to develop and reach their potential, both professionally and personally.

Engagement Mechanism	Frequency	Matters Relevant to the Stakeholders	Our Strategic Response
Open-door policy	R	• Ethical employment practices • Career development opportunities • Employee communications & feedback • Rewards / recognition • Employee welfare • Work-life balance • Gender equality • Non-discriminatory work place • Non-smoking environment • Child-care • Prayer hall • Gym • Subsidized lunch • Health insurance • Transportation facilities • Socialization	• Competitive rewards and benefits to attract best talent in the market • Promote greater diversity and inclusion • Develop from within through training & development • Encourage greater engagement • Performance–based incentives • Effective handling of grievance • Maintain high standards of occupational health & safety • Ensure employees' welfare • Foster a sense of belonging
Grievance-handling procedure	R		
Business unit level meetings	R		
Corporate website	24/7		
Intranet	R		
Memorandums / Directives	P		
Training	R		
Internal circulars	R		
Get-togethers / Events	P		
CSR activities	R		
Online groups	24/7		
Retreat	A		
Newsletters	A		
Huddle meetings	R		

A – Annually | P – Periodically | Q – Quarterly | R – Regularly | 24/7 – 24 hours 7 days

Borrowers

Management Philosophy: Uphold the borrowers' right to demand a stable and progressive borrowing environment which provides a superior service platform and promotes their choice / convenience

Engagement Mechanism	Frequency	Matters Relevant to the Stakeholders	Our Strategic Response
Open-door policy	R	• Customer service • Satisfaction on existing products • Need for innovations and customized solutions • Communication methods • Awareness promotions • Timely and relevant information on products and services • Customer benefits and rewards • Loyalty recognition	• Maintain service excellence • Effective complaint resolution • Continuous introduction of innovative products which promote greater customer convenience • Effective marketing and communication • Better market share • Regularly arrange conventions, expos, meetings, seminars etc. to engage stakeholders
One-on-one feedback from customers who visit BIFFL	R		
Customer surveys conducted via traditional or non-traditional research techniques	P		
Social media interactions	24/7		
Customer complaint handling mechanism	R		
Corporate website	24/7		
Correspondence	R		

A – Annually | P – Periodically | Q – Quarterly | R – Regularly | 24/7 – 24 hours 7 days

Suppliers and Service Providers

Management Philosophy: Striking the right balance between cost and quality and promoting ethical and transparent sourcing practices.

Engagement Mechanism	Frequency	Matters Relevant to the Stakeholders	Our Strategic Response
Interactions through the purchasing policy	R	• Developing strategic partnerships • Promoting transparent and ethically responsible business practices • Continuous communication with suppliers & service providers • Regular reviews on quality of goods and services	• Engaging in fair and equitable procurement • Supplier risk assessment mechanism • Contractual agreements to promote sustainable procurement • Local sourcing, maintenance of suppliers & service provider register
Feedback evaluations	P		
Meetings	P		
Visits to supplier workshops / offices	R		
Written communications (letters & e-mails)	R		
Reviews and assessments	24/7		

A – Annually | P – Periodically | Q – Quarterly | R – Regularly | 24/7 – 24 hours 7 days

Government Institutions

Management philosophy: Ensure compliance with all legal and regulatory requirements.

Engagement Mechanism	Frequency	Matters Relevant to the Stakeholders	Our Strategic Response
Policy directives / circulars, guidelines and operating instructions	R	• Policy decisions affecting the financial sector • Submission of returns • Taxes paid to the Government	• Compliance with regulations • Rectification actions on supervisory concerns • On-time submission of statutory returns and statutory payments • Response and contribution at meetings / forums and to instructions of the regulators • Micro, Small & Medium Entrepreneurs (MSMEs) lending & Women Entrepreneurship Development • Support Energy Efficiency and Renewable Energy (RE) sectors • Support agro-processing and other sustainable projects • Help investors to make better investment decisions
Meetings and forums	P		
Press releases	R		
Periodic and one-off returns	P		
On-site and off-site supervision	R/AW		
Memorandums / Directives	R		
Training	R		

A – Annually | P – Periodically | Q – Quarterly | R – Regularly | 24/7 – 24 hours 7 days | As & When Required

Community

Management Philosophy: Working with global and local mandates which safeguard the environment and promote community empowerment.

Engagement Mechanism	Frequency	Matters Relevant to the Stakeholders	Our Strategic Response
Feedback forms / environment grievance handling mechanism	P	• Community capacity building • Community empowerment • Social welfare • Environmental protection • Preservation of local culture	• Socially-responsive transformative CSR model • Community engagement • Employee volunteerism • Become an agent for change
Discussions with local Government representatives	P		
Discussion with other organizations, community and opinion leaders on community development efforts	P		
Media-based forums	R		
CSR activities	24/7		

A – Annually | P – Periodically | Q – Quarterly | R – Regularly | 24/7 – 24 hours 7 days

Material Aspects for Stakeholders

According to the Global Reporting Initiative (GRI) Standards, the materiality for reporting is identified by the engagement of the stakeholders throughout the countrywide economic and financial sphere. By using the GRI Guidelines, reporting organizations disclose their most critical impacts – be they positive or negative – on the environment, society and the economy. They can generate reliable, relevant and standardized information with which to assess opportunities and risks and enable more informed decision-making – both within the business and among its stakeholders. As the guideline goes, the 'Materiality' recognizes the reportable subjects and the subjects itself that are identified is considered as the 'Aspects'. At BIFFL, the culture is to value the issues raised by stakeholders during the engagement process. Through the process a number of material aspects were found which are detailed as follows:

Economy	Environment	Social
• Finanacial performance	• Materials	• Equal rights
• Economic benefits	• Energy	• Labour
• System efficiency	• Biodiversity	• Treatment
	• Emission	• Child labour
	• Waste	• Personal development
	• Compliance	• Grievance mechanism
		• Encouragement
		• Employment generation
		• Financial inclusion

Checklist Delineating the Sphere of the Material Aspects

The following checklist will detail out how BIFFL considers the material aspects and their influence on the performance of BIFFL from both the inner and outer spheres:

Category	Identified Material Aspect	Why is this material?	Inside the Organization	Outside the Organization
Economy	Financial performance	Competitiveness, better customer relationship and well inspection of projects enable long-term profitability growth. A financially strong company can shoulder responsibility for the environment, take care of its employees, monitor its funds, meet customer expectations, and produce excellent value to its shareholders.	Yes	Yes
	Economic benefits	Besides the financial return to the company, the projects financed by BIFFL are serving the national interest fostering the growth of the national economy.	Yes	Yes
	System efficiency	Better energy efficiency reduces the use of primary energy and the environmental impacts of energy production and use. We encourage energy-efficient projects while evaluating projects.	Yes	Yes
Environment	Materials	Many of our large infrastructure projects use large volumes of fuels in electricity and heat production and LPG gas processing.	Yes	Yes
	Energy	Many of our large infrastructure projects use large volumes of fuel and other energy sources, like hydro power, in electricity and heat production.	Yes	Yes

Category	Identified Material Aspect	Why is this material?	Inside the Organization	Outside the Organization
	Biodiversity	Land-use change due to site preparation for mega or large-scale project influences ecosystem and regional biota in several ways. Although, ecological characteristics are continually changed at different temporal scales, mega project may stimulate those changed by decreasing habitat of local biota. Operation of those large-scale projects may also accelerate degradation of biodiversity at a regional scale.	Yes	Yes
	Emission	Fuel combustion in electricity and heat production generates emissions into the air. Statutory limitations target emissions in Bangladesh.	Yes	Yes
	Waste	Large scale projects are often generate significant amount of waste. This can pose a threat to our country.	Yes	Yes
	Compliance	Compliance with legislation in Bangladesh forms the foundation of our social operating license. Compliance of funding sources like, BB, JICA, WB, ADB, AFD etc. is also required.	Yes	Yes
Social	Equal Rights	We value diversity and we promote equal treatment and opportunities in recruiting, remuneration, personnel development and advancement, regardless of race, religion, political views, gender, age, nationality, language, sexual orientation, marital status, or disability. We happily and confidently declare "**One Team, Big Dream; Be the Best!**"	Yes	Yes
	Labour	Collaboration between the employees and the employer is based on local legislation, agreements and BIFFL's Code of Conduct.	Yes	Yes
	Child labour	BIFFL has a higher level of vigilance on this issue ratified by the International Labour Organisation (ILO)'s Convention on the Minimum Age and the Worst Forms of Child Labour.	Yes	Yes
	Personal Development	We are one of the most lucrative employers in Bangladesh. We aspire to be a desired employer that attracts and engages the best employees at all levels. That requires us to responsibly take care of our workforce to develop their personal skills.	Yes	N/A
	Grievance Mechanism	Our operations are guided by BIFFL's values, the Code of Conduct and the Operations Policy. A grievance mechanism offers stakeholders a channel for reporting possible misconduct and get redressed.	Yes	N/A
	Encouragement/ Training	We aim to create interesting career and development opportunities to continuously advance personal professional skills and know-how. It is important to us to secure the expertise required to implement the company's strategy.	Yes	N/A
	Employment Generation	BIFFL, through it lending activities is actively generating employments throughout the country.	Yes	Yes
	Financial Inclusion	BIFFL, within its capacity, is working for fostering financial inclusion in the society by providing financing to SME sector and by promoting women entrepreneurship.	N/A	Yes

Management Discussion & Performance Analysis

Review of Financial Performance

Being a unique organization in terms of its vision, mission, objectives, area of operations, and funding mix, BIFFL continued to perform in a positive trend in 2022, supported by increasing trend of interest revenue from long-term loans and investments. In achieving such growth, BIFFL prioritizes financing long-term sustainable, energy efficient and environment friendly infrastructural projects. Besides, being directly involved with implementation of PPP projects of the country, BIFFL also promotes sustainable private sector initiatives in collaboration with different development partners and financial institutions. Long-term nature of funding sources has put BIFFL in and advantageous position to finance such long-term projects.

Notably, while explaining our key performance indicators and comparing those with industry benchmarks, we have considered our long-term nature of investments and sources of funding.

BIFFLS's strong performance in 2022 is evident by growth in total assets, interest revenue, net profit margin and earnings per share. BIFFL earned BDT 76.14 crore net profit in 2022 and ROE was 2.81%.

BIFFL continued to create value to its shareholders by way of:

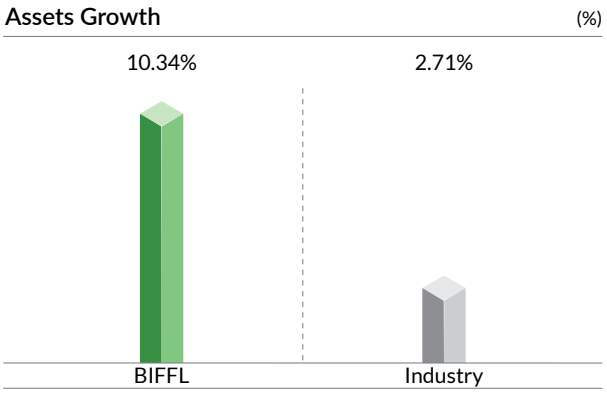
24.33%	33.01%	13.31%
Growth in net profit	Net profit margin	Assets Growth
1.54%	119.18%	5.07%
Return on Assets (ROA)	Capital Adequacy Ratio	Market Share in terms of Total Assets
BDT 3.30	BDT 117.19	BDT 15.65
Earnings Per Share	NAV Per Share	NOCFPS

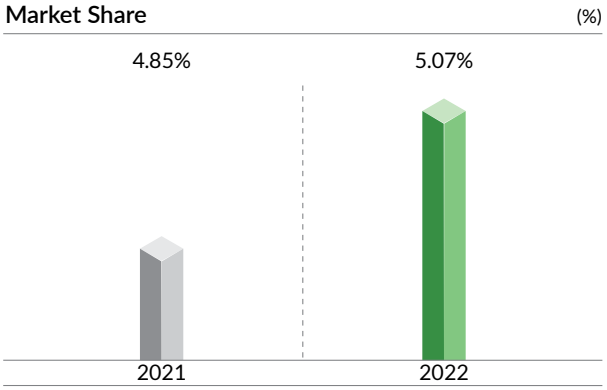
BIFFL's Performance compared to the industry

BIFFL continued outperforming the industry in 2022 in terms of asset quality, earnings per share, net profit margin etc.

Total Asset

From the year 2018 to June 30, 2022, asset base of NBFI industry grew at a Cumulative Average Growth Rate (CAGR) of 2.71%. At the same time, BIFFL asset base grew at a CAGR of 10.34%. At the end of 2022,

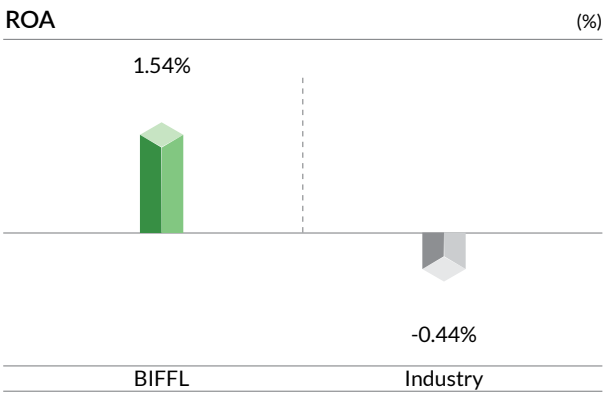




BIFFL's total assets reached to BDT 4,931.17 crore. BIFFL is sustainably maintaining its asset growth. Market share in terms of total asset is also growing. At the end of 2022, BIFFL holds 5.07% (Bangladesh Bank Annual Report- 2021-22) of the total Assets of NBFI industry, compared to 4.85% in 2021.

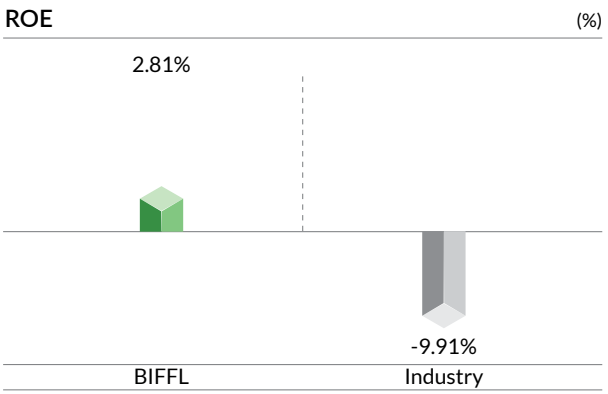
Return on Assets (ROA)

BIFFL's ROA at the end of 2022 was 1.54% compared to (0.44%) of industry ROA. It outperformed the industry in terms of ROA. BIFFL maintained average ROA above the industry for the last five years.



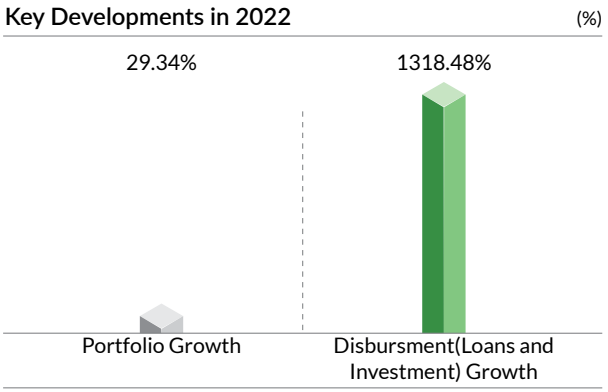
Return on Equity (ROE)

BIFFL's ROE in 2022 was 2.81% against the industry ROE of (9.91%). This relatively low ROE though much higher than industry average is mainly due to low value of BIFFL's equity multiplier resulted from



BIFFL's unique sources of funding compared to other entities operating in the industry. BIFFL's capital structure is heavily dominated by equity capital.

Key Developments in 2022



BIFFL's financial results in 2022 reflect both the benefits of strategic actions taken over the past few years and the impact of strategic actions and restructuring which were continued in the reporting period.

Loans and advances to corporate sector and for national infrastructure development projects were BIFFL's strength for several years. Considering current business trends, risks, and profitability, BIFFL tends to focus more on long-term loan in different sectors. Considering adverse impact of Covid-19 pandemic, BIFFL remained cautious in selecting projects and disbursement thereon which resulted portfolio growth of 29.34% and disbursement growth of 1,318.48% in 2022 compared to 2021.

BIFFL focused meticulously on human resource as one of major strategies. BIFFL invested a lot to improve the quality of the existing employees in the form of both

local and foreign trainings and exposures. Employee motivation is visible in BIFFL by means of competitive compensation package, increment and performance bonus, family gatherings, annual retreats, social events and so on. A well-defined succession plan has been introduced in BIFFL. A three-four level backup and career path has been introduced. BIFFL encourages leadership and provides for ample opportunities for its employees to march forward.

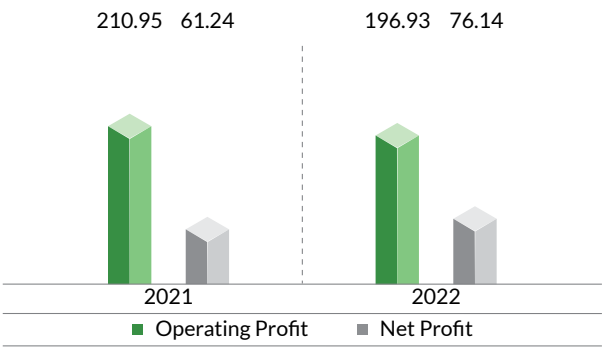
Analysis of Financial & Operational Performance

Profitability Position

In 2022, the profitability indicators showed improvements posting net profit after tax of BDT 76.14 crore compared to BDT 61.24 crore in 2021 reflecting a year-to-year growth of 24.33%. That growth in profitability resulted mainly due to strong emphasis on portfolio management and asset quality. BIFFL focuses more on primary line of business and 2022's financials show the following results.

Particulars	BDT in crore		Y-Y Growth	
Year	2021	2022	Amount	%
Operating Profit	210.95	196.93	-14.02	-6.64%
Net Profit	61.24	76.14	14.90	24.33%

Operating Profit and Net Profit (BDT in Crore)



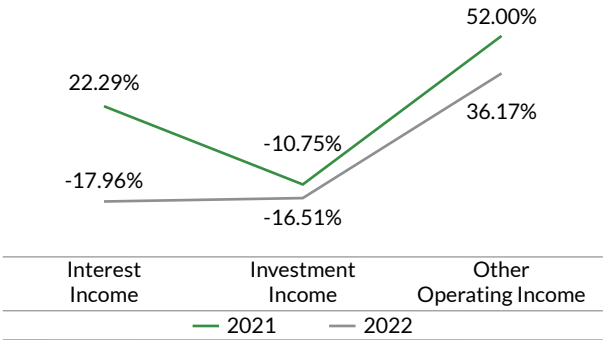
Revenue Position

Where the industry is facing numerous challenges in growing up revenue lines, BIFFL has succeeded in earning BDT 230.67 crore total revenue in 2022 with 24.33% growth in net profit. BIFFL is expecting a continued growth in revenue and profit in coming years with new PPP and energy efficient projects financing.

In total revenue mix, core contributor was interest revenue. In 2022, interest revenue contributed 48.74%, investment income 10.53% and other income 40.73%, respectively, in total revenue.

Particulars	Percentage (%)	
	2021	2022
Interest Income	58.28%	48.74%
Investment Income	12.37%	10.53%
Other Operating Income	29.35%	40.73%
Total (%)	**100.00%**	**100.00%**
Total (BDT in crore)	**235.13**	**230.67**

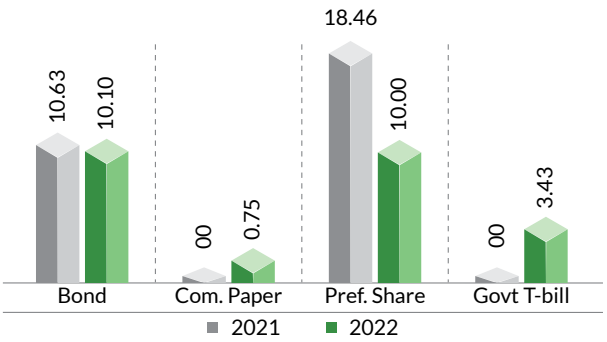
Y-Y growth in components of total revenue (%)



In 2022, BIFFL's income from bonds and preference shares decreased by 4.97%, and 45.81% respectively due to regular repayment by investment clients while addition of Govt. T-bill in investment portfolio resulted BDT 3.43 crore addition to investment income which resulted overall, income from investment decreased by 16.51% in this year.

Particulars	In BDT crore		Y-Y Growth	
Year	2021	2022	Amount	%
Income from bond	10.63	10.10	(0.53)	-4.97%
Income from Com. Paper	-	0.75	0.75	100%
Income from Pref. Share	18.46	10.00	(8.46)	-45.81%
Income from Govt T-bill		3.43	3.43	100%
Total Investment Income	29.09	24.29	(4.80)	-16.51%

Investment Income (BDT in Crore)

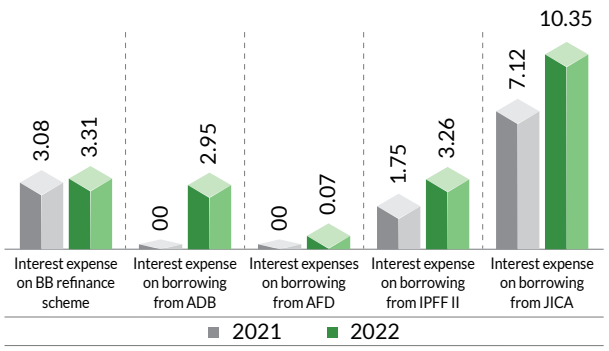


Interest Expenses

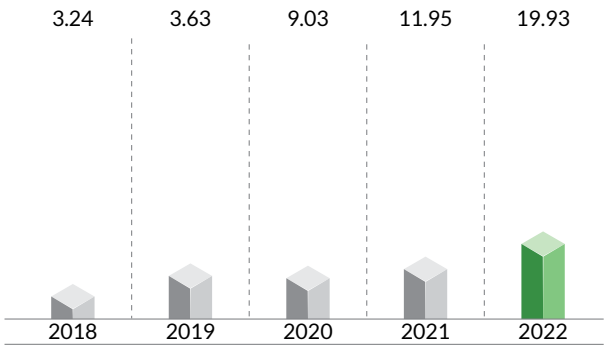
In 2022, interest expenses increased by 66.76% to BDT 19.93 crore from BDT 11.95 crore of 2021. This rise of overall interest expenses is due to BIFFL stances to move to low-cost funding sources of Development Partners and Financial Institutions.

Particulars	In BDT crore		Y-Y Growth	
	2021	2022	Amount	%
Interest expense on BB refinance scheme	3.08	3.31	0.23	7.46%
Interest expense on borrowing from ADB	0.00	2.95	2.95	100.00%
Interest expenses on Borrowing from AFD	0.00	0.07	0.07	100.00%
Interest expense on borrowing from IPFF II	1.75	3.26	1.51	86.74%
Interest expense on borrowing from JICA	7.12	10.35	3.22	45.21%
Total interest expenses	**11.95**	**19.93**	**7.98**	**66.76%**

Breakdown of Interest Expenses (BDT in Crore)



Interest Expense (BDT in crore)



Interest expense is in increasing trends as BIFFL's borrowings are increasing year to year. It marks the indication of utilizing large equity base to leverage the company.

Operating Expenses

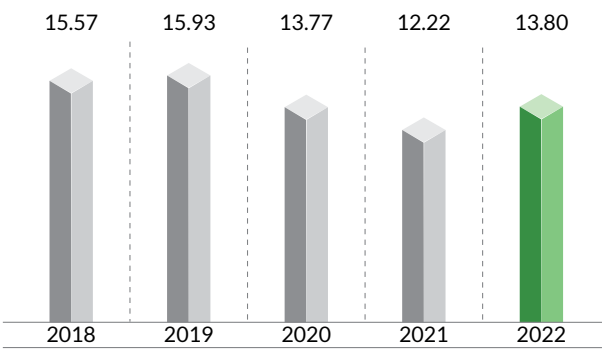
Operating expenses was BDT 13.80 crore in 2022 compared to BDT 12.22 crore in 2021 which reflects 12.99% rise in operating expenses compared to previous year.

Particulars	In BDT crore		Y-Y Growth	
	2021	2022	Amount	%
Salary and allowances	6.53	7.76	1.22	18.72%
Rent, taxes, insurance, electricity etc.	0.21	0.26	0.05	26.05%
Legal expenses	0.04	0.17	0.13	374.83%
Postage, stamp, telecommunication etc.	0.23	0.45	0.22	92.87%
Stationery, printing, advertisement etc.	0.18	0.16	(0.03)	-15.57%
Managing Director's salary and allowances	0.92	0.96	0.04	4.37%
Directors' fees	0.09	0.11	0.02	25.00%
Auditors' fees	0.04	0.02	(0.02)	-40.33%
Depreciation and repairs of company's assets	2.06	1.49	(0.57)	-27.76%
Other operating expenses	1.90	2.42	0.52	27.11%
Total operating expenses	**12.22**	**13.80**	**1.59**	**12.99%**

The main contributors to changes in operating expenses were:

- Staff related cost increased by 18.72%, comprising:
  - Promotion of employees as reward for strong contribution to financial performance;
  - Incentives provided to employees in line with strong financial performance in 2022.
- Rent, insurance, and electricity expenses increased by 26.05% along with 27.76% decrease of depreciation and repairs of company's assets.
- Efficient business dealings with clients, effective cost management strategy during the period reduced cost of stationery, printing, and advertisement by 15.57% and post covid resumption of business activity caused legal expenses to increase significantly by 374.83%
- Other operating expenses increased by 27.11% in 2022 compared to 2021. Major contributors of other operating expenses were office maintenance, IT maintenance, CSR expenses, promotional expenses, travelling allowances and conveyances.
- Auditor's fees decreased by 40.33% in 2022 mainly due to lower provision for other audit fees except statutory audit.

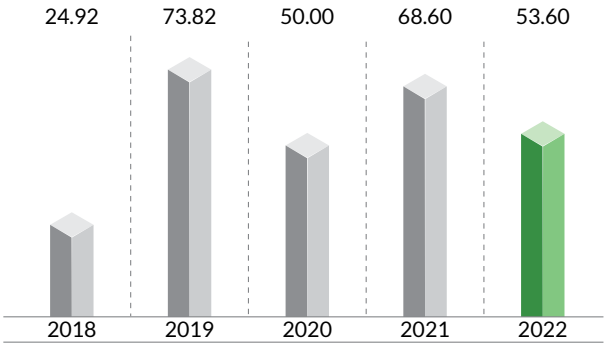
Operating Expenses (BDT in crore)



Provision for Leases, loans, and advances

Provision for loans, leases and advances increased over the last five years along with the growth in loan portfolio. Provision maintained in 2022 decreased due to improvement of asset quality resulting from resumption of economic growth and business activities from post covid downturn circle.

Provision for Loan ,Lease, Advances, and Other (BDT in crore)



Analysis of Financial Position

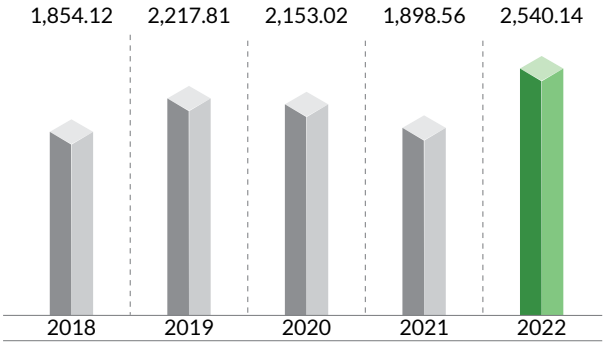
Loans and Investment Portfolio

In 2022, loans and investment portfolio stood to BDT 2,540.14 crore compared to BDT 1,898.56 crore in the previous year reflecting year to year growth of 33.79%. Strong measures for recovery of due instalments and cautious selection of new projects for disbursement during post pandemic period resulted growth of loan portfolio. BIFFL was focusing on financing different sectors like textiles, garments and accessories, transport, steel and engineering, renewable power and energy, waste management & recycling, electronics and electrical, plastic, food and beverage, glass and ceramics, services, and other sectors.

Particulars	In BDT crore		Y-Y Growth	
Year	2021	2022	Amount	%
Loans and investment	1,898.56	2,540.14	641.58	33.79%

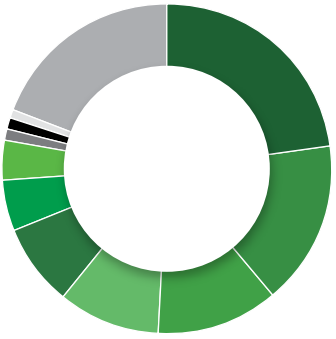
BIFFL loans and investment portfolio have experienced steady growth over the last five years. In 2018, loans & investment portfolio was only BDT 1,854.12 crore. However, within a span of 5 years, it reached BDT 2,540.14 crore.

Loans and Invesment portfolio (BDT in crore)



A major portion of share of the loans and advances portfolio has been invested in power & energy and garments & textile sectors in line with BIFFL's vision of financing energy efficient export sector to spur export earnings and infrastructure development. As a part of infrastructure development BIFFL also has mandate to invest in transport and communication sector. Other important sectors are services, economic zones, glass and ceramics, steel, and engineering etc.

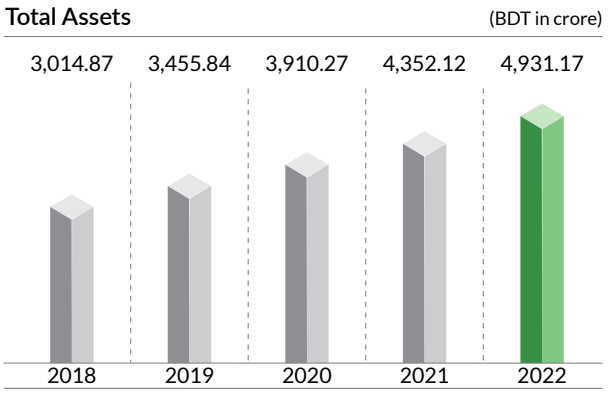
Sectoral Allocation of Loan and Investment Portfolio 2022 (BDT in crore and percentage)



- Power and Energy, 586, **23%**
- Textile and Garments, 406, **16%**
- Transport and Communication, 297, **12%**
- Glass and Ceramics, 255, **10%**
- Economic Zone, 208, **8%**
- Iron, Steel and Engineering, 116, **5%**
- Tourism & Hospitality, 91, **4%**
- IT, 31, **1%**
- Health, 30, **1%**
- Waste Management, 27, **1%**
- Food Value Chain, 5, **0.2%**
- SME (Women Entrepreneurship), 2, **0.1%**
- Others, 486, **19.2%**

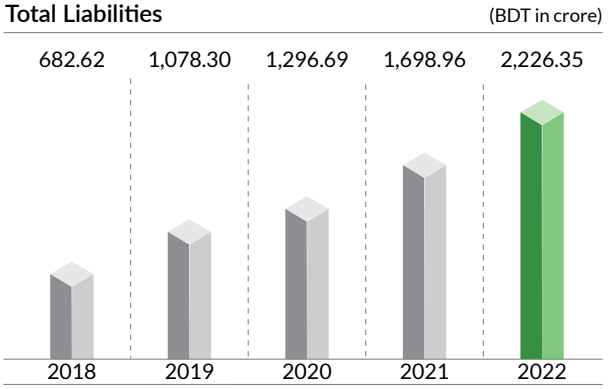
Total Assets

Total assets of BIFFL increased by 63.56% in last five years. Over the last five years BIFFL's asset base grew on average @10.34% per year. This increase in assets is mostly financed by sustainable earnings and low-cost borrowing from development partners financial institutions.



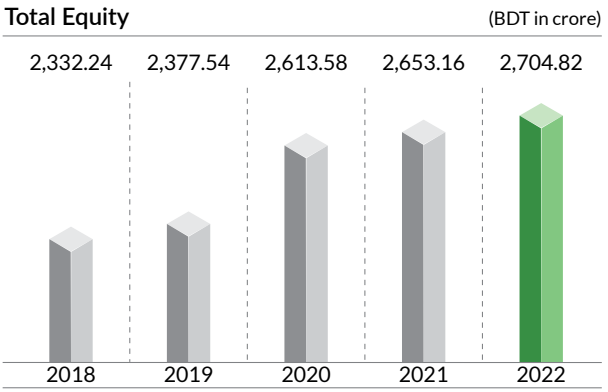
Total Liabilities

In 2022, total liabilities increased by 31.04% to BDT 2,226.35 crores. The increase in total liabilities is mainly due to injection of fund as borrowing from JICA, ADB and AFD under subsidiary loan agreement with Government of Bangladesh and fund from IPFF II of WB through Bangladesh Bank. However, liability portion is still quite low compared to equity capital. Before 2019, most part of this liability consisted of different operational liabilities and short-term fund arrangement with different banks and financial institutions.

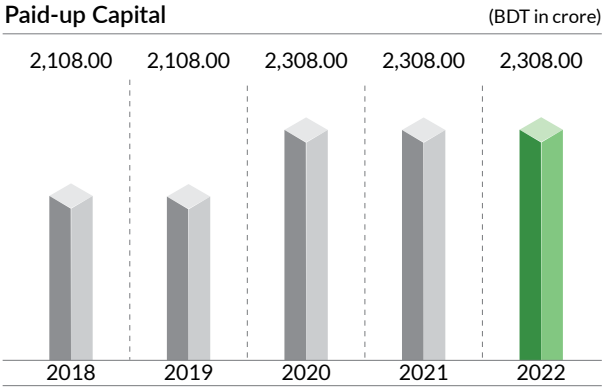


Equity Capital

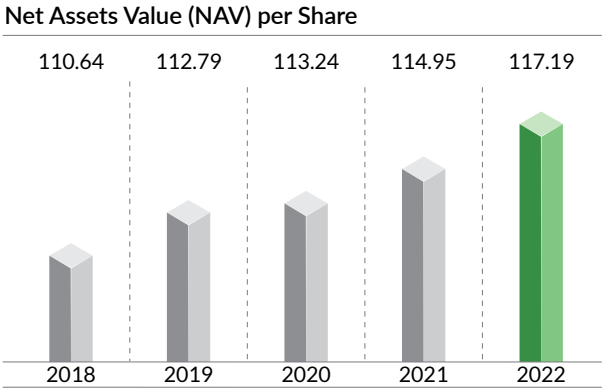
Over the last five years, the equity capital of BIFFL has increased by BDT 375 crore. This increment is from additional equity injection of Government amounting BDT 200 crore and remaining part is from retained earnings over the last five years. At the end of 2022, the amount of common equity capital was BDT 2,704.82 crore.



Paid up capital at the end of 2018 was BDT 2,108 crore which stood at BDT 2,308 crore at the end of 2022.



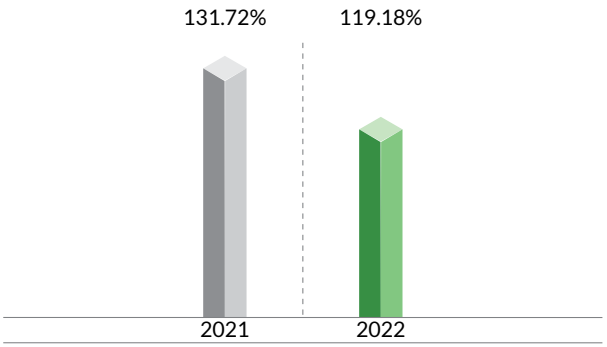
Net assets value per share of BIFFL is in an increasing trend from 2018. At the end of 2022, NAV per share was BDT 117.19, BDT 2.24 higher than previous year.



Capital and Capital Adequacy

BIFFL is operating with strong capital base with capital adequacy ratios (CAR) well above the Basel II minimum regulatory capital requirements. Required CAR is 10% where, in 2022 BIFFL had 119.18% compared to 131.72% in 2021. The fall in CAR by 12% is mainly due to upward movement of risk weighted assets in 2022 compared to the previous year. Total capital increased by 1.88% in 2022 to BDT 2,723.06 crore from BDT 2,672.68 crore in 2021.

CAR (%)

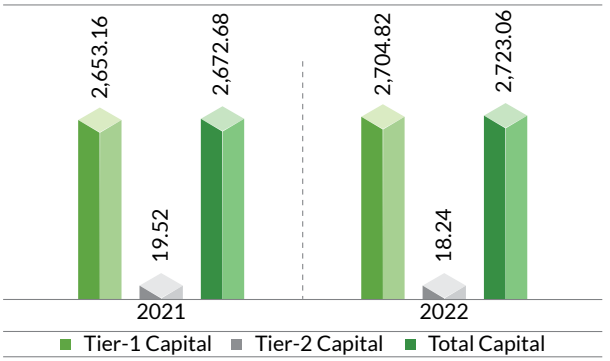


Balance sheet was well positioned with our Basel II CAR at 119.18%. CAR is substantially well above regulatory requirement of 10%.

Particulars	In BDT crore		Y-Y Growth	
Year	2021	2022	Amount	%
Tier-1 Capital	2653.16	2704.82	51.66	1.9%
Tier-2 Capital	19.52	18.24	-1.28	-6.6%
Total Capital	2672.68	2723.06	50.38	1.88%

Increase in Tier-1 capital was mainly due to higher amount of shareholders equity compared to previous year supported by retained earnings.

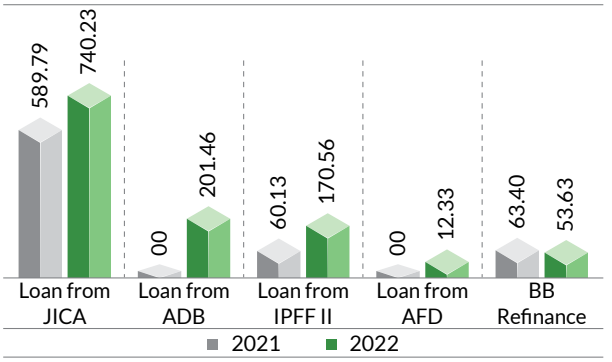
Eligible Capital (BDT in crore)



Borrowings from Bangladesh Bank refinancing scheme and development partners

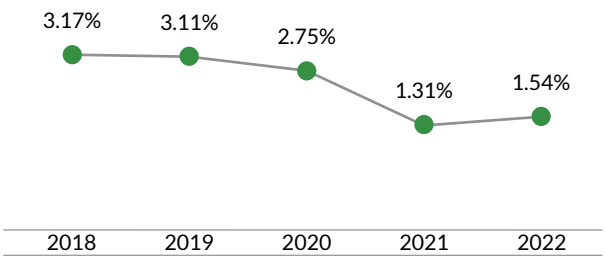
BIFFL received around BDT 442 crore fresh disbursement of long-term loans from JICA, IPFF-II of WB, ADB and AFD in 2022.

Borrowing position (BDT in crore)

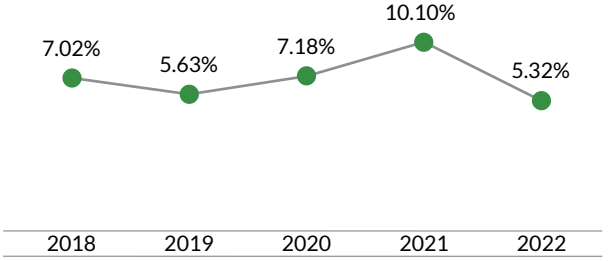


Other Key Ratios

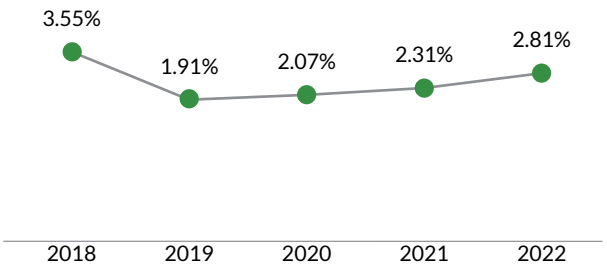
Return on Assets (%)



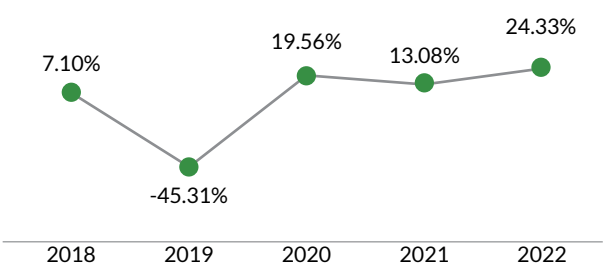
Return on Investment (%)



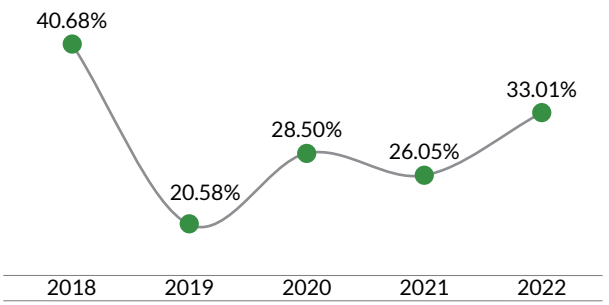
Return on Share Holders Equity (%)



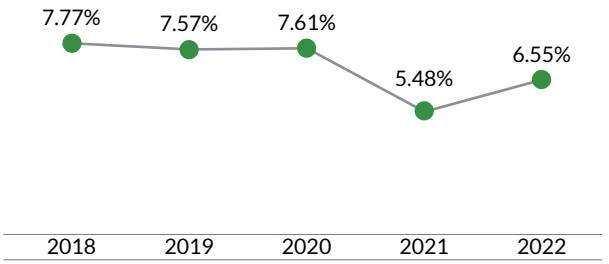
Y-Y growth of net profit (%)



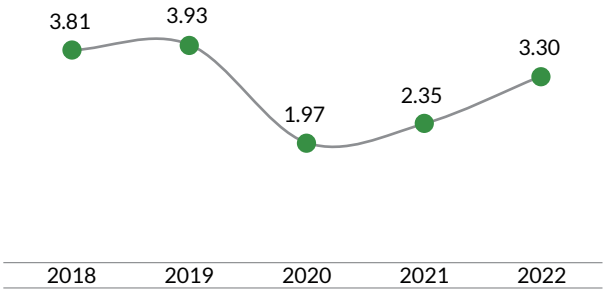
Profit Margin (%)



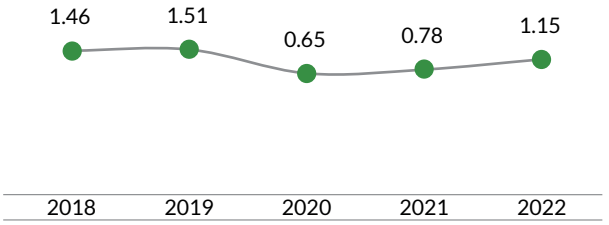
Opex as % of Operating Income (%)



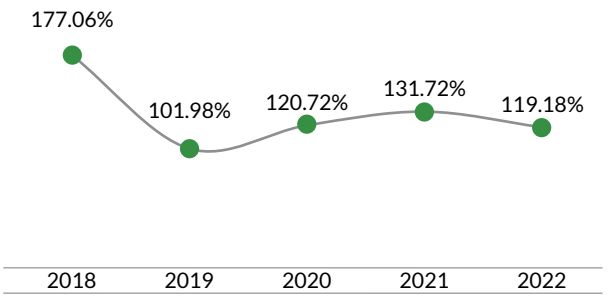
Earnings per Share (BDT)



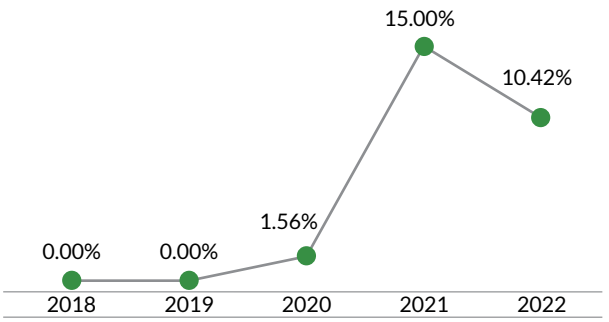
Profit per Employee (BDT in crore)



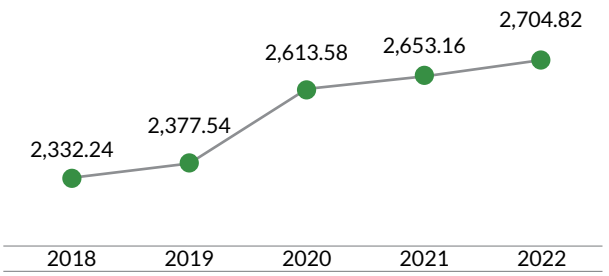
Capital Adequacy Ratio (%)



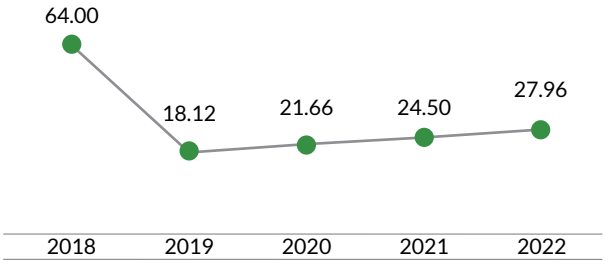
Percentage of Classified Loans (%)



Share Holders Equity (BDT in Crore)



Dividend (BDT in Crore)



Key Operating & Financial Highlights

Particulars	2018	2019	2020	2021	2022	Growth of 2022 over 2021	5-Year AVG(%)
Financial Performance(BDT):							
Loans and Investment Portfolio	18,541,152,372	22,178,114,202	21,530,174,700	18,985,575,823	25,401,361,828	33.79%	6.50%
Total Assets	30,148,654,129	34,558,436,056	39,102,717,178	43,521,202,485	49,311,718,703	13.31%	10.34%
Total Liabilities	6,826,216,328	10,783,007,972	12,966,911,094	16,989,631,465	22,263,514,538	31.04%	26.67%
Total Equity	23,322,437,802	23,775,428,084	26,135,806,084	26,531,571,021	27,048,204,165	1.95%	3.01%
Operational Performance(BDT):							
Interest Income from Leases, Loans and Advances	1,132,242,764	1,736,088,527	1,120,550,039	1,370,359,895	1,124,279,457	-17.96%	-0.14%
Total Revenue	2,035,884,783	2,201,351,617	1,900,439,685	2,351,251,794	2,306,707,799	-1.89%	2.53%
Operating Income	2,003,473,349	2,105,005,636	1,810,153,567	2,231,721,063	2,107,378,167	-5.57%	1.02%
Operating Expenses	155,707,083	159,278,573	137,680,789	122,200,505	138,028,720	12.95%	-2.38%
Financial Expenses	32,411,434	96,345,981	90,286,117	119,530,730	199,329,631	66.76%	43.81%
Total Provision	249,241,429	738,228,621	500,000,000	685,990,979	535,983,057	-21.87%	16.55%
Profit before Provision & Tax	1,847,766,266	1,945,727,063	1,672,472,778	2,109,520,558	1,969,349,447	-6.64%	1.28%
Profit beforeTax	1,598,524,837	1,207,498,442	1,172,472,778	1,423,529,579	1,433,366,390	0.69%	-2.16%
Net Profit after Tax	828,294,378	452,990,281	541,574,113	612,394,582	761,390,535	24.33%	-1.67%
EBITDA	1,918,575,286	1,349,004,967	1,307,328,917	1,562,682,907	1,646,972,609	5.39%	-3.01%
Financial Ratios							
Return on Assets (%)	2.75%	1.31%	1.39%	1.41%	1.54%	9.73%	-10.89%
Return on Investment (%)	7.02%	5.63%	7.18%	10.10%	5.32%	-36.95%	-1.93%
Return on Share Holders Equity (%)	3.55%	1.91%	2.07%	2.31%	2.81%	21.96%	-4.54%
Profit Margin (%)	40.68%	20.58%	28.50%	26.05%	33.01%	26.73%	-4.10%
Opex as % of Operating Income	7.77%	7.57%	7.61%	5.48%	6.55%	19.62%	-3.36%
Earnings per Share (BDT)	3.81	3.93	1.97	2.35	3.30	40.59%	-2.86%
Profit per Employee (BDT)	14,620,133	15,059,898	6,471,290	7,848,900	11,536,220	46.98%	-4.63%
Capital Adequacy Ratio (CAR) (%)	177.06%	101.98%	120.72%	131.72%	119.18%	-9.49%	-7.61%
Classified Loans (%)	0.00%	0.03%	1.56%	15.00%	10.42%	-30.51%	46.28%
Equity Statistics:							
Number of Shares (no.)	210,800,000	210,800,000	230,800,000	230,800,000	230,800,000	0.00%	1.83%
Paid-up Capital (BDT)	21,080,000,000	21,080,000,000	23,080,000,000	23,080,000,000	23,080,000,000	0.00%	1.83%
Share Holders Equity (BDT)	23,322,437,802	23,775,428,084	26,135,806,084	26,531,571,021	27,048,204,165	1.95%	3.01%
Dividend (BDT)	640,000,000	181,196,112	216,629,645	244,957,833	279,556,214	14.12%	-15.27%
Net Assets Value (NAV) per Share	110.64	112.79	113.24	114.95	117.19	1.95%	1.16%

Horizontal Analysis

For the last 5 years
Balance Sheet

Particulars	2018	2019	2020	2021	2022
PROPERTY AND ASSETS					
Cash	**100%**	**92%**	**5%**	**45%**	**3%**
Cash in hand	100%	117%	75%	80%	55%
Balance with Bangladesh Bank	100%	92%	5%	45%	3%
Balance with others Banks and Financial Institutions	100%	102%	160%	241%	230%
Inside Bangladesh	100%	102%	160%	241%	230%
Outside Bangladesh	-	-	-	-	-
Money at call and short notice	**0%**	**0%**	**0%**	**0%**	**0%**
Investment	**100%**	**208%**	**203%**	**166%**	**419%**
Government Securoties	-	-	-	-	100%
Others Investments	100%	208%	203%	166%	108%
Lease, loans and advances	**100%**	**111%**	**108%**	**97%**	**111%**
Fixed assets including land, building, furniture and fixtures	**100%**	**87%**	**73%**	**66%**	**62%**
Other assets	**100%**	**119%**	**140%**	**159%**	**165%**
TOTAL PROPERTY AND ASSETS	**100%**	**115%**	**130%**	**144%**	**164%**
LIABILITY AND SHAREHOLDERS' EQUITY					
Liabbilities					
Borrowings from Bangladesh Bank ,Other Banks and Financial Institutions	**100%**	**169%**	**197%**	**290%**	**479%**
Term deposits	-	-	-	-	-
Other liabilities	100%	140%	186%	226%	240%
TOTAL LIABILITIES	**100%**	**158%**	**190%**	**249%**	**326%**
Share holders' Equity	**100%**	**102%**	**112%**	**114%**	**116%**
Paid up capital	100%	100%	109%	109%	109%
Share premium	-	-	-	-	-
Statury reserve	100%	106%	113%	120%	130%
General reserve	-	-	-	-	-
Fair value measurement reserve	-	-	-	-	-
Retained earnings	100%	146%	176%	209%	256%
Non controling interest	-	-	-	-	-
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	**100%**	**115%**	**130%**	**144%**	**164%**

Horizontal Analysis

For the last 5 years
Profit and loss account

Particulars	2018	2019	2020	2021	2022
Operating income					
Net interest	**100%**	**149%**	**94%**	**114%**	**84%**
Interest income	100%	153%	99%	121%	99%
Less: Interest expenses on deposits & borrowings	100%	297%	279%	369%	615%
Income from investment	**100%**	**266%**	**370%**	**330%**	**276%**
Other operational income	100%	28%	56%	85%	115%
Total operating income	**100%**	**105%**	**90%**	**111%**	**105%**
Operating expenses					
Salary and allowances	100%	124%	129%	137%	163%
Rent, taxes, insurance, electricity etc.	100%	59%	29%	36%	45%
Legal and professional fees	100%	53%	15%	26%	125%
Postage, stamp, telecommunication etc	100%	113%	98%	136%	262%
Stationary, printing, advertisement	100%	47%	13%	13%	11%
Managing directors salary and allowances	100%	67%	68%	90%	94%
Director's fees and expenses	100%	105%	67%	71%	84%
Audit fees	100%	72%	110%	112%	63%
Repairs, maintenance and depriciation	100%	114%	111%	50%	0%
Other operating expenses	100%	102%	54%	60%	47%
Total operating expenses	**100%**	**102%**	**88%**	**78%**	**89%**
Net operating income	**100%**	**105%**	**91%**	**114%**	**107%**
Provision for loans, investment and other assets	**100%**	**296%**	**201%**	**275%**	**215%**
Provision for loans, investment and other assets	100%	296%	201%	275%	215%
Profit before tax and reserve	**100%**	**76%**	**73%**	**89%**	**90%**
Provision for tax made during the year	100%	98%	82%	105%	87%
Net profit after tax	**100%**	**55%**	**65%**	**74%**	**92%**
Earning per share (EPS)	**100%**	**50%**	**60%**	**68%**	**84%**

Vertical Analysis

For the last 5 years
Balance Sheet

Particulars	2018	2019	2020	2021	2022
PROPERTY AND ASSETS					
Cash	**0.16%**	**0.11%**	**0.09%**	**0.00%**	**0.03%**
Cash in hand	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank	0.16%	0.11%	0.09%	0.00%	0.00%
Balance with others Banks and Financial Institutions	**36.41%**	**25.98%**	**23.05%**	**32.00%**	**36.53%**
Inside Bangladesh	36.41%	25.98%	23.05%	32.00%	36.53%
Outside Bangladesh	0.00%	0.00%	0.00%	0.00%	0.00%
Money at call and short notice	**0.23%**	**0.00%**	**0.08%**	**0.07%**	**0.05%**
Investment	**9.67%**	**5.19%**	**9.42%**	**8.10%**	**13.27%**
Government Securoties	0.00%	0.00%	0.00%	0.00%	9.83%
Others Investments	9.67%	5.19%	9.42%	8.10%	3.44%
Lease, loans and advances	**41.51%**	**56.31%**	**54.75%**	**46.96%**	**38.24%**
Fixed assets including land, building, furniture and fixtures	**1.03%**	**1.02%**	**0.77%**	**0.57%**	**0.39%**
Other assets	**10.98%**	**11.40%**	**11.83%**	**12.30%**	**11.52%**
TOTAL PROPERTY AND ASSETS	**100.00%**	**100.00%**	**100%**	**100%**	**100%**
LIABILITY AND SHAREHOLDERS' EQUITY					
Liabbilities					
Borrowings from Bangladesh Bank ,Other Banks and Financial Institutions	0.01%	8.16%	12.06%	12.39%	23.89%
Term deposits	0.00%	0.00%	1.46%	0.00%	0.00%
Other liabilities	12.29%	14.48%	17.69%	20.77%	21.26%
TOTAL LIABILITIES	**12.31%**	**22.64%**	**31.20%**	**33.16%**	**45.15%**
Share holders' Equity	**87.69%**	**77.36%**	**68.80%**	**66.84%**	**54.85%**
Paid up capital	79.74%	69.92%	61.00%	59.02%	46.80%
Share premium	-	-	-	-	-
Statury reserve	5.43%	5.20%	4.80%	4.52%	4.14%
General reserve	-	-	0.14%	0.26%	0.41%
Fair value measurement reserve	-	-	-	-	
Retained earnings	2.52%	2.24%	2.85%	3.04%	3.50%
Non controling interest	-	-			
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	**100.00%**	**100.00%**	**100%**	**100%**	**100%**

Vertical Analysis

For the last 5 years
Profit and loss account

Particulars	2018	2019	2020	2021	2022
Operating income					
Net interest	**54.02%**	**74.49%**	**54.21%**	**53.20%**	**40.10%**
Interest income	55.61%	78.86%	58.96%	58.28%	48.74%
Less: Interest expenses on borrowings	1.59%	4.38%	4.75%	5.08%	8.64%
Income frome investment	4.32%	10.62%	17.15%	12.37%	10.53%
Commission, exchange and brokerage income	0.00%	0.00%	0.00%	0.00%	0.00%
Other operational income	40.06%	10.51%	23.89%	29.35%	40.73%
Total Operating income	**98.41%**	**95.62%**	**95.25%**	**94.92%**	**91.36%**
Operating expenses					
Salary and allowances	2.34%	2.68%	3.23%	2.78%	3.36%
Rent, taxes, insurance, electricity etc.	0.29%	0.16%	0.09%	0.09%	0.11%
Legal and professional fees	0.07%	0.03%	0.01%	0.01%	0.07%
Postage, stamp, telecommunication etc	0.08%	0.09%	0.09%	0.10%	0.19%
Stationary, printing, advertisement	0.72%	0.31%	0.10%	0.08%	0.07%
Managing directors salary and allowances	0.50%	0.31%	0.37%	0.39%	0.42%
Director's fees and expenses	0.07%	0.06%	0.05%	0.04%	0.05%
Audit fees	0.02%	0.01%	0.02%	0.02%	0.01%
Repairs, maintenance and depriciation	2.01%	2.11%	2.40%	0.88%	0.65%
Other expenses	1.56%	1.47%	0.90%	0.81%	1.05%
Total Operating expenses	**7.65%**	**7.24%**	**7.24%**	**5.20%**	**5.98%**
Net operating income	**90.76%**	**88.39%**	**88.00%**	**89.72%**	**85.37%**
Provision for loans, investments and others	**12.24%**	**33.54%**	**26.31%**	**29.18%**	**23.24%**
Provision for loans, investments and others	12.24%	33.54%	26.31%	29.18%	23.24%
Profit before tax	**78.52%**	**54.85%**	**61.69%**	**60.54%**	**62.14%**
Provision for tax made during the year	**37.83%**	**34.27%**	**33.20%**	**34.50%**	**29.13%**
Provision for tax made during the year	37.83%	34.27%	33.20%	34.50%	29.13%
Net profit after tax	**40.68%**	**20.58%**	**28.50%**	**26.05%**	**33.01%**

Highlights

(As per Bangladesh Bank guidelines)

Annexure -B

Sl No.	Key Indicators	Amount in Taka	
		31-Dec-22	31-Dec-21
1	Paid-up capital	23,080,000,000	23,080,000,000
2	Total capital	27,048,204,165	26,726,773,059
3	Capital surplus	24,945,695,653	24,697,690,085
4	Total assets	49,311,718,703	43,521,202,485
5	Total deposits	-	-
6	Total leases, loans, and advances	18,856,953,828	16,394,424,310
7	Total contingent liabilities and commitments	247,158,051	247,158,051
8	Credit deposit ratio	-	-
9	Percentage of classified loans against total leases, loans, and advances	10.42%	15.00%
10	Profit after tax and provision	761,390,535	612,394,582
11	Amount of classified loans during current period	1,965,154,786	2,458,735,277
12	Provision kept against classified loans	688,784,544	489,636,452
13	Interest earning assets	41,475,330,575	35,390,311,250
14	Non-interest earning assets	7,836,388,127	8,130,891,235
15	Return on investment (ROI)	5.32%	10.10%
16	Return on assets (ROA)	1.54%	1.41%
17	Income from investment	242,851,869	290,892,324
18	Earnings per share (EPS)	3.30	2.65

Value Added Statement

The value added statement appended below is the details of total value addition by Bangladesh Infrastructure Finance Fund Limited(BIFFL) and distribution thereof. The distribution of value reveals how the company contributed for socio-economic development by paying salaries and allowances to the employees, dividend to the shareholders (Government), taxes to the Government and retention of some amounts for growth and expansion.

Value addition	2022		2021		2020		2019		2018	
	Taka	%	Taka	%	Taka	%	Taka	%	Taka	%
Total income	2,306,707,799		2,351,251,794		1,900,439,685		2,201,351,617		2,035,884,783	-
Cost of borrowing	(199,329,631)		(119,530,730)		(90,286,117)		(96,345,981)		(32,411,434)	-
Provisions	(535,983,057)		(685,990,979)		(500,000,000)		(738,228,621)		(249,241,429)	-
Operating expenses excluding salary expenses and depreciation	(36,536,552)		(27,998,843)		(31,723,688)		(48,293,934)		(59,517,228)	-
Total value addition	**1,534,858,558**		**1,517,731,241**		**1,278,429,880**		**1,318,483,082**		**1,694,714,693**	-
Distribution of Value Addition										
To employees as salaries and allowances	87,215,580	6%	74,579,065	5%	61,387,080	5%	65,842,767	5%	57,792,269	3%
To Government as income tax	675,419,094	44%	811,872,192	53%	638,629,481	50%	760,435,907	58%	768,477,974	45%
To shareholders (Government) as dividend)	279,556,214	18%	244,957,833	16%	216,629,645	17%	181,196,112	14%	-	-
Value retained for expansion and future growth										
Value retained in business	481,834,322	31%	367,436,750	24%	324,944,468	25%	271,775,498	21%	828,294,378	49%
Deferred Tax	(3,443,240)	-0.22%	(737,195)	-0.05%	(7,730,815)	-0.60%	(5,927,746)	-0.45%	1,752,485	0.10%
Depreciation	14,276,588	1%	19,622,597	1%	44,570,022	3%	45,160,544	3%	38,397,587	2%
Amount distributed	**1,534,858,558**	**100%**	**1,517,731,241**	**100%**	**1,278,429,880**	**100%**	**1,318,483,082**	**100%**	**1,694,714,693**	**100%**
Number of employees at the end of the year	66		68		69		70		85	
Value created per employee	23,255,433		22,319,577		18,527,969		18,835,473		19,937,820	
Number of shares	230,800,000		230,800,000		230,800,000		210,800,000		210,800,000	
Value created per share	**6.65**		**6.58**		**5.54**		**6.25**		**8.04**	

Statement on Contribution to Government Exchequer

Government is one of the most important stakeholders that plays a critical role in economic and technological advancement of the country. BIFFL, as a conscious and ethical entity among the large contributors to Govt. exchequer and as such creates a significant development of the country. For the year ended 31 December 2022, BIFFL contributed to the Government exchequer an amount of BDT 121.68 crore in the from of income tax, withholding tax, withholding VAT and excise duty.

Forms of Contribution	2022	2021	2020	2019	2018
Income Tax:	**969,783,034**	**690,091,462**	**785,660,550**	**572,298,649**	**626,410,466**
Payroll tax	4,925,727	3,991,535	2,626,944	3,555,045	3,501,643
Advance corporate tax	964,276,116	685,646,513	781,687,573	561,655,414	619,980,669
Tax on payment to suppliers, vendors, service providers etc.	581,191	453,414	1,346,034	7,088,190	2,928,155
Value Added Tax (VAT):	**2,084,950**	**1,375,204**	**2,403,780**	**6,950,948**	**5,378,349**
VAT on payment to suppliers, vendors, service providers etc.	2,084,950	1,375,204	2,403,780	6,950,948	5,378,349
Dividend:	**244,957,833**	**216,629,645**	**181,196,112**	**-**	**150,000,000**
Cash dividend	244,957,833	216,629,645	181,196,112	-	150,000,000
Total contribution to Government Exchequer	**1,216,825,817**	**908,096,311**	**969,260,442**	**579,249,597**	**781,788,816**

BIFFL's Contribution to Achieving SDGs

A resolution titled 'Transforming our World: The 2030 Agenda for Sustainable Development' was adopted by the UN General Assembly on 25 September 2015, heralding the commencement of yet another 15-year cycle of global development goal following the footsteps of Millennium Development Goals (MDGs) for 2000-15. This post-2015 global agenda contains 17 Sustainable Development Goals (SDGs) and 169 targets. The SDG agenda is a plan of action for the people, planet and collective prosperity by seeking to strengthen global peace and larger freedom at the same time eradicating poverty in all its forms and dimensions.

The 2030 Agenda comes at a time when Bangladesh has already started its journey towards an upper-middle income country by 2030 and a developed country by 2041. Bangladesh has incorporated priorities of SDGs in all its development policies. The Government has adopted an inclusive development approach for the poorest and the most vulnerable section of the society to be integrated into its national development efforts. As the country moves ahead, challenges in several areas, including in resource mobilization and data management, will have to be addressed. Bangladesh is confident to set the example of a leading SDG achiever.

BIFFL is a unique organization working for infrastructure development, sustainability financing as well as women empowerment which directly impacts poverty eradication, redressing gender disparity and sustainable development of the country in partnership between the private and public sector.

Infrastructure Development

BIFFL was formed to facilitate the long-term infrastructure projects which are crucial for the country's development towards achieving middle income status. For infrastructure development in connectivity, power and energy, economic zones, tourism, and social infrastructure, BIFFL financed about BDT 2,993.91 crore out of the total approved amount of BDT 5,121.48 crore as of December 2022. Besides, a good number of projects are under consideration for financing. By financing infrastructure, BIFFL contributes to the achievement of SDG-8, SDG-9 and SDG-11 in particular.

Partnership for Capacity Development Program

BIFFL has been working with different multilateral and bilateral development partners such as JICA, the World Bank, ADB, KfW and AFD for capacity development (under Technical Assistance) for energy efficiency and conservation promotion, infrastructure development and food value chain improvement project which contributes towards the achievement of SDG-17 (partnership for the Goal).

Sustainability Financing

BIFFL believes in sustainable development that protects the environment and nature. In line with this, the organization has been working to promote environment-friendly green construction materials in development works. The company is arranging numerous seminars and workshops with the aim of raising awareness among the populace, business entrepreneurs, media and the policy makers of the country about green technologies and energy efficiency. In addition to that, BIFFL is also promoting introducing renewable energy and energy efficiency by providing concessional financing. By extending concessional loans and technical assistance, BIFFL is also supporting agro based food processing industries thereby trying to ensure safe food for consumers.

In sustainability-themed projects, BIFFL has financed about BDT 723.24 crore out of the approved amount of BDT 2,252.30 crore as of the end of 2022. Such green initiatives of BIFFL contributes the preservation of environment and climate which contributes towards achieving SDG-6, SDG-7, SDG-8, SDG-9, SDG-12, SDG-13, SDG-14 and SDG-15.

Women Empowerment

BIFFL has been working on women empowerment and redressing gender disparity. In this connection, BIFFL formed its Women Entrepreneurship Development Unit (WEDU) in 2017 and is financing women entrepreneurs for inclusive economic development and growth. Besides, it provided cluster-finance to women entrepreneurs in 'Jamdani Palli' at Rupganj, Narayanganj and crab farmers in Rampal, Bagerhat.

Through WEDU, BIFFL has been contributing a lot on the development of the poor women entrepreneurs, helping them to improve their economic status, promoting social empowerment and redressing gender disparity which reflects on achievement of SDG-1 (No Poverty), SDG-2 (Zero Hunger), SDG-5 (Gender Equality), and SDG-10 (Reduced Inequality).

BIFFL has been working for sustainable development of the country in line with the perspective plan 2021-2041 and the 8th five-year plan (July 2020-June 2025) of Bangladesh. As such, BIFFL is fully committed to work together with all stakeholders towards the achievement of SDG 2030.

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BIFFL's Contribution to Achieving NDCs

The Paris Agreement (PA) was adopted at COP21 in 2015 for addressing global climate change with the aim of limiting global warming to well below 2 degrees celsius above pre-industrial levels, and pursuing efforts to limit the temperature increase to 1.5 degrees celsius. The key element of the PA is the Nationally Determined Contributions (NDCs) previously referred to as Intended Nationally Determined Contributions (INDCs) before the ratification of PA.

In its initial INDCs, Bangladesh proposed a 5% unconditional reduction in GHG emissions from the Business as Usual (BAU) scenario by 2030, and a further 10% conditional reduction with support from the international community. In 2020, Bangladesh revised its targets and proposed a 6.73% reduction in the unconditional scenario and an additional 15.12% reduction in the conditional scenario. Initially, Bangladesh's targeted sectors for achieving the INDCs were Power, Industry, and Transport. However, it has now updated its NDC targets to cover Energy, Industrial Processes and Product Use (IPPU), Agriculture, Forestry, and Other Land Use (AFOLU), and Waste."

The energy sector, which includes sub-sectors such as power, transport, industry, brick kilns, residential, and commercial, plays a critical role in achieving the greenhouse gas emissions reduction goals outlined in Bangladesh's Nationally Determined Contributions (NDCs). Both unconditional and conditional scenarios offer opportunities for the energy sector to contribute to emissions reductions at different levels. Below are BIFFL's contributions to GHG reduction in the energy sector under both unconditional and conditional scenarios:

NDC's Targets for Power Sub-Sector by 2030		BIFFL's Contributions
Unconditional Contributions	**Conditional Contributions**	
Implementation of renewable energy projects of 911.8 MW	Implementation of renewable energy projects of 4,114.3 MW	BIFFL has provided financing of BDT 91 crore for renewable energy projects with a combined capacity of 21.32 MW.
Installation of new Combined Cycle Gas based power plant (3,208 MW)	Installation of new Combined Cycle Gas based power plant (5,613 MW)	Multiple Combined Cycle Gas based Power Plants with a total capacity of 772 MW have been financed by BIFFL.
NDC's Targets for Transport Sub-Sector by 2030		**BIFFL's Contributions**
Unconditional Contributions	**Conditional Contributions**	
Improvement of road traffic congestion (5% improvement in fuel efficiency) by widening of roads (2 to 4 lanes) and improving road quality	Improvement of road traffic congestion (15% improvement in fuel efficiency) by widening of roads (2 to 4 lanes) and improving road quality	BIFFL is providing finance of BDT 1,075 crore for the Dhaka By-pass Expressway Development Company Ltd. a PPP project. The project involves expanding the existing 2-lane, 48 km road connecting Joydevpur to Modonpur into a 4-lane bypass. This bypass will link the northern part of Dhaka with the southern port city of Chittagong.
Improvement of road traffic congestion (5% improvement in fuel efficiency) by reducing private cars and encouraging electric and hybrid vehicles	Improvement of road traffic congestion (15% improvement in fuel efficiency) by reducing private cars and encouraging electric and hybrid vehicles	The electric vehicle (EV) manufacturing plant of Bangladesh Auto Industries Ltd. (BAIL) is being financed by BIFFL. The approximate cost of the project is BDT 350 crore.

NDC's Targets for Industry Sub-Sector by 2030		BIFFL's Contributions
Unconditional Contributions	**Conditional Contributions**	
Achieve 10% Energy efficiency in the Industry sub-sector through measures according to the Energy Efficiency and Conservation Master Plan (EECMP)	Achieve 20% Energy efficiency in the Industry sub-sector through measures according to the Energy Efficiency and Conservation Master Plan (EECMP)	To contribute to the reduction of greenhouse gas and to the development of sustainable society, BIFFL encourages the penetration of energy efficient technology, machinery and equipment in Bangladesh. Till December 2022, BIFFL has financed BDT 330.99 crore out of approved BDT 1,421.51 crore through EECP (JICA fund) and EEREWEF (AFD fund) project.
	Promote green industry	BIFFL has approved BDT 175 crore for promoting green industry. Odyssey Craft (Pvt) Ltd, a LEED platinum industry targeting 105 points, has been financed by BIFFL.
	Promote carbon financing	In 2017, BIFFL signed a 'Letter of Collaboration' with Future Carbon Energy Services (FCES), which works on Energy Efficiency and Carbon Management programs under the UNFCCC Kyoto Protocol Agreement. The purpose of the collaboration was to include Brick Kiln projects financed by BIFFL in the Clean Development Mechanism (CDM) project of FCES, titled 'National Programme for Energy Efficiency Improvement in the Brick Manufacturing Sector in Bangladesh'.
NDC's Targets for Brick Kilns Sub-Sector by 2030		**BIFFL's Contributions**
Unconditional Contributions	**Conditional Contributions**	
14% Emission reduction through banning Fixed Chimney Kiln (FCK), encourage advanced technology and non-fired brick use	47% emission reduction through banning Fixed Chimney Kiln (FCK), encourage advanced technology and non-fired brick use	The tunnel kiln-based automated brick manufacturing project has been approved for a total amount of BDT 323.23 crore, out of which BIFFL has provided financing of BDT 178.84 crore.
NDC's Targets for Residential and Commercial Sub-Sector by 2030		**BIFFL's Contributions**
Unconditional Contributions	**Conditional Contributions**	
Use energy-efficient appliances in household and commercial buildings (achieve 5% and 12% reduction in emission respectively)	Use energy-efficient appliances in household and commercial buildings (achieve 19% and 25% reduction in emission respectively)	Several projects are currently in the pipeline and in the approval stage.

Reference

1. Updated Nationally Determined Contributions 2021, Bangladesh

Key Resources of BIFFL

Financial Capital

BIFFL, owned by the Government of Bangladesh, is the largest NBFI in Bangladesh with authorized and paid-up capital of BDT 10,000 crore and BDT 2,308 crore, respectively. BIFFL receives funds from several development partners such as JICA, ADB, the World Bank, AFD etc. BIFFL has access to refinancing and on-lending funds from Bangladesh Bank to finance green projects. The fund is sourced to address the need of infrastructure development vis-à-vis insufficient investment in the particular sector, with a view to promoting an attractive environment for sustainable private investment.

Material Aspects

- Portfolio Growth of BDT 641.57 crore
- Net Profit of BDT 76.14 crore
- NPL Ratio 10.42%
- Cost to Income Ratio 6.55%

Highlights

- Portfolio growth of 33.79%
- Return on Investment (ROI) of 5.32%
- Return on Asset (ROA) of 1.54%

Strengths and Opportunities

- Lower level of operational cost
- Talented and adept workforce
- Increasing exposure to the market
- Increasing exposure to the foreign funds

Challenges

- 35 NBFIs, greater competition
- Low barrier to entry in the market
- Marketing excellence needed to introduce in BIFFL
- Low regional exposure

Particulars	2021	2022	Growth
Financial Performance (BDT):			
Investment	2,591,151,513	6,544,408,000	152.57%
Leases, Loans & Advances	16,394,424,310	18,856,953,828	15.02%
Total Assets	43,521,202,485	49,311,718,703	13.31%
Total Liabilities	16,989,631,465	22,263,514,538	31.04%
Total Equity	26,531,571,021	27,048,204,165	1.95%
Operational Performance (BDT):			
Total Revenue	2,351,251,793	2,306,707,799	-1.89%
Operating Income	2,231,721,063	2,107,378,168	-5.57%
Operating Expenses	122,200,505	138,028,721	12.95%
Financial Expenses	119,530,730	199,329,631	66.76%
Provision for Loans, Leases and Advances	435,395,758	335,983,057	-22.83%
Profit before Provision & Tax	2,109,520,558	1,969,349,447	-6.64%
Net Profit before Tax	1,423,529,579	1,433,366,390	0.69%
Net Profit after Tax	612,394,582	761,390,536	24.33%

Manufactured Capital

Ownership

BIFFL is a fully Government-owned organization focusing on supporting infrastructure development, which can take place in three ways through:

I. public initiatives taken by the Government agencies like BEZA and Roads & Highways department etc.

II. PPP implemented by the private sector; and

III. private sector initiatives.

BIFFL's policy is to support all three models of infrastructure developments.

Source of Funding

Another uniqueness of BIFFL is its source of funding. Its source of fund is mostly long-term that allows it to finance long-term infrastructure projects. In financing such long-term projects, we take calculated risks in investments like preference shares, bonds and commercial papers to ensure projects' ability to raise the required financing. Such risks are taken based on project's viability and higher ROI.

Steps for conserving nature

One requirement for ensuring sustainability is efficiency and conservation. We not only finance a development project but also ensure efficient use of the projects' output to reduce pollution and conserve the nature. BIFFL leverages the market for commercial banks by way of offering low rate of interest and thereby increasing borrower's repayment capacity. We believe that a project's outcome will not be environment-friendly if its construction materials are also not environment-friendly.

LEED Platinum certified office

BIFFL promotes a befitting environment for sustainable investment and upholds the true essence of green financing in every possible aspect. Alongside its commendable efforts towards environment-friendly investment policy, BIFFL is committed to contrive such a workspace for its employees which would be green and at the same time environmentally sound. In accordance with this mandate, BIFFL decided to go for USGBC LEED certification under the commercial interior category for its corporate office. Finally in 2018, BIFFL takes the pleasure in being the first Government-owned organization to bag the prestigious and highly coveted LEED PLATINUM (highest possible category) certificate.

Natural Capital

EE&C: A better Solution for nature

When applying for the loan to BIFFL, the proponents of EE&C submit energy consumption and production data for existing equipment and estimation figures for the new energy efficient equipment. Under some assumption provided by SREDA we calculate the theoretical energy conservation figures with those data. Theoretical energy saving data for the ongoing EE&C projects are listed in the following table:

Energy Savings
24,712 MWh/Year
BDT 24.2 crore/Year

CO_2 Reduction
12,822 t-CO_2/Year

Notes: 1 Unit = BDT 9.78

The calculation shows that a total of 24,712 MWh will be saved by the EE&C projects funded by BIFFL in a year. In monetary terms, the value of the energy conservation will be BDT 24.2 crore. Total CO_2 reduction per year will be 12,822 tons.

Objectives of EE&C Financing:

When applying for the loan to BIFFL, the proponents of EE&C submit energy consumption and production data for existing equipment and estimation figures for the new energy efficient equipment. Under some assumption provided by SREDA we calculate the theoretical energy conservation figures with those data. Theoretical energy saving data for the ongoing EE&C projects are listed in the following table:

- Encourage and promote the use of EE&C technology in Bangladesh
- Contribution to the Sustainable Development
- Reduce Power Demand-supply gap
- Contribute to the Reduction of Greenhouse Gas Emissions.

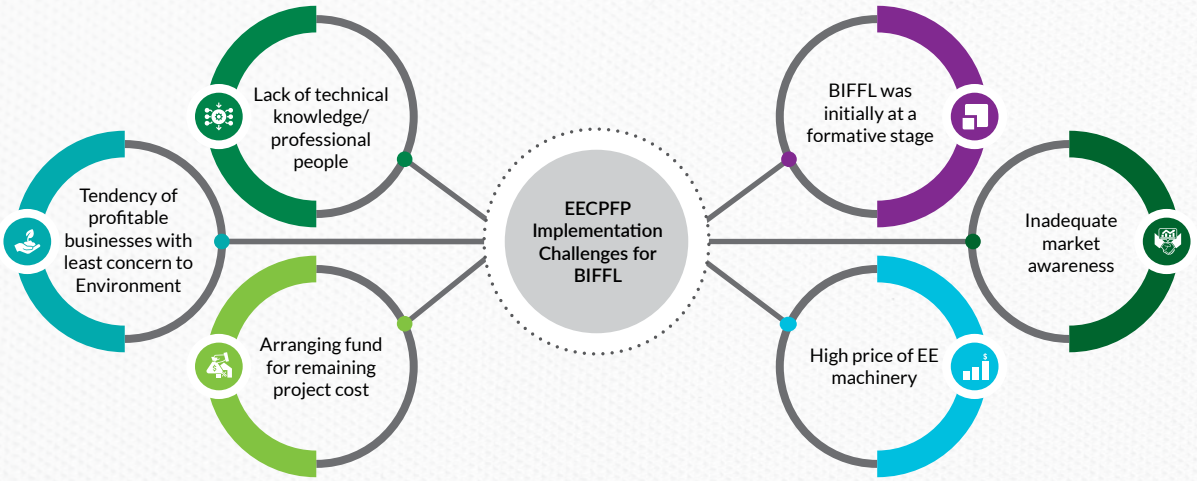
Features of the Loan

Total Available Fund	USD 50 million
Amount Threshold	Maximum BDT 150 crore (USD 14.02 Million) Minimum BDT 0.5 crore (USD 46.7 Thousand)
Interest Rate	5% p.a. (standard minimum)
Tenure of Loan	Depending on project cash flow
Grace Period	Depending on project need
Eligibility	As set forth by SREDA from time to time

EECPFP Phase II

The EECPFP Phase II has started last year. In this regard, Subsidiary Loan Agreement has been signed in January 2020. The major features of the fund are:

Agreement in May 2019	USD 100 million for BIFFL	5%-7% p.a. Interest	Increased eligible machinery	EE Home Appliances



Activities to Overcome Challenges

Create Awareness at both micro & macro level	Promote EE related programs	Design viable finance schemes for EE	Undertake Technical capacity building	Enter into Partnership with stakeholders
Arrange seminars & expos	Engage in sourcing fund mix	Engage consulting team	Strive to maintain cooperative relationship with regulators	Explore other sources

Investment in Green construction Materials Contribution in Carbon Reduction

Brick making is one of the largest sources of greenhouse gas emissions in Bangladesh estimated to produce 6 million tons of CO_2 annually. 90% of existing brick kilns is based on 150-year-old technology that is highly energy intensive and emits huge carbon. A study conducted by BUET shows that a traditional brick kiln consumes 24 tons of coal a year and emits some 1500 tons of CO_2, making it one of the worst greenhouse gas emitters in the country. Most brick kilns in Bangladesh are highly polluting since they use crude technology and low-quality coal for fuel.

To replace these air polluting traditional brick kilns, BIFFL so far invested in 10 green brick projects based on environment friendly tunnel kiln technology which will contribute to the reduction of greenhouse gas emissions. In addition, the new technologies use the heat generated for drying of the bricks instead of letting them out, thereby reduce environmental impact. It is estimated that 1 modern kiln can replace about 8 conventional brick kilns. According to this calculation, BIFFL's investment is equivalent to replacing 80 conventional brick kilns which will reduce emission of 120,000 tons of CO_2 in a year.

Human Capital

At BIFFL, "Human Capital" is considered as a key element in improving the assets, since it is a sustainable competitive advantage and increases the employees' efficiency to accelerate the achievement of the organization's goals. BIFFL strongly believes that human capital plays an important role in people's development, improving the life and income, increasing knowledge, skill, and production capacities, economic growth and reducing poverty which facilitates the achievement of SDG 2030. In this present world, where knowledge and communication with customers have gained increasing importance, human capital, which shows the volume of knowledge, technical skills, creativity, and experience of the organization, gains great importance, thus human resource is considered as productive assets not costly assets. BIFFL attracts, develops and retains employees by ensuring equal opportunity, training and development opportunities, attractive remunerations and fringe benefits etc. That is why BIFFL has become a great place to work where people can excel in their performance with joy and pride.

BIFFL's Code of Conduct

Rigorous Training and Workshops

(BIFFL always concentrates on continuous development of all the employees)

Equal opportunity, career progression and diversity

(All employees are treated equally and fairly, not disadvantaged by prejudices or bias)

Employee Engagement

(Birthday celebrations, family day, annual retreat, iftar party, Womens' day celebration, Pahela Boishakh and Happy New Year celebration)

Awards and Recognition

(Monetary/ Non-monetary; acknowledgment in company newsletter or team meetings)

Work-Life Balance

(Encouraged to leave work issues at work and home issues at home)

Competitive Remuneration and Benefits

(Attractive and competitive salary as well as other benefits to the employees)

Human Rights, and Safety

(Achieved LEED green building certification from USGBC)

Succession Planning

(Managing resourcing strategy, HR demand/ supply analysis, HR planning and auditing, skills analysis)

BIFFL's Human Capital at a Glance

66	56	10	15
Total Employees	Permanent Employees	Contractual Employees	Female Employees

Intellectual Capital

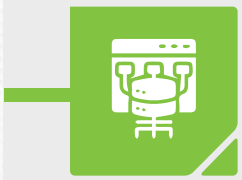
BIFFL, as a learning organization, chooses the investment in individuals, because people are valuable human capital with different qualities. Over the last couple of years, BIFFL strengthens the knowledge and awareness of leadership through training programs and recognizes the contribution of training towards enhancing efficiency and profitability. It hires attitude and then trains them for skill. Accordingly, BIFFL always concentrates on continuous development of all the employees of the company so that they can develop new skills as well as sharpen their own skills. Every year, BIFFL's HRD facilitates good number of learning opportunities for the employees. As a result, profitability per employee has been one of the highest in the industry for years.

Human

- Employee excellency ensures employees with technical know-how
- Excellent academic knowledge and past experience to deal in
- Vast amalgamation of experienced people from different sectors in the business arena

Structural

- Common spirit of the firm, 'One Team, Big Dream. Be the Best!'
- Entertain best-in-the-sector cultural practice to ensure an aesthetic work environment
- Well adept internal database management system to ensure uninterrupted work experience



Relational

- Well recognized brand among the banks and NBFI's available in this sector
- Well maintained relation base among the other players in the sector
- Strong relation with the regulatory bodies ensures higher compliance
- Good customer relationship ensures better performance of the portfolio

Social and Relationship Capital

Stakeholder Engagement

Social and relationship capital refer to the cooperative relationships with our customers, clients, capital providers, regulators and other stakeholders that we create, develop and maintain to remain commercially and socially relevant, and operate as a responsible corporate citizen. At BIFFL, this capital is the cooperative and supportive relationships we share with all concerned in our business ecosystem. BIFFL's social and relationship capital also enable it to create new business opportunities and contribute to the development of other forms of capital. In other words, it is social and relationship capital provides itself with the opportunity to operate as a leading NBFI in the country.

Key Stakeholders Targeted	How we engage	BIFFL's Sustainable Business Objectives
 Customers	- Website - Print media - Annual General Meeting - Faster service - Dedicated departments - Customer relationship teams	- Provide quality product/ service that meets absolute needs of customers - Careful management of operations so as to protect customer interest especially of depositors
 Regulators	- Statutory reporting - Meetings as and when required - Emails - Letters - Verbal communication	Ensure compliance with all regulatory guidelines and directives
 Employees	- Training programs - Employee days -Sports and recreational activities - Celebration of Women's Day - Annual retreat	- Continuously encouraging employees and working towards creating a healthy, ethical and supportive work environment - Nurturing human capital to ensure sustained collaboration with the company
 Local Communities	- CSR initiatives - Website - Social media page - Marketing events - Seminars and workshops	- Adding value to the society - Conducting business without causing disruptions in the society
 Environmentally interested groups/ Non- Government Organizations	- Green project financing - CSR initiatives - Training programs, seminars and workshops to involve more in environment friendly initiatives	- Conducting business without harming the environment

Large Infrastructure

The Government has identified infrastructure as a key factor for economic growth and is making it a priority in its plans for national development. Investing in infrastructure is seen as an essential part of the strategy to expand the economy and create jobs.

BIFFL was established to expedite the country's economic growth by facilitating large-scale infrastructure and Public Private Partnership (PPP) projects. Turning this mandated goal into a reality is what the Large Infrastructure Unit is working for. This is the largest unit in BIFFL based on portfolio size and operations.

This unit focuses on Power and Energy, Transportation and Communication, Economic Zones, Tourism, and Healthcare sectors, mainly through Public-Private Partnership (PPP) projects and other large-scale infrastructure projects. Given the limited short-to-medium-term funding options available in the local market and the long-term requirements of large-scale infrastructure projects, there is often a mismatch between what is needed and what financiers can offer. The unit seeks to address this by providing longer-term loans based on the cash flow generated by the projects.

The unit is aiming to broaden its range of financial products in the upcoming years by integrating new sectors into its portfolio and providing more inventive financial solutions tailored to particular project requirements. At present, it has access to financial sources including the World Bank's IPFF-II fund and the Asian Development Bank's refinancing schemes. Additionally, it hopes to set up new affiliations with other multinational entities to gain access to low-interest and long-term financing.

Business Model

The Credit & Investment Department of BIFFL is responsible for providing financing to infrastructure and PPP projects. This division functions separately with distinct areas of attention but has a shared goal of enabling the financing of infrastructure & PPP projects within the nation. For meeting the requirements of the eligible projects in line with BIFFL's credit policy, both external infrastructure credit lines and internal funds are utilized.

Initiation Stage

- In this stage, BIFFL seeks new business proposal from customer

Due Diligence Stage

- Obtain initial consent from BIFFL Board
- Details due diligence and analysis of the project

Documentation and Disbursement Stage

- Documentation as per sanction letter
- Disbursement as per client request

Approval Stage

- Credit Committee approval
- Executive Committee approval
- Board approval

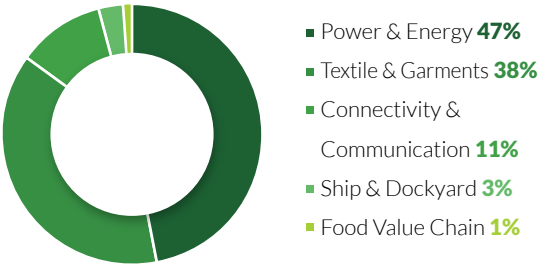
Monitoring Stage

- Monitoring of regular repayment
- Monitoring of compliance

Investments

In 2022, large Infrastructure Unit disbursed a total of BDT 394 crore and 47% of its overall disbursement was in power Sector which is around BDT 186 crore. At the same time, it has focused heavily on the textile & garments sector, disbursing around 38% of its total disbursement in 2022 which is around BDT 150 crore. The notable projects of this unit which was disbursed in 2022 was Dhaka By-pass Expressway Development Co. Ltd., Technaf Solartech Energy Ltd., Anlima Energy Ltd. and Karnafuly Dry Dock Ltd.

Sector-wise Disbursement (%)



Dhaka By-pass Expressway Development Company Limited

The Dhaka By-pass Project has been identified as one of the strategically important infrastructures necessary to support such economic growth which will connect different parts of the country more efficiently. The Dhaka By-pass Road is a strategic corridor for freight movement linking the manufacturing center to the north of Dhaka with the center of shipping activity at the port of Chittagong in the south. A two-stage bidding was conducted by RHD in 2017 for implementing the up-gradation of existing 02 lanes road into 04 lanes through PPP (the "Project" or "Dhaka By-pass Project"), where the Consortium of (i) SRBG, China (ii) Shamim Engineering Limited, Bangladesh (iii) UDC Construction Limited was identified as the preferred bidder through a rigorous technical and financial evaluation. Selection criterion was lowest VGF and highest revenue sharing with the contracting authority i.e. RHD. After that they formed the SPV Dhaka By-pass Expressway Development Company Ltd. The PPP contract of the project has been signed on December 6, 2018 between the Roads and Highways Department (RHD) under the Ministry of Road Transport and Bridges and the Consortium.

The project area involves approximately 48 km of road, which connects national highways N4 (in the north) to the N1 (in the south), traversing the N2 and N3, numerous regional highways and zila (district) roads. The road will provide for a major arterial connection between the industrial zones north and northeast of Dhaka with the port connection to Chittagong in the south. The total cost of the project is BDT 3,585.87 crore and BIFFL, China Development Bank and China Citic Bank are going to finance this project. BIFFL approved a term loan of BDT 1,075 crore to this project and the first disbursement was made in April 2022.

Teknaf Solartech Energy Limited

BIFFL disbursed a term loan facility of USD 10.00 million in 2022 for establishment of a Grid tied Solar Park of 27.9 MW capacity as an Independent Power Producer (IPP) namely Technaf Solartech Energy Limited at Alikhali, South Nhila, Teknaf, Cox's Bazar beside Arakan Road to supply contracted electricity of 20 MW on Build-Own-Operate (BOO) basis under PPA with BPDB for a period of 20 years. The estimated cost of the proposed power plant is approx. BDT 301.65 crore.

Anlima Energy Limited

Anlima Energy Limited (AEL), a sister concern of Anlima Group, was incorporated as a private limited company on 18 October 2010. AEL was formed to establish an Independent Power Project (IPP) after being awarded the IPP by Bangladesh Power Development Board (BPDB) through a Letter of Intent (LOI) dated 18 April 2016 for the development of an HFO-fired power plant of 116 MW capacity at Patiya in Chittagong, just beside Karnafuly river. Having met all the conditions and documentary requirements of BPDB, AEL has already signed a Power Purchase Agreement on July 31, 2017 and Implementation Agreement on August 23, 2017. As a financial partner, BIFFL disbursed BDT 100 crore to this project in April 2022.

Karnafuly Dry Dock Limited

Karnafuly Dry Dock Limited (KDDL), managed by some highly qualified and long experienced personnel, is planning to establish a Dry Dock under the administrative limit of the Chittagong Port Authority (CPA) at the bank of river Karnafuly to facilitate the repair and construction of ships. This project will be the first of its kind in the private sector of Bangladesh. It is comprised of 8 (eight) acres of land with 2 (two) slipways each of 560 feet length and a fully equipped marine workshop. It has marketing offices in Singapore and United States with drawing-design features dealt by G B Marine (Singapore) Limited.

Contribution in Power Sector

BIFFL funded a total number of 16 projects in power sector of Bangladesh amounting BDT 1037.68 crore till December 2022. All power projects financed by BIFFL are currently producing and providing approximately 1818 MW power to the national grid of the country. Out of the total 16 power projects BIFFL has approved a solar project having 20 MW namely Technaf Solartech Energy Limited which was disbursed in March 2022. In 2022 BIFFL disbursed around BDT 178 crore to power sector.

Notable Projects of Large Infrastructure Unit

Bangladesh Technocity Limited

Dhaka Bypass Expressway (under construction)

First Dhaka Elevated Expressway (under construction)

Pahartali Textiles and Hosiery Mills

JMI Industrial Gas Limited

Ashuganj Power Station Company Limited

Sustainable Finance & Green Banking

Areas of Investment

- Renewable Energy
- Energy and Resource Efficiency
- Waste Management and Recycling & Manufacturing of Recyclable Goods
- Environment Friendly Brick Production
- Green/Environment Friendly Establishment
- Green and Sustainable Agriculture
- Green and Sustainable CMSME

A. Services

1. Advisory Services
2. Project Finance/ Refinance
3. Fund Arrangement
4. Awareness and Promotions

B. Refinancing Schemes

BIFFL is offering soft loans from 5 (five) different refinance schemes:

A. Energy Efficiency and Conservation Promotion Financing Project (Phase1&2)

a. Source of Fund: JICA; Amount: USD 150 million; Interest Rate: 4%-7%

b. Featured Areas: Fertilizer, Paper, RMG, Glass, Cement, Steel, Food, Telco Industry, Green Building and Home Appliance.

B. Food Value Chain Improvement Project

a. Source of Fund: JICA; Amount: USD 110 million; Interest Rate: up to 6%

b. Featured Areas: i) Fruit processing industry, ii) Vegetable processing industry, iii) Spice processing industry, iv) Rice, wheat and bean processing industry, v) Edible oil producing industry, vi) Seed processing industry, vii) Organic fertilizer producers / biological pesticide producers, viii) Wholesalers and logistics industries, including warehouse and transport industries, and ix) Retail industries (including supermarkets).

C. Energy Efficiency Renewable Energy & Women Entrepreneurship Financing Project

a. Source of Fund: Agence Française de Développement (AFD); Amount: EUR 50 million; Interest Rate: 6%

b. Featured Areas: 1) Energy Efficiency, 2) Renewable Energy, 3) Women Entrepreneurship.

D. Energy Efficiency in the Industry Project

a. Source of Fund: KfW Development Bank; Amount: EUR 40 million; Interest Rate: 5-7%

b. Featured Areas: i) Energy Efficient Machinery, Equipment, Production Facilities and Processes, ii) Renewable Energy Combined with other Energy Efficiency Measures.

E. Investment Promotion & Financing Facility II (IPFF II) Project

a. Source of Fund: International Development Association (IDA); Implementing Agency: Bangladesh Bank; Amount: USD 403.7 million; Interest Rate: As per the Operational Manual of IPFF II Project

b. Featured Areas: i) Power Generation, Transmission, Distribution, Renewable Energy and Services, ii) Port Development (Sea, River and Land) including Inland Container Terminals, Inland Container Depots and Other Services, iii) Environmental, Industrial and Solid Waste Management Projects, iv) Highways and Expressways including Mass-Transit, Bridges, Tunnels, Flyovers, Interchanges, City Roads, Bus Terminals, Commercial Car Parkings etc. v) Airports, Terminals and Related Aviation Facilities, vi) Water Supply and Distribution, Sewerage and Drainage, vii) Industrial Estates, Economic Zones, Eco Parks, Theme Parks and Parks Development, viii) Social Sector including Infrastructure in Health and Education, ix) Information and Communication Technology (ICT, including Wi-Max, Internet Backbone and e-learning Facilities).

C. Applicable Environmental & Social Policies

BIFFL recognizes all pertinent national and international E&S policies, laws, rules, regulations, acts, legislations, and best practices as followings:

1. National Environmental & Social Policies & Strategies including Acts and Rules
2. Relevant International Conventions and Treaties
3. Other International E&S Standards and Guidelines
    a. World Bank's Environmental and Social Standards
    b. IFC's Performance Standards
    c. ADB's Safeguard Policy Statement
    d. JICA's Guidelines for Environmental and Social Considerations

It is worth noting that the application of specific above mentioned policies or standards depends on the sources of fund utilization.

Women Entrepreneurship Development

BIFFL started its Women Entrepreneurship Development Unit (WEDU) in September 2017 with the goal of supporting, financing and developing women entrepreneurs in Bangladesh. The unit started financing with a product named "Shoilee". It disbursed its first loan in January 2018 and has disbursed approximately BDT 6 crore until now.

Lending Policy

Product Name	Eligibility	Interest Rate	Collateral	Loan Limit
BIFFL Shoilee	Women entrepreneur having 51% or more shareholding	Bank rate + Maximum 4%	<=BDT 25 Lac-Personal Guarantee >BDT 25 Lac-Other suitable security collateral	BDT 50 Lac

Under this program, the women owning at least 51% shares in any business can apply for the loan from BIFFL. Interested women entrepreneurs can apply only with the reference of a personal guarantor. However, for the loan of more than BDT 25 lac, the borrower will need to provide mortgage as collateral. The loan amount cannot be more than BDT 50 lac per borrower.

Sector-wise Borrower Status

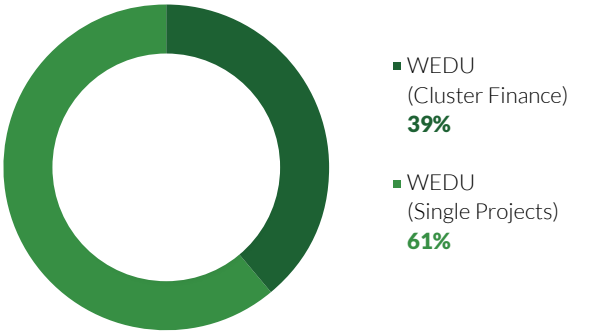
WEDU has clustered 157 borrowers in Rupganj and 85 borrowers in Bagerhat for the cluster financing in Jamdani and Crab farming sector, respectively. These two are the largest sectors sharing half of the investment under WEDU. Besides, WEDU has financed 35 single projects in total and a total number of 90 projects of WEDU and WEDU cluster financing had paid off their debt obligation till the year 2022.

Sector-wise Lending Status

In the loan portfolio of WEDU, the highest share of 61% of the total investment is held by WEDU single projects. The remaining 39% of share is held by the WEDU cluster financing sector.

Sl No.	Particulars	Number of Projects	Total Disbursement	Total Outstanding	% of Disbursement
1.	WEDU (Single Projects)	35	BDT 3.68 crore	BDT 1.22 crore	61
2.	WEDU Cluster Finance	242	BDT 2.32 crore	BDT 0.50 crore	39
Total			**BDT 6.00 crore**	**BDT 1.72 crore**	**100**

Sector wise Lending Status (%)



Cluster Finance: An Innovative Financing Solution

Jamdani Palli

Jamdani Palli encompasses Noyapara, Kazipara, South Ruposhi, South Noyapara and East Borabo at Rupganj thana in Narayanganj district. The life of the people of this Palli is centered around weaving. Each house has at least one loom. If the wheels of the loom do not turn, the wheels stop as well. In the absence of cash, the weavers of this region could not hire workers. It was tough for them to manage two meals a day, the other daily necessities were even harder to come by.

Even a couple of years ago that was a general picture of this place.

In the meantime, BIFFL helped 157 women to become self-reliant through a loan with low interest rate. Our team visited the Jamdani Palli several times and discussed with women entrepreneurs about their difficulties in this sector and how to remove the problems they face. Most of them did not have their own looms and required capital for the smooth operation of their small business. So, BIFFL decided to finance them for establishing their own loom and removing other financial problems they face; like hiring assistants (skilled & semi-skilled), for purchasing thread etc. BIFFL made a cluster of this Jamdani Palli and extended an amount of BDT 1,00,000 as loan to each borrower.

So far, Jamdani Palli has been one of the most successful projects of WEDU cluster financing. Within a few years, the image of this place has radically changed. Today, every house in this Palli spends busy time in weaving Jamdani Sarees. As the income has increased, the living standard of the people of this area is also increasing every day. Earlier, where all the hard work was done by themselves, the weavers now can hire workers to help them. They no longer have any liability to 'Mahajans' (loan sharks) or any need to sell their products through any third party at a lower price.

Crab Farming

BIFFL is also financing crab farming for developing our economic growth. The WEDU team visited different villages in Khulna and Bagerhat districts like Bhaga, Malidangha, Rampal several times. The team talked with the women who are working directly in crab farming and know their problems. Then BIFFL made a cluster of 34 people in the first phase and 51 people in second phase for crab farming.

In continuity of women development, BIFFL also contributes to boutiques, parlor, farming and many other sectors. BIFFL has also been approached by many from the service sector for loans.

Treasury Operation

In 2022, BIFFL's treasury activities in Bangladesh's financial market were a testament to their dynamism and profitability. The treasury team, through their astute management and innovative approach, maximized profits with minimal risk, showcasing adaptability and best industry practices.

With careful negotiations and prudent execution of investment decisions, the treasury team efficiently managed funds and continuously monitored liquidity conditions, capital adequacy, base rates, and balance sheet resilience. Timely adjustments were made to maintain financial stability, ensuring BIFFL's success in navigating the uncertainties of the market.

One of the key highlights of BIFFL's treasury activities in 2022 was their strategic investment in Govt. T-bills, with a significant investment of BDT 500 crore. This move not only boosted the overall rate of return but also minimized risk to the best possible extent, adding to BIFFL's financial performance.

The treasury team's unwavering efforts and strategic investments, including Treasury Bills, played a pivotal role in positioning BIFFL as a leading financial institution in Bangladesh. Their dynamic and profitable performance in 2022 left a lasting impression, showcasing their expertise in efficient fund management and prudent risk mitigation practices.

Money Market

Upon carefully analyzing the data for the Call Money volume and rates in Bangladesh's financial market for the year 2022, the following observations can be made:

First Quarter: The Call Money volume remained relatively stable, ranging from BDT 152,003.12 crore in January to BDT 157,172.50 crore in March. However, there was a slight increase in the Weighted Average Call Money rate, from 2.43% in January to 2.66% in March, indicating a slightly higher cost of borrowing for short-term funds during this period.

Second Quarter: There was a significant increase in both the Call Money volume and rates during the second quarter. The Call Money volume rose to its peak at BDT 166,229.32 crore in June, while the Weighted Average Call Money rate also increased to 4.88%. This could be attributed to improved market liquidity, increased demand for short-term funds and positive economic performance during this period.

Third Quarter: The Call Money volume remained relatively stable, ranging from BDT 99,375.77 crore in September to BDT 129,443.21 crore in August. However, there was a slight increase in the Weighted Average Call Money rate, from 5.49% in August to 5.53% in September, indicating a slightly higher cost of borrowing for short-term funds.

Fourth Quarter: The Call Money volume decreased significantly in the fourth quarter, ranging from BDT 62,894.12 crore in December to BDT 106,145.86 crore in October. The Weighted Average Call Money rate remained constant at 5.80% throughout the quarter, potentially influenced by seasonal factors and reduced market activities towards the end of the year.

These fluctuations in the Call Money volume and rates could be attributed to various factors, including changes in market liquidity, demand for funds, economic performance, and seasonal dynamics. It is essential for financial institutions to closely monitor these trends and adapt their strategies to effectively manage risks and optimize treasury operations in the dynamic financial market environment of Bangladesh.

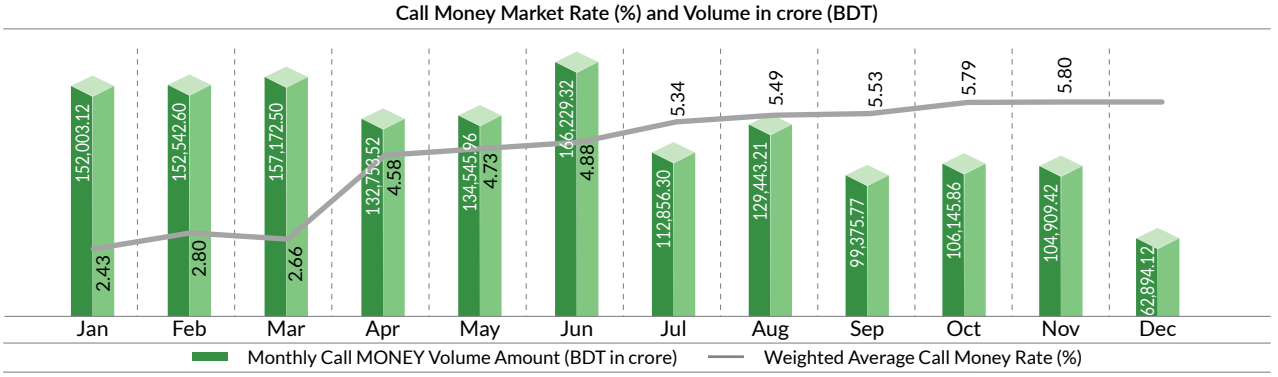


Figure: Call Money Market Rate (%) and Volume in amount in crore (BDT)

BIFFL's prudent fund management practices involved optimizing the allocation of funds across different assets and liabilities, while considering factors such as risk, return, and liquidity requirements. Additionally, they carefully matched the maturity profiles of their assets and liabilities to minimize any potential liquidity mismatches that could arise.

Government Treasury Bills and Bonds

In 2022 Bangladesh Bank held primary auctions of Govt. Treasury Bill and Bond of a total of BDT 2,519.22 billion, where BDT 1,758.68 billion through T-Bill and BDT 760.54 billion through T-Bond.

Compared to 2021, the amount of primary auction of Govt. T-bills and bonds has increased by a total of 60% in 2022, while T-Bill increased by 88% and T-Bond increased by 20%.

T-Bill & T-Bond rate trend 2022:

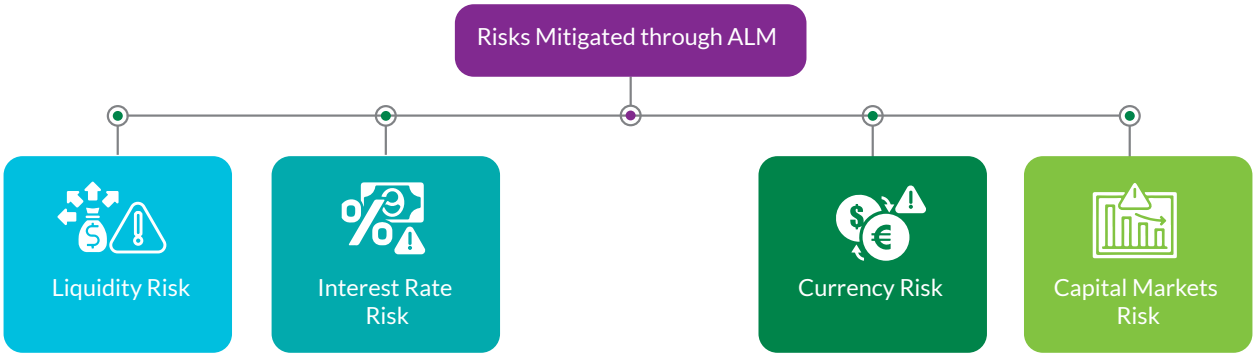
T-Bill/ T-Bond	High rate	Low rate
91 Days T-Bill	7.30%	2.14 %
182 Days T-Bill	7.50%	2.68%
364 Days T-Bill	8.00 %	3.39 %
2 Year T-Bond	7.55%	4.25%
5 Year T-Bond	7.90%	5.75%
10 Year T-Bond	8.33%	6.48%
15 Year T-Bond	8.77%	7.29%
20 Year T-Bond	8.95%	7.50%

During the year 2022, BIFFL treasury department invested in 91 days & 182 days T-Bill as a part of attaining optimum fund management strategy.

Govt. T- Bill Investment Status as on 31 December 2022				
Auction Date	**Maturity Date**	**Type of T-Bill**	**Yield**	**Face Value (BDT)**
02-Oct-22	03-Apr-23	182 Days T Bill	6.50%	100,00,00,000
16-Oct-22	17-Apr-23	182 Days T Bill	6.50%	100,00,00,000
18-Dec-22	19-Jun-23	182 Days T Bill	7.40%	200,00,00,000
28-Dec-22	30-Mar-23	91 Days T Bill	7.20%	100,00,00,000
Total				**500,00,00,000**

Asset Liability Management

BIFFL magnificently persisted all ALM supervisory commitments within limits. Throughout the year, the effect of the pandemic Covid-19 and the Russia-Ukraine war caused an economic recession all over the world. Due to which the FIs of every country are in uncertainty and risk. ALM acts as a focal role in addressing this risk. ALM used some strategic tools to overcome the economic downturns such as mitigating interest rate risk, ensuring liquidity, reducing credit risk, and maintaining capital adequacy. Thus, ALM acts as a guide to reduce the contrast of FIs. Treasury's primary objective was to mitigate the balance sheet gap in a cost-effective manner, maximizing Net Interest Income (NII), and managing Basel II liquidity standards of Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and leverage which have also become a key concern of management and regulators around the world. Throughout the year, the treasury took a proactive method and remained a strong hand of ALCO for the asset-liability position, the commitment of FI, market liquidity, raising issues surrounding risk, potential interest rate fluctuations and transfer pricing rate for-profit centers. The obligations of ALCO during a financial depression are to ensure the institution has adequate liquidity, manage asset quality and interest rate risks, maintain sufficient levels of capital, conduct scenario analysis, and communicate effectively with stakeholders. These obligations are crucial to mitigate risks and maintain the institution's stability during difficult times. ALCO can help investors properly assess the risks they take with their financial institutions and determine their investment portfolio. BIFFL's balance sheet is now in a sustainably strong position and ready for an excelled take-off.



Key Strengths

- Highest paid-up capital among all NBFIs, providing financial stability and credibility.
- Strong management focus and support for the growth of the treasury business, allowing for potential revenue growth and diversification.
- Trading culture is anchored on rigorous regulatory compliance and risk management-based dealing discipline, reducing the potential for financial and reputational harm.
- Ability to adapt to changing regulations and compliance requirements and structure products, accordingly, mitigating regulatory risk and maintaining compliance.

Strong relationships with customers and regulators, fostering trust and potentially leading to more business opportunities.

Key Operational Milestones in 2022

The treasury team of BIFFL achieved some notable milestones in 2022, as part of its priority list, BIFFL's achievements reflect the overall growth and development of the treasury market in Bangladesh.

One of BIFFL's key achievements in 2022 was its investment in Government securities using its available funds, after meeting all the disbursement requirements. This investment strategy allowed BIFFL to optimize its portfolio and maximize returns while maintaining a high degree of liquidity and safety.

In addition, BIFFL's treasury team successfully started dealing in the Bangladesh Bank EDS money platform on time, showing respect for regulatory requirements. By using this platform, BIFFL's treasury team demonstrated its commitment to embracing new technologies and innovative practices in the treasury market.

Overall, BIFFL's achievements in 2022, as part of its treasury operations, contribute to the growth and sustainability of the financial system in Bangladesh. These achievements reflect BIFFL's expertise, agility, and commitment to delivering value to its stakeholders while maintaining the highest standards of professionalism and ethics in its operations.

Treasury Priorities for 2023

Considering the current market conditions, with regulators proceeding with caution and liquidity in the market becoming more limited, and with Bangladesh's economy becoming more open, the treasury department is gearing up for a significant expansion of its business. This will be achieved through a comprehensive approach involving collaboration between the treasury and other business units, with a strong focus on optimum utilization of funds along with prudent risk management.

- Identify and capitalize on suitable investment opportunities in the money market and Government securities.
- To realize the company's vision, specific actions have been identified, including efforts to recover investments made with different banks and non-bank financial institutions.
- Diversifying the treasury business, to ensure long-term sustainability and growth.
- Focusing on implementation of RTGS Payment System for higher operational efficiency.
- To monitor and manage risks, there will be a robust risk management framework.

Empowering Business through IT

We believe in empowering business through Information Technology. Thus, we are able to adapt the idea of smarting everything through technology. Over the years, BIFFL re-engineered its technical infrastructure to be modern, resilient and scalable.

We are continuously transforming our platform through scalable IT infrastructure and application of programming interfaces that enable us to automate business and ensure better performance.

Strategic goals

Implementing advanced but proven technologies in line with developing trends through continuous evaluation ensuring cost effectiveness and reliability

Ensuring all technology solutions and policies are consistent with all standards and security mandates such as- Bangladesh Bank ICT Guidelines in terms of confidentiality, integrity and availability of all electronic data

Centralizing tech support to minimize cost and service time

Implementation of security information and event management solution to monitor security threats

Security assessment and remediation of weaknesses in IT infrastructure

Implementation of a real-time online web-based portal to make an effective platform for interactions between customers, business partners, employees and other stakeholders

The Way Forward

A scalable automated MIS environment

A fully augmented MIS and business automation system will be implemented for future business growth across the enterprise. When automation is implemented, it streamlines document management completely, making it effortless. Data organization and retrieval is simplified. Confidential data can be secured with role-based access. Accurate information moves smoothly between processes, increasing employee productivity by leaps and bounds.

Cyber Security Initiatives

Data theft is a trending phenomenon primarily caused by users of the systems and services with access to technology such as database servers, desktop computers and a growing list of hand-held devices capable of storing digital information, such as USB flash drives, iPods and even digital cameras. The dynamic management of BIFFL has realized the importance of network and cyber security and has approved an ICT Security Policy which complies with all the requirements of Bangladesh Bank.

Statement of Financial Relations

Financial Relations activities mainly focus on engagement with the development partners to leverage BIFFL's portfolio by making sustainable and long-term financial solutions available in the backdrop of Bangladesh's long-term financing gap and national infrastructure development goals.

Besides, it also involves maintaining liaison with other banks/financial institutions, Government, and development partners in order to arrange funds for its borrowers under syndication, club financing, co-financing, refinancing, bridge financing etc. as required for various projects.

Syndication

Loan syndication has always been an important part of the financial landscape of Bangladesh to diversify risks by sharing, as well as to tackle capital and/or exposure limit constraints while financing large projects. BIFFL partners with peer banks/FIs for the projects of its borrowers in most of the cases becoming either the lead arranger or participating lender. In 2022, BIFFL successfully completed a number of milestone transactions in ADB, AFD, JICA and World Bank funded projects.

Engagement with Development Partners

Bangladesh Government's 8th Five Year Plan, Perspective Plan of Bangladesh 2021-2041 and other medium and long-term development plans addresses the need for financing to develop country's infrastructure. Although the Government has been encouraging private sector participation keeping PPP at the core of its infrastructure development strategy, Bangladesh is facing about USD 9-10 billion long-term financing gap every year. Besides, as per Bangladesh Government's commitment to SDG, Government is also putting priority on different sustainable development areas including development of renewable energy sector, promotion of energy efficiency and conservation, waste management and recycling, agriculture and food processing sector development etc. Such development also requires substantial long-term funding. The nature of financing requirement for such projects demands alternative financing solutions from development partners i.e., JICA, the World Bank, ADB, KfW, AFD etc. BIFFL is in the process of having/has access to the following development partners' loans:

Japan International Cooperation Agency (JICA)

EECPFP & EECPFP-2

Under the 37th Japanese ODA loan package, GoB and Government of Japan have signed an agreement on Energy Efficiency and Conservation Promotion Financing Project (BD-P90) of JPY 11,988 million. Out of this amount JPY 4,989 million was made available to BIFFL for on-lending to the eligible energy efficient projects. Besides, BIFFL received JPY 574 million as TA for 6 years as grant. SREDA as an agent for GoB is providing technical support for implementation of the project.

Considering the unprecedented success of EECPFP and huge market demand for the loan, JICA extended the 2nd phase of the project named "Energy Efficiency and Conservation Promotion Financing Project Phase-2" under the 40th Japanese ODA Loan Package. Out of the total fund of JPY 20,076 million, BIFFL received JPY 9500 million for on-lending to the eligible projects. This allocated fund is almost double that of the phase-1 fund and is now available with BIFFL.

Till date, BIFFL has approved a number of projects amounting BDT 11,050 million. Out of the approved

amount, BDT 3,336.80 million has already been disbursed and remaining amount is waiting for disbursement.

General Terms and Conditions of On-Lending Loan

Borrower	Any companies and businesses meeting the eligibility criteria of the Project
Currency	Bangladesh Taka (BDT)
Amount	Maximum BDT 1,500,000,000
Term	Long-term; Tenure is set depending on the nature of the project
Grace period	Grace period will be determined as per project nature
Interest rate	5%-7%.
Security	To be determined by agreement between BIFFL and End-Borrowers in compliance with the rules and regulations in Bangladesh

To know more please scan the QR Code:

FVCIP

JICA extended a loan facility to the People's Republic of Bangladesh under the 41st Japanese ODA Loan Package through initiating "Food Value Chain Improvement Project (FVCIP)" with an amount not exceeding JPY 11,218 million. The objective of the project is to improve financial access for agribusiness and food processing industries and to enhance their capacity in business development, food processing, and food safety by providing concessional financing and technical assistance. A part of the loan proceeds will be used for appointing consulting firm for assistance in implementation of the project. Ministry of Industries is the sponsoring ministry of the project while BIFFL is the sole implementing agency. The fund is now available with BIFFL for on-lending. Till date, BIFFL has approved a number of projects amounting BDT 2,152 million.

General Terms and Conditions of On-Lending Loan

Borrower	Any companies and businesses meeting the eligibility criteria of the Project
Currency	Bangladesh Taka (BDT)
Amount	Maximum BDT 500,000,000
Term	Long term loans: 5 - 10 years including a grace period of 2 years Medium term loans: 2 - 5 years including a grace period of 1 year
Interest rate	Not exceeding 6%
Security	To be determined by agreement between BIFFL and end-borrowers in compliance with the rules and regulations in Bangladesh

To know more please scan the QR Code:

World Bank IPFF-II

Bangladesh Bank has been implementing Investment Promotion and Financing Facility II (IPFF-II) Project, a project of Finance Division, Ministry of Finance supported by the World Bank (WB), with five years tenure from July 2017 to June 2022. IPFF-II Project has two components: (i) Long-term infrastructure financing component of USD 403.70 million and (ii) Technical Assistance (TA) component of USD 13.00 million. The project is established with a view to increasing long-term financing for infrastructure and to build the capacity of the local financial institutions for promoting private sector-led infrastructure financing in Bangladesh.

As an eligible participating financial institution, BIFFL has access to long-term infrastructure financing component (USD 403.7 million) under IPFF-II of the World Bank for on-lending and investment in support of long-term infrastructure projects by private sector investors. In addition to conventional debt, this component supports leveraging the market through innovative and diverse financial instruments. BIFFL is entrusted with the responsibility for creating, promoting and developing innovative infrastructure finance instruments utilizing the tentative allocation of USD 1.9 million under TA component. BIFFL received refinance for on-site development of a hi-tech city and for a dry dock project to the extent loan disbursed. Currently, BIFFL is in the process of obtaining refinance for a PET recycling project and a number of grid-tied solar power projects through conventional debt segment of IPFF-II. The project has been extended upto April 2024.

ADB

In 2020, Government of Bangladesh signed an agreement with the Asian Development Bank (ADB), which would be providing a 25-year long credit line worth USD 50 million to BIFFL for re-lending to eligible sub-projects structured through PPP modality. BIFFL is receiving technical assistance of USD 650,000 as per the agreement. The project will support the Government of Bangladesh's efforts in strengthening BIFFL's institutional capacity to develop PPP infrastructure projects. The support will help to restart infrastructure development, spur economic growth, and generate jobs during the recovery from the Covid-19. It will help ease Bangladesh's infrastructure financing constraint, alleviate poverty by creating jobs during both the construction and operation phases of the infrastructure projects.

Utilizing the above credit facility, BIFFL has signed the Common Terms Agreement for providing BDT 1,075 crore loan to Dhaka By-pass Expressway development PPP project. Successful execution of this project may lead to further lending in this area from ADB.

Besides, BIFFL and ERD are in discussion with ADB for a credit facility for the "Scaling Up Energy Efficiency Project".

AFD

With a view to financing investments in the fields of energy efficiency, renewable energy and women entrepreneurship projects of BIFFL, the GoB, represented by ERD and Agence Française de Development (AFD) have executed a Credit Facility Agreement of EUR 50 million along with a Technical Assistance grant of EUR 560,000. This loan is intended to be on-lent to BIFFL for its implementation at the level of private or public-private investors. The loan agreement was signed in August 2021 and is projected to support target sectors. The grant facility agreement has been signed in February 2023.

General Terms and Conditions of On-Lending Loan

Borrower	Any companies and businesses meeting the eligibility criteria of the project
Currency	Bangladesh Taka (BDT)
Amount	Maximum BDT 1,150,000,000
Term	Long-term; Tenure is set depending on the nature of the project
Grace period	Grace period will be determined as per project nature
Interest rate	Not more than 6%
Sectors	Energy Efficiency, Renewable Energy, Women Entrepreneurship
Security	To be determined by agreement between BIFFL and end-borrowers in compliance with the rules and regulations in Bangladesh

To know more please scan the QR Code:

KfW

In 2022, the Government of People's Republic of Bangladesh (GoB) and Kreditanstalt für Wiederaufbau (KfW), the German state-owned development bank, signed a loan agreement of up to EUR 80 million along with a grant agreement of up to EUR 2 million to implement the project 'Energy Efficiency in the Industry (EEI)'. GoB will channel a loan portion of up to EUR 40 million and a grant portion of up to EUR 1 million to BIFFL, one of the project-executing agencies, for implementation of this project.

The purpose of the project is to extend refinancing facility of sub-loans to industrial companies, including Small and Medium Enterprises (SMEs), for investment in energy efficient extensions and/or replacements of equipment and machinery as well as production processes which shall, in each case, realize a final energy consumption and associated CO_2 reduction by at least 20%. As such, this project will contribute to an economically, ecologically, and socially sustainable use of energy in Bangladesh.

The grant portion will be used for the expert services that will help ensure capacity building and pipeline development of BIFFL, conducting eligibility assessments and monitoring of sub-loans and supporting BIFFL in maintaining Environmental and Social (E&S) requirements.

Technical Unit

BIFFL, being a specialized financial institution, invests in various power plants, expressways, railways, dry docks and energy efficient technologies. Often these projects are complex in nature and involve sophisticated technologies. Besides, BIFFL also provides consultancy services that involve technical feasibility studies. Furthermore, BIFFL receives funds from various development partners (such as JICA, ADB etc) which have specific technical requirements to be met. Realizing the importance, BIFFL management established a full-fledged Technical Unit from the very beginning. Currently, the technical unit consists of an electrical engineer and a civil engineer. The unit conducts project appraisal and due diligence of the upcoming projects. It also monitors the implementation status of the existing projects on a regular basis. The unit collects and prepares necessary technical documents for any regulatory approval as well.

Several training sessions were arranged previous years by BIFFL to increase the technical knowledge of its staff. Some of the workshops attended include: Online German Training Week Solar (GTWS) by GIZ, workshop on Energy Audit Findings by SREDA, Energy Efficiency and Conservation in the Ice Cream Industries arranged by SREDA etc. An Operational Manual for the AFD funded 'Energy Efficiency, Renewable Energy and Women Entrepreneurship Financing (EEREWEF)' project was also developed. Besides, the technical unit engaged with KfW to develop technical appraisal process for the upcoming energy efficiency credit line by KfW. This will also help the unit manage technical issues in future energy efficiency financing projects.

Human Resources

At BIFFL, "Human Capital" is considered a key element indicating the overall health of the company. It ensures sustainable competitive advantage and increases the employees' efficiency to accelerate the achievement of the organization's goals. BIFFL strongly believes that human capital plays a key role in employee development; improving life and income; increasing knowledge, skill, and capacities, economic growth; and reducing poverty which facilitates the achievement of SDG 2030. In this world where knowledge and communication with customers have gained increasing importance, human capital, which represents the volume of knowledge, technical skills, creativity, and experience of the organization, gains foremost importance; thus, human resources is considered a productive asset. BIFFL attracts, develops, and retains employees by ensuring equal opportunity, training and development opportunities, attractive remunerations, and other fringe benefits. As a result, BIFFL has become a wonderful place to work where people do not just excel at their jobs, but also enjoy it.

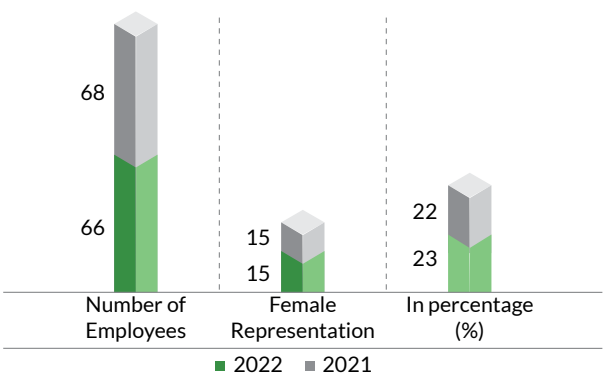
Human Resource Analysis

Head Count		
Employee	**2022**	**2021**
Permanent Employee	56	57
Contractual Employee	10	11
Total	**66**	**68**

Female representation and percentage

Particulars	2022	2021
Number of Employees	66	68
Female Representation	15	15
In percentage (%)	23	22

Gender Distribution of Employees



Code of Conduct and Ethical Guidelines

BIFFL has Employees Service Rules adopted by the Board in line with the guidelines of the Bangladesh Bank. The rules provide employees with a Code of Conduct and Ethical Guidelines. As per the guidelines, all the employees of BIFFL, have to maintain the Code of Conduct and demonstrate the highest ethical standards. These are the core values of BIFFL that employees must follow and nurture. Ethical guidelines, behavioural patterns of the employees, and what the employees should do and what they should not, are elaborately incorporated into the rules. BIFFL manages its employees putting into practice its Employees' Service Rules. BIFFL's core behaviours encourage employees to speak up and have open conversations. BIFFL's Code of Conduct, compliance standards, and policies guide our day-to-day decisions, actions, and behaviours and govern our business. Any known or suspected incidents of illegal, unacceptable, undesirable conduct such as harassment, corruption, and forgery, etc are viewed with zero tolerance.

Training & Development

BIFFL, as a learning organization, chooses the investment in individuals, because people are valuable human capital with different qualities. Over the last couple of years, BIFFL strengthened the knowledge and awareness of leadership through training programs and recognizes the contribution of training towards enhancing efficiency and profitability. It hires attitude and then trains for skill. Accordingly, BIFFL always concentrates on continuous development of all the employees of the company, so that they can develop new skills as well as sharpen their available skill sets. Every year BIFFL human resources facilitates a good number of learning opportunities for the employees. As a result, employee profitability has been one of the highest in the industry for years.

Table: Training at Home and Abroad

Particulars	No. of Participants in 2022	No. of Training in 2022
Home	44	23
Abroad (Online)	01	01

Equal Opportunity, Career Progression, and Diversity

BIFFL ensures equal opportunity for all employees. They are treated equally and fairly. They are not disadvantaged by any prejudices or biases. We do not have discrimination on the grounds of gender, age, racial origin, religious affiliation, disability, or marital status. Employment decisions are taken on the basis of an individual's ability to do a particular job. BIFFL evaluates performance of the potential employees on the ground of their capacity, experience, and potential.

Work-Life Balance

BIFFL believes a work-life balance can play a vital role in a positive employee-employer relationship. When employees feel a greater sense of control and ownership over their own lives, they tend to have better relationships with management and are able to leave work issues at work and home issues at home. Balanced employees tend to feel more motivated and less stressed out at work. Thereby, it increases BIFFL's productivity and reduces the number of conflicts among co-workers and management.

Remuneration and Benefits

In terms of facilitating employees with a competitive package to maintain the centre of excellence, we are fully compliant with regulatory bodies. We have a market-driven salary package including fringe benefits as short-term benefits and provident funds, and gratuity as long-term benefits. In addition, we also offer soft loans to employees like Employee Home Loan, Car Loan, and Loan against Provident Funds. BIFFL offers satisfactory financial and non-financial benefits for the employees to ensure a better lifestyle, such as-

- Attractive compensation package
- Festival and incentive bonus
- Fair promotion policy
- Annual increment
- Career growth opportunities
- Training and workshops (home and abroad)
- Employee-friendly work environment
- Healthcare facilities
- Loan facilities at a privileged rate
- Retirement benefits, e.g., provident fund, gratuity fund and leave fare assistance.
- Human rights and safety

Healthy employees are productive and sustainably engaged in their workplace. We always comply with internal workplace health and safety policies. Our office is the first Government owned entity that has recently achieved LEED Platinum certification from USGBC. We encourage mothers to give more time to their children and maintain proper maternity leave. We have a day-care centre for employees with young children.

Our people are at the core of everything we do. Our highest goal as an employer is for everyone at BIFFL to feel engaged, included, respected, safe, and empowered to perform at their best. We propel their success and ours by cultivating a knowledge-based workplace, leadership development, and performance-oriented culture. This will accelerate equipping and developing our next generation of leaders.

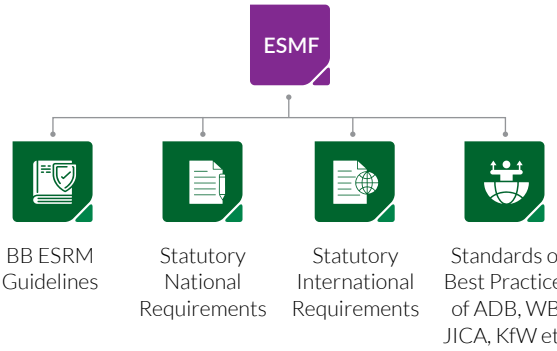
Environmental and Social Considerations

BIFFL considers environmental and social factors impacting on the environment or society when making any financing decision. Being an integral part of the economy, BIFFL as a leading financial institution is responsible to ensure sustainable development and growth for the benefits of all stakeholders, including future generations. BIFFL realizes the interconnectivity of the environmental and social factors of any project and believes these factors should be addressed in a holistic manner. To do so, BIFFL acknowledges engaging all stakeholders, including affected and local communities, indigenous peoples, and civil society organizations, so that they can contribute to the well-being of all by ensuring sustainable and equitable development.

Our Approach Towards Environmental and Social Compliance

BIFFL is committed towards the Environment and Society to achieve sustainable development. We assure protecting the Environment and Society by all of our activities and operations in light of long-term sustainability. For this purpose, BIFFL adopted its Environmental & Social Monitoring Framework (ESMF) in 2014 integrating all national E&S policies, guidelines, and procedures. The ESMF establishes a mechanism to determine and assess future potential environmental and social impacts of different projects. It also sets out mitigation, monitoring, and institutional measures to be taken during design, implementation and operation of the project activities to avoid, minimize, and where residual impacts remain, to compensate/offset environmental and social impacts to acceptable levels.

Besides, BIFFL has also adopted various multilateral development partner's Environmental & Social policies including but not limited to ADB's Safeguard Policy Statement, Environmental & Social Standards of the World Bank, IFC's Performance Standards, JICA's Guidelines for Environmental and Social Considerations.



BIFFL recognizes the significance of environment and society and primarily focuses on the following environmental and social aspects during project financing:

Environmental aspects

Air pollution	Water pollution	Soil contamination	Impact on biodiversity	Waste management	Noise generation

Social aspects

Involuntary resettlement	Impacts on indigenous people	Impacts on cultural heritage	Occupational health and safety measures	Disturbance to community movement	Child labour

BIFFL has also established a full-fledged Environmental and Social Unit (ESU) comprising full-time professional employees and several external consultants. The core responsibility of the ESU is to lead and implement BIFFL's ESMF.

Practice of BIFFL to ensure protecting the environment and society includes but not limited to the followings:

- Conducting environmental & social due diligence;
- Assessing environmental & social risk;
- Promoting sustainable and environment-friendly technologies;
- Complying with the Bangladesh Bank's ESRM Guidelines for Banks and Financial Institutions as well as guidelines of development partners;
- Adopting ethical and sustainable measures for a safer and greener tomorrow;
- Ensuring proper mitigation measures taken by borrower to reduce environmental and social impacts;
- Encouraging clients to implement environmentally friendly processes and enthusiastically manage E&S risk arising from the client's business operations;
- Monitoring of E&S parameters, permits and licenses as per the national regulations or development partner's guideline;
- Initiating the awareness building activities for leaving an exemplary environment and society for the future generations; and
- Participating in different CSR activities.

Our business model is one that looks beyond the "short-term economic value" to one of "long-term social and environmental value." Some of the activities of BIFFL towards environment and society are given below:

Participated in 17th National Renewable Energy & Green Expo 2017

BIFFL and Ministry of Finance signed an agreement for implementing "Energy Efficiency Conservation Promotion Financing Project" under JICA financing on April 10, 2017

On 08 January 2019, BIFFL & Bangladesh Bank signed a participation agreement between the two organizations under the BB's "Refinance Scheme for Green Products/Initiatives"

BIFFL organized Green Brick Workshop 2017 for the Banking officials on 27 April 2017

BIFFL arranged a seminar on Energy Project Finance on 28 January 2019

BIFFL signed a 'Letter of Collaboration' with Future Carbon Energy Services (FCES), working in Energy Efficiency and Carbon Management program under the UNFCCC Kyoto Protocol Agreement in 2017 to include the brick kilns projects financed by BIFFL in the Clean Development Mechanism (CDM) project of FCES titled 'National Programme for Energy Efficiency Improvement in the brick manufacturing sector in Bangladesh'

On 31 January 2019 BIFFL, in response to the Sustainable Finance Department of Bangladesh Bank, handed overs 800 blankets for the cold suffered poor people in 5 social organisations in the country as a part of its CSR activities

In 2021 BIFFL has thoroughly updated its ESMF along the lines of the World Bank's E&S Standards

Green Office Management

Beside the project's environmental & social risk management, BIFFL is also conscious about the indoor environment of the office and ensures provision for a safe, healthy and green working environment for its employees. For this purpose, the management of BIFFL has adopted the following green initiatives:

- use of energy saving LED lights;
- high efficiency VRF system;
- installation of daylight sensor;
- separate energy metering;
- individual task light;
- installation of low flow water fixture;
- use of green materials;
- double low e-glass to reduce heat and noise;
- indoor gardens; and
- segregation of waste for recycling purpose.

By the above means we have reduced energy consumption by 38.19% compared to conventional office and achieved water saving of 44%. Our office space is designed to have more than 85% daylight and more than 30% fresh air to contribute to health and wellbeing of the employees. Now, our office is USGBC LEED Platinum certified.

Strategy and Resource Allocation

SWOT Analysis

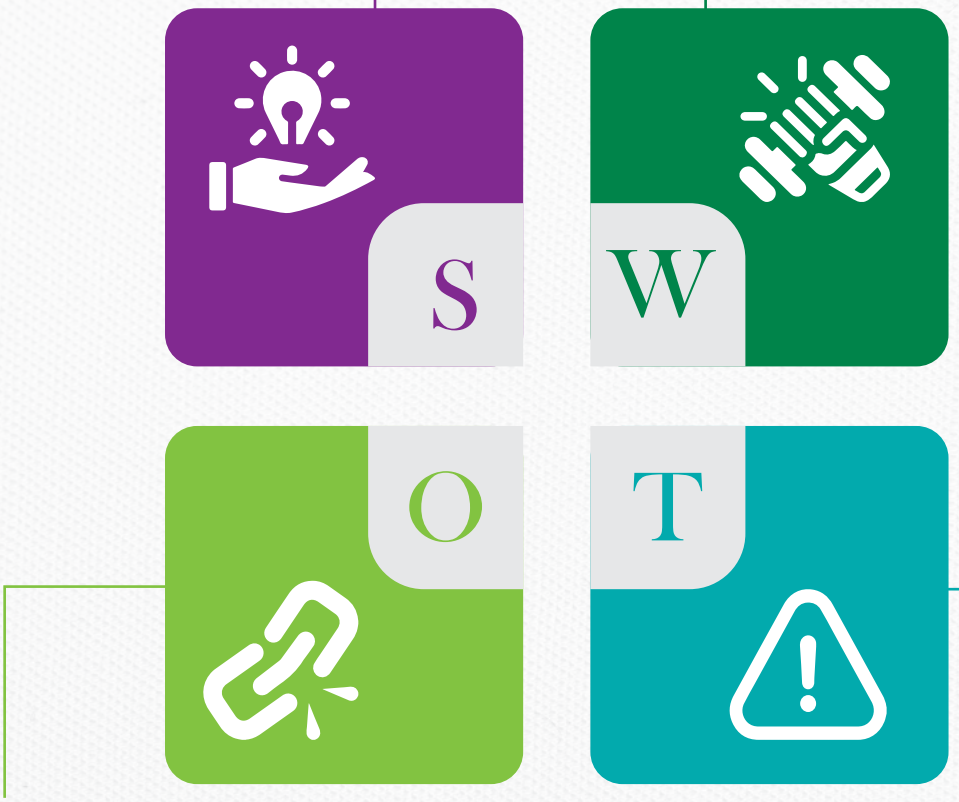
STRENGTHS

- Government ownership
- Highly efficient Board of Directors
- Financial stability
- Large capital base
- Diverse and long-term sources of fund
- Cost leader in the market
- Close collaboration with Government bodies
- Strategic partnership with development partners
- Niche market intervention
- Established reputation

WEAKNESS

- Lowly leveraged capital structure
- Limited treasury functions
- Low geographical coverage
- Less familiar brand among the potential stakeholders
- Lack of innovation and competitiveness
- Bureaucracy

INTERNAL FACTORS



EXTERNAL FACTORS

OPPORTUNITY

- Government plan to implement PPP projects throughout the country potential privatization
- Sourcing funds for sustainable projects from development agencies
- Technology advancement
- International partnership
- Infrastructure development
- Investment in economic zones & connectivity projects
- Investment in health and tourism industry

THREAT

- Slow awarding and implementation of PPP Projects
- Increase of interest rate in the financial markets
- Sponsor's inability to implement projects on schedule
- Private sector competition
- Economic stability
- Changing Government policy
- Foreign reserve crisis
- Volatile exchange rate

Strategic Response to Potential Threats

Based on the potential threats that have been indicated above, BIFFL has the following strategic responses against each threat:.

- The company is committed to work with PPPA to address issues related to delayed implementation of PPP projects. BIFFL is actively engaged in providing innovative financial solutions for complex and lengthy projects.
- In the presence of higher market interest rates, BIFFL can switch its focus towards high-risk with high-return projects since it has such a high risk-appetite which few banks or financial institutions have at the moment.
- From time to time, BIFFL will arrange workshops and discussions which will bring together policymakers, project sponsors, suppliers, financiers, and other stakeholders, so that they can have open platforms to raise and address issues related to implementation of projects.
- BIFFL has a strong equity capital base and is not listed in the stock exchange; hence it will be less exposed to volatility in capital market. BIFFL is rather focusing on securing foreign funds from international development agencies
- In respect of private sector competition, collaboration between public & privet sector can lead to improved service while maintaining control over public service.
- For addressing economic instability, diversification in portfolio management, fostering entrepreneurship supporting innovation and technological advancement would change resilience against economic fluctuations.
- Sufficient liquidity buffer, adequate liquidity management compliance regulatory requirement and collaboration with other financial institution both domestically and internally would enhance its resilience to foreign reserve crisis.
- Offsetting foreign currency assets against foreign current liabilities, holding portfolio of different currencies, may help to reduce the adverse movement of foreign currencies. Moreover, robust risk monitoring and analysis system may be adopted to assess the exposure of exchange rate risk.

Short-term objectives

- Establish BIFFL as a full-fledged financial institution;
- Establish brand image and nurture a good corporate culture;
- Build trust among different stakeholders of the financial market;
- Optimize operational procedures and strengthen corporate governance; and
- Engage experienced professionals and development partners.

Implementation of short-term objectives

- Arrange necessary support from Government and multilateral agencies to establish BIFFL as a full-fledged financial institute;
- Ensure quality investment by conducting thorough due diligence on every project and promote innovative financing to support our clients in meeting their financing needs;
- Implement CFS to conduct real time transactions. Committed to have secured and efficient software to deliver effective customer services;
- Put the highest importance on managing its assets and maximize profits by adopting sound governance practices as well as effective risk management structure;
- Ensure compliance with all regulatory guidelines and directives through adopting best processes, practices and controls;
- Continue participating in CSR activities, e.g., blood donation program, contribution to the Honorable Prime Minister's relief fund, distribution of relief to flood victims etc; and
- Provide advisory services to its clients to make the projects viable and ultimately successful.

Mid-term Objectives

- Increase institutional capacity;
- Support adequate infrastructure development to meet up the growing demand of the economy;
- Ensure long-term financing sources from capital market within the next 5 years;
- Become a regional financial power;

- Enhance exposure in the financial market by financing diverse sectors and become the leader in infrastructure financing by 2025; and
- Develop a vibrant infrastructure market from the perspective of both the investors and financiers.

Implementation of Mid-term objectives

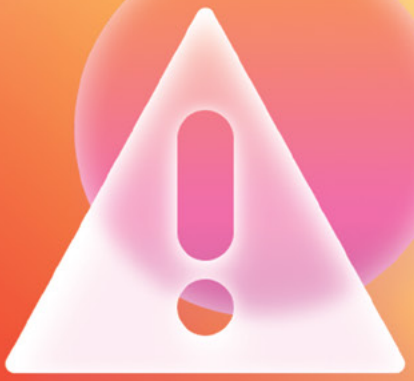
- Raise funds of BDT 1,500 crore issuance of infrastructure bonds, debentures and shares etc. and help build a dynamic capital market;
- Recruit the best talents of the country by ensuring competitive recruitment process and providing them adequate training facilities and a conducive workplace;
- Disburse more than BDT 1,100 crore in Green & renewable energy sector by 2025 supporting environment-friendly and innovative projects like ETP, polyester staple fibre projects, green building & Construction and food processing projects etc.;
- Create a new unit focusing only on PPP projects and collaborate with Government as well as private sectors to become a major development partner of the country; and
- Build a loan portfolio of BDT 9,000 crore by 2025 prioritizing the sectors that expedite the growth of the economy like power & energy, transportation & communication, economic zone and green & renewable energy etc.

Long-term Objectives

- Become a brand in infrastructure financing;
- Help in achieving SDG (Sustainable Development Goals) while conserving nature;
- Help build a sound financial market to foster long-term stability of the economy;
- Become a partner of choice, an employer of choice and a center of excellence;
- Integrate with global financial market and become a global financial power;
- Ensure implementation and operations of PPP projects;
- Attract private investments in long-term infrastructure projects by addressing the asset liability mismatch of existing bank finance; and
- Maintain a healthy relationship among existing client base and channel resources towards finding new opportunities.

Implementation of Long-term Objectives

- Prioritize the sectors that trigger the growth of the economy and contribute to poverty alleviation;
- Build up institutional capacity, ensure professional excellence, adopt most advanced technology and global best practices.
- Penetrate in the global market by issuing bonds and shares in the international market;
- Increase geographical coverage to serve maximum population of the country;
- Focus on arranging long-term and sustainable funding sources by collaborating with local and foreign development partners;
- Develop and use innovative financing instruments and explore different avenues of money market and capital market to ensure proper mobilization and utilization;
- Put emphasis on developing the industrial sectors and help attract domestic and foreign investment;
- Attach high importance on its social and environmental impact to make the project sustainable in the long-run. Green economy and eco-friendly measures are our foremost priority while considering any investment deal;
- Arrange seminars, conventions & expos to exhibit the prospects and necessity of environment-friendly construction and engage development partners for long-term funding sources.



Risk Management

Statement of Risk Management

The importance of infrastructure for ensuring sustainable economic development and thereby, the amelioration of the socio-economic conditions of millions of people cannot be over emphasized. The country has been failing to realize its full growth potential due to high transaction costs, mainly, arising from inadequate and inefficient infrastructure. One of the main reasons for such infrastructure-related shortcomings has been insufficient investment. In order to create an enabling environment for attracting private investments on a sustainable basis, the Government of Bangladesh (GoB) has established BIFFL and attached priority to materialize PPP concept in right earnest for delivering its multi pronged benefits to the national economy. Conceptually, Public-Private Partnership (PPP) project is a contract between the public sector and private sector, which requires new investments by the private partners, i.e., money or technology or expertise /time or reputation, which transfers some key risks to the private sector (design/ technology, construction/ installation, availability, demand etc., in which payments are made in exchange of performance for the purpose of delivering a service traditionally provided by the public sector.

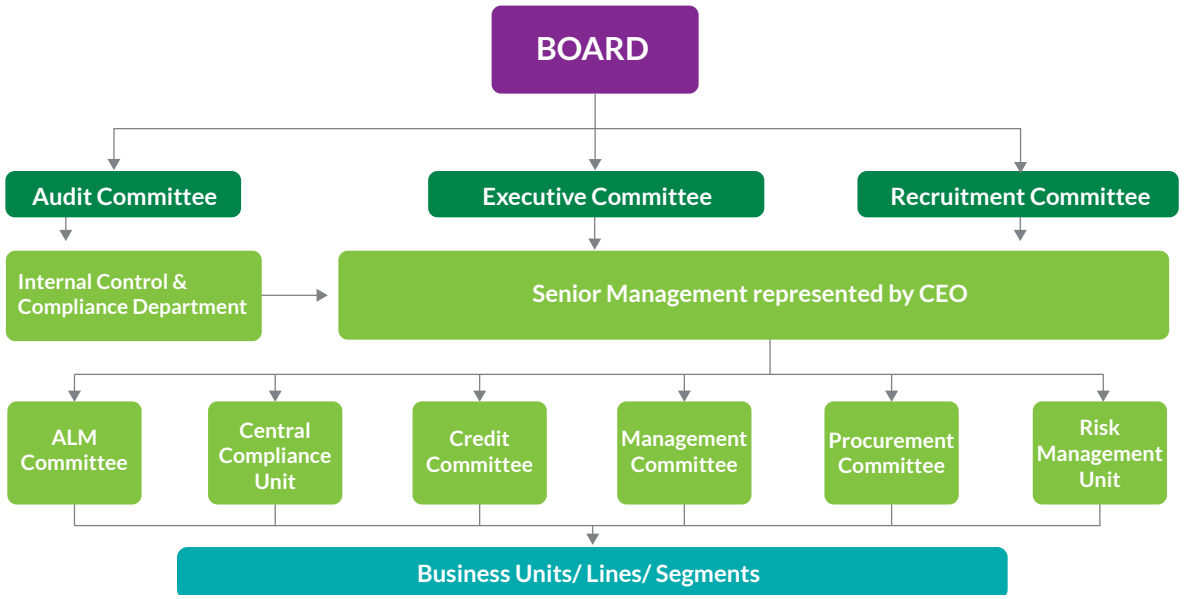
With a continued average economic growth above 7% in the last ten years (2013-2022), Bangladesh now proudly stands as an emerging trade and investment destination. The steady growth in export business, hard-working labor force and committed entrepreneurs supported by the pro-business, pro-investment policies of the Government are leading Bangladesh towards the line of global business competency. The country's unequivocal position for peace and harmony, regional stability, cooperation, economic development through international and regional trade with its trade partners and an increasing flow of remittance by expatriate Bangladeshis living across the world have helped the country achieve and retain the impressive economic status. In FY 2022-23, GDP growth was 6.03%. A strong domestic demand, high export growth and continued expansion of infrastructural facilities attributed to the accomplishment of accelerated growth. Bangladesh will continue to engage its efforts to achieve the SDG goals which will hinge on several factors such as accelerated resource mobilization, higher investment, efficiency in infrastructure implementation, skilled human resources and strong institutional set up.

Risk Management of BIFFL

BIFFL believes that effective risk management is of primary importance to its overall operations. Accordingly, BIFFL's risk management process has been designed to monitor, evaluate and manage the principal risks it assumes in conducting its activities. Specifically, the activities that BIFFL engages in- and the risks those activities generate-must be consistent with BIFFL's underlying commitment to the principles of and in line with BIFFL's risk appetite. BIFFL's risk appetite framework includes principle-based qualitative boundaries to guide behavior and quantitative boundaries within which the firm will operate, including capital strength and earnings power. In BIFFL, only calculated risks are taken while conducting business to strike a balance between risk and return. Risk is clearly identified, mitigated or minimized and if possible, eliminated to protect capital and to maximize value for the shareholders. BIFFL selectively takes risks in support of its underlying customer-centric business strategy. BIFFL evaluates and rewards employees with specific consideration to their risk behaviors, including transparency, communication, and escalation of concerns.

BIFFL Risk Management Structure

Risk management procedures are approved, monitored, and mitigated at various stages of BIFFL with a combination of Board, its committees, management committees, management units, Internal Control & Compliance Department and Credit Risk Management Department. The hierarchy of BIFFL risk management infrastructure is as under:



Board of Directors

The Board oversees and approves all major risk management policies and parameters considering market conditions, regulatory requirements and lessons learned in the past. While setting forth policies and parameters for credit, operational and market risks, a balance is maintained for ensuring smooth operations but protecting against down-side risk from potential loss or foregone income and to protect interest of shareholders.

Executive Committee (EC) of the Board

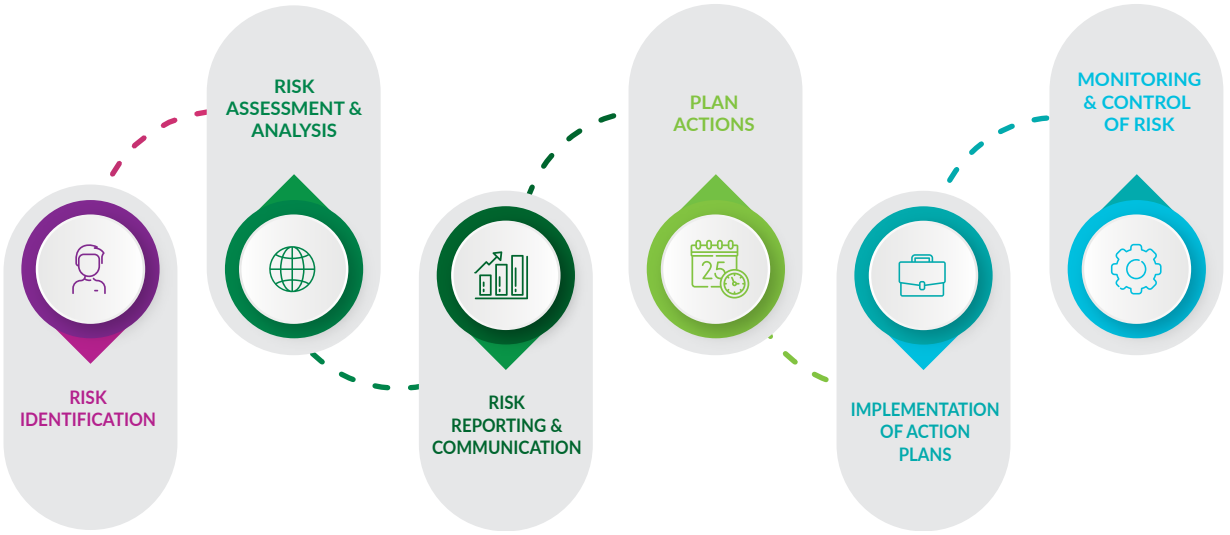
EC of the Board is responsible to oversee that the management and its committees are operating within approved limits and authorities and that all major risks are managed and mitigated effectively while potential and actual losses arising from risks are within the acceptable limits. EC also approves all credit proposals except the large loan proposals, administrative proposals and major purchases as recommended by the credit committee, management committee and procurement committee respectively.

Audit Committee (AC) of the Board

AC independently monitors all activities of operations involving credit risks, operational risks and market risks through ICCD. AC ensures that all risk factors are adequately addressed and any deviation is quickly corrected for sustainable operation of BIFFL.

Risk Management Framework

BIFFL is a highly dedicated financial institution of Bangladesh conducting business in a professional manner by adopting the internationally accepted best practices upholding the ethical values and maintaining transparency in all activities. BIFFL believes in sustainable growth which is ensured through appropriate trade-off between risk and return.



Risk Identification, Assessment and Analysis

Risk analysis unit identifies and analyses all prevailing and probable risk of BIFFL appropriately and timely. This unit collects all relevant data related to the risk indicators from different models and information system at the earliest. They assess the quality, completeness and correctness of those data. They identify and quantify the risks and their exposures to material loss. They prepare Risk Management Paper on quarterly basis and conduct periodic stress testing.

In addition, the Credit Committee (CC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to mitigate associated risks. CC reviews the due diligence of the individual project considering its technical, commercial, financial, management, economic and social & environmental aspect. They also review the probable impacts of local and global economic condition on the projects.

An independent Credit Risk Management Department (CRMD) is in place at BIFFL to check all compliances of regulatory body, credit norms and policy of BIFFL in order to create a high quality and efficient credit portfolio and maximize shareholders' return. Credit Risk Grading (CRG) technique helps a Financial Institution to understand and quantify the risks involved in financing individual project. This is done at BIFFL at pre-sanction and post sanction stage of loan. This assists management to monitor changes and trend in risk levels. The process also allows the management to manage risk and optimize return.

To mitigate credit risk, BIFFL obtains credit report from Credit Information Bureau (CIB) of Bangladesh Bank and credit rating report of the individual customer/ project from external credit rating agency approved by Bangladesh Bank. This report is scrutinized by CRMD to understand the liability condition, repayment behavior of the customer and business and market condition of the project. BIFFL has an ICCD to address operational risk. ICCD ensures that an appropriate framework exists to identify, assess and manage operation risk. However, internal control measures are in place at BIFFL to mitigate operational risks under Audit Committee.

The Asset Liability Management Committee (ALCO) of the company regularly meets to assess the prevailing market risk. ALCO members analyze the changes in interest rate, market conditions, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk.

Risk Reporting and Communication

After assessment of risks inherent at different divisions of BIFFL, those risks are reported by Risk Analysis Unit to Risk Management Forum-RMF (consisting of the top management of BIFFL).

Plan Actions

RMF recommends some specific action plans for mitigating the identified risks to be implemented by the head of different divisions with a given timeline. Furthermore, risks are properly communicated to the Board of Directors by Board Audit Committee.

Implementation of Plan Action

In line with guideline of Bangladesh Bank for comprehensive risk management of the Bank, the CRMD and RMF has been carrying out the following activities:

a) All regulatory compliances related to Basel II

b) All regulatory compliances related to Stress Testing

c) All regulatory compliances related to CAMELS Rating of Bangladesh Bank

d) All regulatory compliances related to comprehensive Risk Management Rating including preparation of Risk Management Paper (RMP) in line with the Bangladesh Bank's reporting format and informing the Board and RMF about major findings of RMP for ensuring the regulatory compliances as per requirement.

Monitoring and Controlling of Risk

BIFFL risk management process requires that risks are effectively identified and assessed, and that appropriate controls and responses are in place. Audit Committee and ICCD are to carry out regular audits of policy and standards, compliance and standard performance are reviewed to identify opportunities for improvement. The monitoring process provides assurance that there are appropriate controls in place for the organization's activities and the procedures are understood and followed.

BIFFL Risk Management Process

A well-structured and proactive risk management system is in place at BIFFL to address the risk relating to credit, market, liquidity, and operation. BIFFL has different committees for risk management and internal control. The governance of risk management starts with our Board which plays an important

role in reviewing and approving risk management policies and practices. In addition, as part of the industry's best practices for assessing, identifying, and measuring risk, BIFFL's Board has approved core risk policies as per guideline of managing core risk of financial institutions issued by Bangladesh Bank time to time. Through our risk management framework, we manage enterprise-wide risk, with the objective of maximizing risk-adjusted returns while remaining within our tolerance. As a part of this framework, the Board has approved a set of principles that describe the risk management culture we wish to sustain:

Balancing risk and return

- We manage our risks to build a sustainable franchise, in the interests of all our stakeholders.
- We only take Risks within our risk tolerances and risk appetite, and where consistent with our approved strategy.
- We manage our risk profile to maintain a low probability of an unexpected loss event that would materially undermine the confidence of our investors.

Conduct of business

- We demonstrate that we are here for good through our conduct and are mindful of the reputational consequences of inappropriate conduct.
- We seek to achieve good outcomes for clients, investors and the markets in which we operate while abiding by the spirit of laws and regulations.
- We treat our colleagues fairly and with respect.

Responsibility and accountability

- We take individual responsibility to ensure risk-taking is disciplined and focused, particularly within our area of authority.
- We make sure risk-taking is transparent, controlled and reported in line with the risk management framework, within risk appetite and Risk tolerance boundaries and only where there is appropriate infrastructure and resource.

Anticipation

- We seek to anticipate material future risks, learn lessons from events that have produced adverse outcomes and ensure awareness of known risks.

Competitive advantage

- We seek to achieve competitive advantage through efficient and effective risk management and control.

We have identified a comprehensive suite of risk factors which covers the broad range of risks our businesses are exposed to. Several risk factors have the potential to affect the results of our operations or financial condition but may not necessarily be deemed as top or emerging risks. However, they inform the ongoing assessment of our top and emerging risks which may result in our risk appetite being revised. The principal risks associated with business and ways of mitigations are described in the below:

Credit Risk Management

Credit risk is one of the most significant risks that BIFFL faces as an institution. As a result, BIFFL has a well-established framework in place for managing credit risk across all businesses. This includes a defined risk appetite, credit limits and credit policies, both at the business level as well as at the company level. BIFFL's credit risk management also includes processes and policies with respect to problem recognition, including 'watch lists', portfolio review, updated risk ratings and classification triggers. Credit Risk Management, as one of the core risks, is designed and regularly updated to identify, measure, manage and mitigate credit risk to maintain and improve quality of loan portfolio and reduce actual loan losses and to ensure that approved processes are followed, and appropriate due diligence are carried out in appraisal and subsequent approval of new credit facilities. Credit Risk Grading (CRG) is an important tool for credit risk management as it helps the BIFFL to understand various dimensions of risks involved in different credit transaction. The aggregate score of CRG can provide better assessment of the quality of credit portfolio of BIFFL. Another tool of minimizing credit risk is to obtain and review credit rating of a company before extending credit facilities.

Credit risk for counterparty arises from an aggregation of the following:

- Financial Risk
- Business/Industry Risk
- Management Risk
- Security Risk
- Relationship Risk

Each of the above mentioned key risk areas need to be evaluated and aggregated to arrive at an overall risk grading measure.

a) Evaluation of financial risk:

Risk that counterparties will fail to meet obligation due to financial distress. This typically entails analysis of financials i.e. analysis of leverage, liquidity, profitability & interest coverage ratios. To conclude, this capitalizes on the risk of high leverage, poor liquidity, low profitability & insufficient cash flow.

b) Evaluation of business/industry risk:

Risk that adverse industry situation or unfavorable business condition will impact borrowers' capacity to meet obligation. The evaluation of this category of risk looks at parameters such as business outlook, size of business, industry growth, market competition & barriers to entry/exit. To conclude, this capitalizes on the risk of failure due to low market share & poor industry growth.

c) Evaluation of management risk:

Risk that counter-parties may default as a result of poor managerial ability including experience of the management, its succession plan and team work.

d) Evaluation of security risk:

Risk that the bank might be exposed due to poor quality or strength of the security in case of default. This may entail strength of security & collateral, location of collateral and support.

e) Evaluation of relationship risk:

These risk areas cover evaluation of limits utilization, account performance, conditions/ covenants compliance by the borrower and deposit relationship.

Credit Strategy

A sound credit strategy is crucial for improving an organization's investment capacity as well as maximizing its profitability. The following general policy governs the credit strategy of BIFFL:

a) BIFFL will finance projects within the geographic boundary of Bangladesh as well as overseas, subject to prior approval of the Board and following due process as required by the concerned authorities.

b) BIFFL will comply with all applicable laws and regulations;

c) Projects processed through PPP Authority under the PPP Act 2015 will be given preference for financing;

d) BIFFL will approve credit facilities primarily to clients who are involved in business activities having successful track record of profitable business growth.

e) At all times, the policy of "Know Your Customer (KYC)" and his/her credit standing will be considered as the foremost requirement in processing loan applications;

f) BIFFL's investment/lending decisions shall primarily be based on merit of individual proposals analyzed from legal, financial, technical, marketing, social, environmental, economic, and management points of view. Prime consideration will be the debt service capability of the proposal out of fund generated from business operations. Security coverage shall depend on the factors like financial viability, past history of profitable operations, business goodwill, credit worthiness etc. of the proposal/promoters. Additional security in the form of mortgage of land, building, machinery and other fixed assets, lien of FDR, sponsor's existing business cash flow etc. may be obtained in appropriate cases; In addition to the project cash flows, BIFFL should explore the possibility of creating a security structure of the sponsor's existing business' cash flows.

g) BIFFL shall also support projects/investments related to innovative ideas, social, community and infrastructure development;

h) BIFFL shall give priorities to projects wherein the developer has been identified through a competitive bidding process. Projects where there hasn't been a competitive process for selection of the developer, necessary statutory/ administrative approvals and clearances from relevant Government agency/ authority would be required for considering the same.

i) BIFFL will not engage in name lending based only on the general reputation of the Borrower; and

j) BIFFL will render total satisfaction to the customers through high standard of prompt customer services.

Eligibility Criteria

Infrastructure Projects

In order to be eligible for funding from BIFFL, a project shall meet the following eligibility criteria:

a) BIFFL shall consider only those projects for financing which will withstand the viability

test from the commercial and socio-economic viewpoints. Viable projects may also include those projects that will become viable after receiving "Viability Gap Financing (VGF)" from the Ministry of Finance, Government of the People's Republic of Bangladesh, as per approved "Guidelines of Viability Gap Financing for PPP Projects";

b) Any "For-Profit" or "Not-For-Profit" entity legally registered in Bangladesh or abroad at the time of submission of proposal(s) in response to Request for Qualification (RFQ) or Unsolicited Proposal(s) will be eligible to apply for BIFFL financing. However, at the time of contract signing, the foreign entity is required to be registered as a legal entity in Bangladesh;

c) The project shall be implemented (i.e. developed, financed and operated for the project term) by a:

   i. Public sector company, with 51 percent or more of the subscribed and paid-up equity owned and controlled by the GoB, jointly or severally;

   ii. Private sector company, with 51 percent or more of the subscribed and paid-up equity owned and controlled by the private sector.

d) A private sector company not selected through a competitive bidding process would be eligible for direct lending by BIFFL only after the necessary statutory/ administrative approvals and clearances from relevant Government agency/ authority have been obtained provided that-

   - The service to be provided by the infrastructure project is regulated and non-monopolistic in nature;
   - The project is being set up under an agreement with the Government or a public sector undertaking; and
   - Total lending for such private projects does not exceed 25 percent of the lending program of BIFFL in any Fiscal Year (FY).

e) Projects should be an integral part of the GOB's priority plan for the relevant sector/sub-sectors;

f) Projects should meet GOB and BIFFL's Environmental and Social Assessment Criteria; and

g) The economic rate of return of the project should be at least 12 percent.

Other Projects

a) Any entity who is duly registered in Bangladesh and fit into the eligible sector mentioned in Credit Policy of BIFFL.

b) Any entity who is duly registered in Bangladesh and match the eligibility criteria of donor funded projects.

c) Debt: equity ratio of the entity or project should be 80:20.

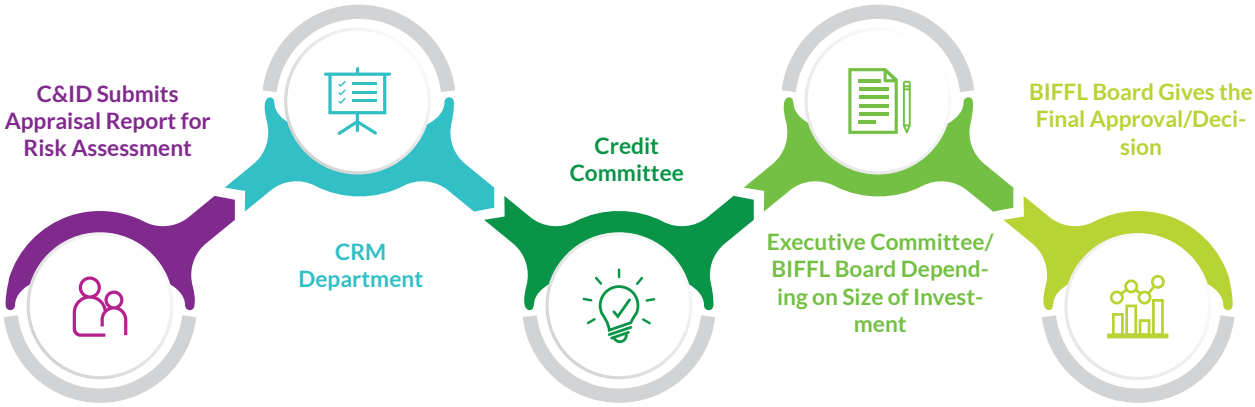
d) The economic rate of return should substantially cover cost of capital of the project.

In case BIFFL management needs any clarification regarding eligibility of a project, the same may be referred to the Board for appropriate directions.

Credit Approval Process

BIFFL Board of Directors has the overall authority and responsibility for management of risks. The Board decides the risk management policies of BIFFL. The Credit Committee is a subcommittee including senior management of BIFFL. In general, all credit proposals are originated from the Credit and Investment Department of BIFFL. The credit risk management team conducts a thorough credit and risk assessment prior to forwarding any proposal to the Credit Committee. Nevertheless, the credit proposal is clearly stated that all instructions and guidelines of the credit policy have been complied with. To ensure prompt and accurate service and mitigation of credit risk, the credit approval process is now two stages depending on the size of the loan which are Executive Committee and/or BIFFL Board. The Executive Committee (EC) is a committee including CEO and members of the Board of Directors. EC approves the credit proposal within their delegated authority after recommendation/review of Credit Committee. Credit proposal which is beyond delegated authority of EC is submitted to the Board of Directors for approval.

BIFFL believes in diversification in terms of products and sectors. Sectoral allocation has already been passed by the BIFFL Board of Directors to overcome any adverse impact on the BIFFL's return. According to risk-return criteria, a risk based pricing model is followed at BIFFL. This automatically provides asking price for a particular customer/project depending on the project type, repayment capability, tenure of the Loan, risk grading of the project and prevailing market/economic condition of the country vis-a -vis the world.



Internal Credit Risk Rating (ICRR)

BIFFL follows Internal Credit Risk Rating System (ICRRS), a credit risk assessment framework developed by Bangladesh Bank for banks operating in Bangladesh. ICRRS refers to the system to analyze a borrower's repayment ability based on information about a customer's financial condition including their liquidity, cash flow, profitability, debt profile, market indicators, industry and operational background, management capabilities, and other indicators. The system comprises with 20 (twenty) different rating templates for 20 (twenty) industries/sectors. The summary indicator derived from the system will be called Internal Credit Risk Rating (ICRR), a key reference for credit risk assessment and decision making.

ICRRS will be an integral part of credit risk management for BIFFL:

- to provide a granular, objective, transparent, consistent framework for the measurement and assessment of borrowers' credit risk.
- to facilitate the portfolio management activities
- to assess the quality of individual borrower and determine the quality of the credit portfolio of BIFFL as a whole.
- to be used for individual credit selection, credit pricing, and setting credit limit and terms and conditions.

Functions of Internal Credit Risk Rating (ICRR)

A. ICRRS is a fully automated credit risk scoring system that calibrates the characteristics of different sectors and industries in one single model;

B. To get the appropriate rating and score, the analyst shall select the appropriate sector or industry from the dropdown list provided in the top page of the template; If the right sector or industry is not selected; the rating will not reflect the unique characteristics of the particular sector or industry.

C. If the borrower is in multiple lines of business, the sector should be used assessing the line of business generating the highest portion of the revenue &/or profit. If there is no particular line of businesses can be singled out- the ICRRS should be conducted using "other industry- if manufacturing" or "other service-if service".

Use of ICRR

A. ICRR shall be an integral part of the credit approval process. The guidelines and rating system issued by Bangladesh Bank will be strictly followed without making any change, extension, modification or deletion.

B. The ICRR shall be applicable for all exposures (irrespective of amount) except consumer loans, small enterprises having total loans exposures less than BDT 50 (fifty) lac, short-term agri loans,

micro-credit and lending to bank, NBFI and Insurance.

C. The quantitative part of the ICRR exercise shall be conducted by a credit officer/ an analyst. The Relationship Manager/ Branch Manager shall complete the qualitative assessment part to generate the total scores.

D. The CRM team will be responsible for the accuracy and integrity of the rating as the second line of defense.

E. The executive summary report of the ICRR of the borrower shall be approved and signed by the Chief Risk Officer (CRO).

F. Latest audited financial statements of the borrower will be used for generating the quantitative rating under ICRR.

G. All credit proposals whether new, renewal or enhancement shall go through the ICRR process and a set of the ICRR report shall be retained in the loan file.

H. The RM shall pass the approved ICRR report to the related department for updating their MIS/ record.

I. Conduct routine internal audit to check whether the ICRRS is functioning as per the instructions laid down in the guidelines.

J. ICRR shall be conducted for all credit proposals including new, renewal and enhancement of the existing proposal;

K. For existing credit relationship, the ICRR shall be reviewed at least annually at the time of annual/ regular credit review

Credit Risk Ratings Scores

The ICRR consists of 4-notched rating system covering the Quantitative and Qualitative parameters. The ratings and scores are mentioned below:

Rating	Scores Aggregate
Excellent	≥80%
Good	≥70% to <80%
Marginal	≥60% to <70%
Unacceptable	<60%

The features of different categories of Credit Risk Ratings are given below:

Risk Rating	Definition
Excellent	• Aggregate score of 80 or greater in ICRR. • Strong repayment capacity of the borrower evident by the high liquidity, low leverage, strong earnings, and cash flow • Borrower has well established strong market share. • Very good management skill & expertise.
Good	• Aggregate score of 70 or greater but less than 80 and the quantitative score of at least 30. • These borrowers are not as strong as "Excellent" borrowers, but still demonstrate consistent earnings, cash flow and have a good track record. • Borrower is well established and has strong market share. • Very good management skill & expertise.
Marginal	• Aggregate score of 60 or greater but less than 70 and the quantitative score of at least 30. • This grade has potential weaknesses that deserve management's close attention. If left uncorrected, these weaknesses may result in a deterioration of the repayment prospects of the borrower.
Unacceptable	• Aggregate score of less than 60 • Financial condition is weak and no capacity or inclination to repay. • Severe management problems exist. • Facilities should be downgraded to this grade if sustained deterioration in financial condition is noted (consecutive losses, negative net worth, excessive leverage).

Management Action Triggers

A. BIFFL will lend to a borrower if the borrower's ICRR is "Excellent" or "Good". For the "Marginal "cases, BIFFL shall take cautionary measures in renewing the facilities or lending new money to the customers. While assessing credit proposals, BIFFL must satisfy itself on the future prospect of the business, additional collateral coverage etc. BIFFL shall take heightened measures for monitoring these accounts including but not limited to regular client visits, monitoring of the improvement plans, close monitoring of the repayment performances, timely review of the facilities, oversight on the improvement areas etc.

B. No loan shall be sanctioned to borrowers whose ICRR is "Unacceptable" unless the loan is 100% cash covered or fully guaranteed by the Government or Multilateral Development Banks (MDBs) or the loan is for any state-owned organization or state-owned project.

C. For the quantitative and qualitative risk analysis, if the ICRR falls under "Marginal" or "Unacceptable" for any risk criteria (among 16 quantitative and 18 qualitative); whatever the aggregate score is, the relationship manager shall evaluate what would be the impacts of such on loan repayment and justify how those risks are mitigated; and in loan proposal the approval authority should review those justifications thoroughly and make necessary evaluations on it and should be documented in the loan file.

D. In deriving ICRR, whatever score a borrower gets in the qualitative analysis if the score in the quantitative part is less than 50%, the borrower's ICRR shall be "Unacceptable".

E. BIFFL can make renewal and enhancement of existing loans for maximum 2 (two) times if the borrower's ICRR is "Unacceptable".

F. In conducting qualitative analysis, justifications for all criteria are required to be documented.

G. BIFFL must maintain portfolio level database for the assets with "Excellent", "Good" "Marginal" and "Unacceptable" category and maintain risk appetite/tolerance level for portfolio.

Market Risk Management

Market risk encompasses funding and liquidity risk, interest rate risk and price risk, each of which arises in the normal course of business of a financial intermediary such as BIFFL. Market risk is actively monitored by the Treasury Unit of BIFFL. The objective of market risk management is to manage and control market risk exposure within acceptable parameters.

Funding and Liquidity Risk Management

Adequate liquidity and sources of funding are essential to BIFFL's businesses. Funding and liquidity risks arise from several factors, many of which BIFFL cannot control, such as disruptions in the financial markets, changes in key funding sources, credit spreads, changes in credit ratings and political and economic conditions.

BIFFL has no exposure in capital market yet and therefore it is not exposed to any market risk related to securities but exposed to interest rate risk. The Treasury Unit in collaboration with Accounts and Finance Department manage interest rate risk and liquidity risk with oversight of Asset-Liability Management Committee (ALCO) comprising senior management of BIFFL. Since BIFFL does not take any deposits from the market there is no adverse maturity gap in terms of its assets and liabilities. But it exposes liquidity risk of converting its fixed deposit into cash at reasonable price on time.

Operational Risk Management

Operational risk is the potential loss arising from the failure of company's systems, people and procedures, internal control, compliance requirements or corporate governance practices that result in human error, fraud, failure, damage of reputations, delay in performance of the works. Operational risk is the risk of loss, whether direct or indirect, to which the Bank is exposed due to inadequate or failed internal processes or systems, human error, or external events. Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk. It exists in some form in every Bank business and function. Operational risk can not only result in pecuniary loss, but also regulatory sanctions and damage to the reputation. BIFFL is very successful at managing operational risk with a view to safeguarding client assets and preserving shareholder value.

Reputational Risk

Reputational risk is the risk that negative publicity regarding BIFFL's conduct, business practices or associations, whether true or not, will adversely affect its revenues, operations or customer base, or require costly litigation or other defensive measures.

BIFFL finances projects that enhance our economic activities that bring change in the people's lives. BIFFL does not involve in any controversial business venture that may damage the reputation of the company.

Environmental Risk

Environmental risk is a facilitating element of credit risk arising from environmental issues. These can be due to environmental impacts caused by and / or due to the prevailing environmental conditions. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction. The overall purpose of environmental risk management is to understand and manage risks that arise from environmental concerns. This brings a focus on planning and implementing policies and procedures to mitigate environmental risks.

The specific purposes are –

- To examine the environmental issues and concerns associated with potential business activities proposed for financing,
- To identify, evaluate and manage the environmental risks and the associated financial implications arising from these issues and concerns, and
- To enhance the credit risk appraisal process.

Compliance Risk Management

Compliance risk is defined as the current or prospective risk of legal sanction and/or material financial loss that an organization may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of the best practice as well as from the possibility of incorrect interpretation of laws or regulations. The guidelines articulate the respective roles of the board, senior management and compliance function units in managing compliance risks and also require formulation of a written compliance risk management policy.

BIFFL has always fostered a compliance-oriented culture. Senior management has constantly stressed the need to do business in a compliant manner. In general, compliance risk management is embedded in the day to day to business processes and practices of the company.

Potential risks

a. Potential financial loss;

b. Serious regulatory implications (revocation of license, imprisonment, possibility of fines/ penalties from regulators);

c. Potential/actual damage to reputation;

d. Major corporate governance failure;

e. Customer dissatisfaction;

f. Loss of business opportunities.

Plan of action to mitigate potential compliance risks

a. Understand applicable rules and regulations and keep up to date;

b. Communicate new rules and regulations to concerned departments and help them in adoption of the same;

c. Communicate the required reports/statements to regulators within the stipulated time period;

d. Maintain cordial relations with the regulators, customers and other stakeholders;

e. Act as a liaison between management and regulators;

f. Arrange for in-house trainings and attend out-of-house trainings on new developments in the financial sector;

g. Develop checklists for applicable rules and regulations and ensure compliance of the concerned departments, like through DCFCLs.

The ICCD is monitoring the reporting of various departments to Bangladesh Bank and other regulatory authorities. The department also ensures the compliance of relevant laws, regulations, directives of different regulators and its own policies.

Financial Reporting

BIFFL maintains proper accounting practices in recording transactions. Adequate books of accounts e.g. account statements, loan register etc. are maintained and updated regularly. The financial statements are also prepared following the International Financial Reporting Standards (IFRSs) and relevant circulars of the Bangladesh Bank. BIFFL maintains transparency in the conduct of business and protects confidential information at the same time.

BIFFL regularly reports to Bangladesh Bank following the regulatory requirements and submits the financial reports in due time. Bangladesh Bank and BIFFL Risk Management Committee (BRMC) recommend action plans to concerned department for mitigating identified risk areas and follow-up the implementation of previous recommendations. Some of the major reports are –

Name of the Report	Frequency
Loan/Lease Reschedule Statement	Monthly
CIB Report	Monthly
Central Database for Large Credit Report	Quarterly
Director's Loan/Lease	Quarterly
Interest Rate for deposit & Lending	Quarterly
Loan/Lease Write off Statement	Quarterly
Sector Wise Loan/Lease	Quarterly
CP Reporting	Quarterly
Loan Lease Classification	Quarterly
Recovery of Loan/Lease/Business Activity	Quarterly
NBFI-3	Quarterly
Industrial Loan and Advances	Quarterly
Collateral- Security Database	Quarterly
Risk Management Report	Quarterly
Top-10 Defaulter Borrowers	Quarterly
Directors' Information with shareholding	Quarterly
Fees/Charges/Commissions	Half-Yearly
Mainstreaming Corporate Social Responsibility	Half-Yearly

Non-Performing Loan Management

Managing Non-Performing Loan (NPL)

Effective flow of investment is the precondition of the economic development of any country. As a developing country, Bangladesh faces several obstacles such as increasing trend of NPL as well as underdeveloped capital market which mostly depend on the mobilization of the savings and granting credit facilities to the investors by the financial institutions. Increase in NPL affects the financial health by reducing the asset quality and might put a financial institution in difficult situations.

It is known that –

NPL shrinks the profitability of financial institution. NBFIs do not earn interest income from the classified loans.

NPL decreases the loanable funds, and when the problem becomes prevalent in the financial sector, financial institutions become unable to provide credit to the productive sectors of the economy. Decrease in credit disbursement also leads to lower return on assets and return on equity which might affect liquidity and solvency of the institution.

As such, to maintain sound financial health, BIFFL has put NPL management as topmost priority. BIFFL believes that firm specific variables are more important in explaining NPL than macroeconomic variables. That means, irregularity in loan management is responsible for increase in NPL. BIFFL has always engaged its efforts towards reduction and prudent management of NPL through systematic, proactive, and focused approach.

Industry Overview and Current Position of BIFFL

At present, there are 35 NBFIs operating in Bangladesh. Among the NBFIs, three are Government-owned, thirteen are joint ventures with foreign participation, and the rest nineteen are private sector companies.

At the end of June 2022, the NPL for NBFIs was 22.99 percent. In the total asset composition of all NBFIs, the amount of loans, lease and advances was 71.24 percent.

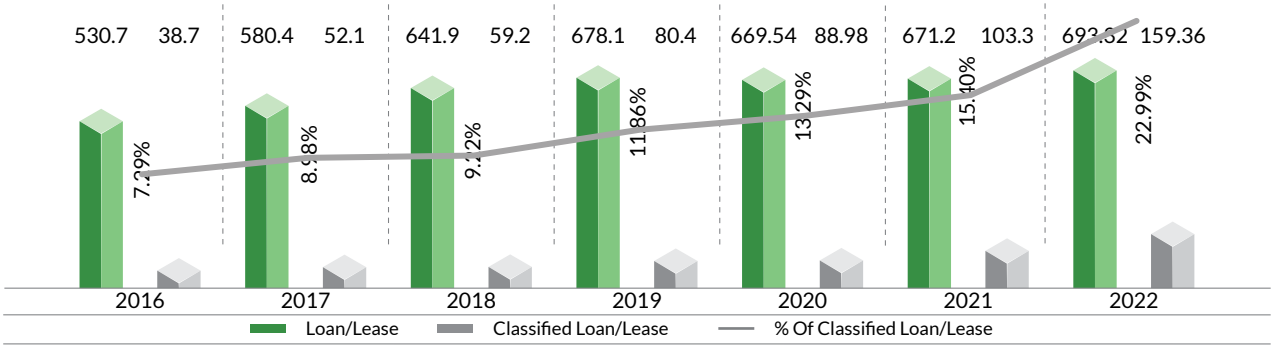
Figure in billion BDT

Particulars	2016	2017	2018	2019	2020	2021	2022
Loan/ Lease	530.70	580.40	641.90	678.10	669.54	671.2	693.32
Classified Loan/ Lease	38.70	52.10	59.20	80.40	88.98	103.3	159.36
% of Classified Loan/ Lease	7.29%	8.98%	9.22%	11.86%	13.29%	15.40%	22.99%

Table: Trends in Total Loan/Lease and Classified Loan/Lease of NBFIs (source: BB)

Non-performing loans in NBFIs are showing an increasing trend over the past 7 years. At the end of June 2022, the NPL ratio was 22.99 percent while it was 15.40 percent at the end of 2021 which shows a 49.28 percent increase on year-to-year basis.

Trends in Total Loan/Lease, Classified Loan/Lease (in Billion) and NPL ratio (%) (in Billion)



Total assets of NBFIs at the end of June 2022 stood at BDT 973.24 billion (un-audited), which was BDT 896.56 billion (un-audited) at the end of 2021. This indicates that the economy has started to recover after the slowdown of Covid-19 pandemic as the credit disbursement increased in 2022.

NBFIs are investing in different sectors of the economy, but their investments are mostly concentrated in industrial sector. Sector wise composition of NBFIs' investment at the end of June 2022 (Provisional) was as follows: Trade and commerce 14.75 percent, industry 45.73 percent, agriculture 2.53 percent, housing 19.07 percent, financial corporation 6.56 percent, service 6.93 percent, consumer finance 3.66 percent and others 0.77 percent.

Total deposits of the NBFIs at the end of December 2021 decreased to BDT 444.20 billion (53.91 percent of total liabilities) from BDT 453.20 billion (55.55 percent of total liabilities) at the end of 2020 showing an overall decrease of 2 percent. At the end of June 2022, total deposit of NBFIs stood at BDT 478.08 billion.

Total liability of the industry increased to BDT 823.96 billion at the end of December 2021 from BDT 815.84 billion of December 2020. At the end of June 2022, total liability and equity stood at BDT 929.90 billion and BDT 43.34 billion respectively.

Although credit disbursement increased in 2022 compared to that in 2021, Covid-19 has slowed down the economy and the investment made by the NBFIs experienced slowed repayment. Few industries are still struggling in project implementation and in resuming their operations.

NPL at BIFFL

BIFFL has faced 10.42 percent classified loans at the end of FY 2022 which was mainly because of the setbacks faced by some industries due to Covid-19 pandemic. At the end of December 2022, the amount of classified loans at BIFFL was BDT 196.52 crore and the total amount of loan/ lease was BDT 1885.70 crore.

Although the economy has started to recover, some businesses are still struggling to overcome due to some macroeconomic and industry specific factors. A sudden increase in coal price, delay in shipment due to Covid-19, increase in the price of raw materials, increase in cost of civil constructions, closure of business for prolonged time were some of the factors responsible for delay in project implementation and stagnancy of few industries which was the major factor behind the rate of NPL of BIFFL in 2022.

Written Off Loans/Investments

BIFFL has written off Computer Source Limited, an investment account in 2022. However, it hasn't written off any loan so far. BIFFL will write-off loans that consistently remain as bad/loss category (subject to approval of the Board of Directors).

BIFFL's Strategies to Manage NPL

BIFFL has been quite successful in managing NPLs, and it has been possible through the concerted efforts of BIFFL officials of all departments. Close supervision of the Top Management of BIFFL and effective oversight of the Board of Directors towards containing NPL also played a crucial role. BIFFL emphasizes on the following aspects in its NPL management strategy:

Sound corporate governance: To ensure that loans do not become non-performing in the first place, BIFFL conducts a comprehensive due diligence on the clients and their business before disbursement. Loan facility is provided on commercial consideration as per the merit of the businesses and risk exposure, devoid of political or external influences.

Elaborate credit monitoring policies and procedures: BIFFL's NPL management is governed by comprehensive credit policy and its application in selection in probable borrowers. Credit Policy of BIFFL has been formulated incorporating the guidelines of Bangladesh Bank and internationally accepted best practices.

Choice of collaterals: BIFFL ensures that the security kept against the loan is adequate to recover the loan if it defaults. Comprehensive inspection of the project site and valuation of the proposed collaterals (e.g., mortgage of land) is conducted by a reputed surveyor to estimate the value of the security and risk exposure in the loan appraisal stage.

Setting up of a dedicated unit: BIFFL has a dedicated unit, Special Asset Management Department, for management of the NPLs. SAMD regularly evaluated the performance of the client and prepared the strategy to keep the NPL at minimum.

Early Alert System: The main goal of Early Alert system is to identify problematic borrowers for immediate attention and remediation, with the goal of preventing those loans to become NPL.

Reporting and Provisioning

BIFFL strictly follows the guidelines and instructions of Bangladesh Bank for loan classification, loan rescheduling, CIB reporting, provisioning and write-off and suspension of interest. Loan rescheduling, provisioning, write-offs, or release of provisions/ upgrade of a loan account are subject to approval of the Board of Directors based on the recommendations of the management of BIFFL.

Provisions are made against the expected losses following the guidelines of Bangladesh Bank at the time they are estimated, regardless of the time when the actual losses incur. Depending on situation, BIFFL management, in order to increase shock absorbing capacity, follows more stringent policy on keeping provision against loans.

Forced sales value of the securities are determined by the valuation conducted by the surveyor. Force Sale Value is generally the amount that is expected to be realized through the liquidation of collateral held as security or through the available operating cash flows of the business, net of any realization costs. As per DFIM Circular no. 04: Master Circular: Loan/Lease Classification and Provisioning dated 26 July 2021, general provision and specific provision are calculated keeping in consideration the value of eligible securities of the loans.

Following formula is applied in determining the required amount of provision:

1	**Gross Outstanding**	XXX
	Less:	
	Cash margin held or Fixed Deposits/SP under lien (as per the eligibility criterion).	(XXX)
	Interest in Suspense Account	(XXX)
2	**Facility Value** (For which provision is to be created before considering estimated realizable value of other security/collateral held)	XXX
	Less: Estimated value of security/ collateral held	(XXX)
3	**Net Facility Value**	XXX

Special Asset Management Department

Special Asset Management Department (SAMD) is devoted to managing the classified loans and reducing the existing NPLs adopting advanced, specialized tools and mechanism. SAMD analyses the profile of the classified loans, ensures constant follow-up and close monitoring of the classified loan accounts and prepares the strategy and action plan for recovery / regularization of classified loans engaging officials of all relevant departments. SAMD works initiates legal actions with the help of Legal Unit of BIFFL in consultation with the panel lawyers. SAMD also take initiatives to bring mortgaged assets/property under BIFFL's control and take actions to sell out the property to recover NPL.

SAMD reports to the Management about the overall asset quality of the organisation on a regular basis and recommends the Management of BIFFL for appropriate course of action (e.g., rescheduling of loan) in order to keep the NPL at minimum level. Recovery meeting is held in every month to ensure follow-up, set up action plans and expedite the recovery progress.

Strategic Outlook in 2023

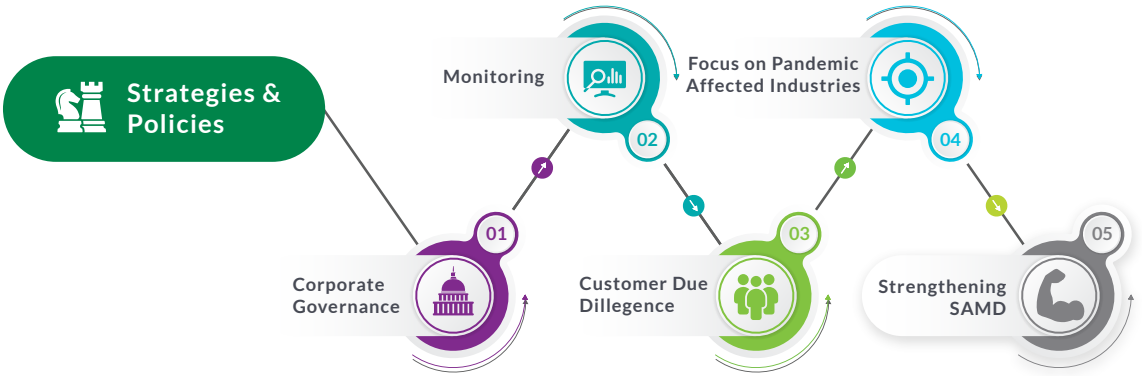
At BIFFL, NPL management starts with the very beginning of the loan appraisal process i.e., through conducting comprehensive due diligence on customer and screening loan applicants. Although increase of NPL in the financial sector in 2021 has been mostly due to Covid-19 pandemic, BIFFL was able to reduce NPL in 2022 by taking appropriate measures and it believes that efficient loan management is key to keeping the NPL at minimum level.

Businesses were shut down due to lockdown and few industries e.g., tourism, environment-friendly auto bricks industry were heavily impacted. Small and Medium Enterprises (SMEs) were the worst sufferers of this pandemic, and this sector will get our special attention. Since businesses of a few industries has faced difficulties in resuming their operation and implementation of few projects got delayed, BIFFL will have enhanced focus on project implementation and regularizing the early-stage irregular loans.

Moreover, running recovery campaigns by the Special Asset Management Department from time to time will continue to be one of the strategies of BIFFL to reduce the NPLs. In addition, continuation of the litigation process against the classified loan accounts shall be crucial to speed up recovery.

Strategic outlook in 2023 can be summed up as follows:

- Close monitoring of the projects that suffered due to Covid-19 pandemic
- Focusing on implementation and commencement of operation of the project that got delayed due to macroeconomic and industry-specific factors.
- Special focus on the SME sector
- Emphasis on rigorous due diligence
- Running recovery campaigns regularly
- Strengthening Special Asset Management Department
- Regularizing the early-stage irregular loans
- Continuation of litigation process with the help of Legal Unit



Corporate Governance & Compliance

Directors' Report

The Board of Directors of Bangladesh Infrastructure Finance Fund Limited (BIFFL) is pleased to present the Director's report and the Annual Report of the company along with the Audited Financial Statements for the year 2022.

Despite the economic turmoil worldwide due to the combined effect of the Covid pandemic along with the ongoing conflict between Russia and Ukraine, BIFFL has completed another successful year with steady growth. Simultaneously, the company has continued efforts to establish compliant and resilient business operations under its mandate.

Current World Economy

The global economic landscape is expected to carry over many of the major factors that shaped it in 2022, albeit with varying intensities. Although commodity prices have moderated from the spike seen after Russia invaded Ukraine, geopolitical tensions and the war continue. High levels of debt constrain the fiscal policy responses to new challenges. Additionally, while supply-chain disruptions caused by Covid-19 have eased in economies such as China, there is still a risk of infectious strains disrupting the global economy. The recent financial sector turmoil has increased uncertainty and downside risks to the global economy.

The risk of financial sector strain escalating and contagion spreading could potentially exacerbate the situation, leading to a significant deterioration in financing conditions and prompting central banks to reassess their policy trajectories. If borrowing costs increase and growth weakens, there is a possibility of isolated instances of sovereign debt problems spreading and becoming more widespread. Furthermore, the ongoing conflict in Ukraine could escalate, resulting in further food and energy price hikes and a consequent rise in inflation.

The possibility of a soft landing for the global economy, characterized by steady growth and reduced inflation, has become less likely due to the persistent high inflation and recent financial sector instability. Although interest rate hikes by central banks and lower food and energy prices have contributed to a decline in inflation, underlying price pressures remain persistent, particularly in economies with tight labor markets. The rapid increase in policy rates has resulted in adverse effects, including the emergence of banking sector vulnerabilities and concerns about contagion across the wider financial sector, including non-bank financial institutions. Policymakers have taken decisive steps to stabilize the banking system.

The projected inflation in South Asia for this year is 8.9 percent, which is expected to decrease to less than 7 percent in 2024. However, the slow reduction in inflation is partly attributed to weaker currencies and delayed domestic price adjustments. Moreover, high food prices, both globally and domestically, are causing greater food insecurity among the region's impoverished population who typically allocate a significant portion of their income for food.

As per the South Asia Economic Focus report titled "Expanding Opportunities: Toward Inclusive Growth," the estimated regional growth rate for 2023 is 5.6 percent, slightly lower than the forecast made in October 2022. The report further predicts that growth will remain moderate at 5.9 percent in 2024, following the initial post-pandemic recovery of 8.2 percent in 2021.

The economic prospects of South Asia are influenced by a mix of positive and negative factors in the global economy. While the recovery of the services sector, lower commodity prices, and fewer disruptions in the value chains are supporting the region's growth, there are downward pressures on its economies due to rising interest rates and financial market uncertainty.

Reference:

1. World Economic Outlook, April 2023, International Monetary fund (IMF)
2. Asian Development Outlook, April 2023

Bangladesh: Current Economic Growth and Key Challenges

Bangladesh is a developing country located in South Asia that has been experiencing remarkable economic growth in recent years. According to the World Bank, Bangladesh's economy has been growing at an average annual rate of 6.4% over the past decade, making it one of the fastest-growing economies in the world. This has been due to a combination of factors, such as increased exports of garments and textiles, growth in the agriculture sector, and an influx of foreign investment. However, the forecast for growth has been downgraded due to sluggish domestic demand and weaker export expansion, which can be attributed to the sluggish global growth following the Russian invasion of

Ukraine. Additionally, inflation is expected to rise from 6.2% in FY2022 to 8.7% in FY2023.

Nonetheless, there is a significant risk to this growth projection, which is the possibility of a further economic slowdown in Bangladesh's major export destinations, driven by global uncertainty caused by prolonged political tensions.

Inflationary pressure in Bangladesh has been exacerbated by the rise in commodity prices, leading to a balance-of-payments deficit which has put significant pressure on foreign exchange reserves. This imbalance has been fueled by the multiple exchange rate system, which has deterred export and remittance inflows. Thus, transitioning towards a single market-based exchange rate is essential to restore external balance.

However, there are still significant risks to the country's economic outlook. Tighter liquidity and a rise in non-performing loans have posed challenges to domestic banks, and the fiscal deficit has widened in FY23, with greater financing from domestic banks. Nevertheless, according to the January 2023 joint Debt Sustainability Analysis (DSA) by the World Bank and IMF, Bangladesh remains at low risk of debt distress.

It can be said that Bangladesh's economic growth is expected to accelerate in the medium term as inflationary pressure eases, external conditions improve, and the implementation of reforms gains momentum. The real GDP growth rate is anticipated to slow down to 6.4 percent in FY23. Nevertheless, growth is predicted to increase to 6.2% in FY24.

To attain its goal of becoming an upper-middle-income country by 2031, Bangladesh must make effective use of its domestic resources and production capabilities, foster a competitive business environment that generates employment opportunities, improve its infrastructure, and develop a policy framework that attracts private investment. Additionally, the country must focus on enhancing human capital and cultivating a skilled workforce.

Finally, to achieve its goal of reaching upper middle-income status by 2031, Bangladesh must prioritize trade competitiveness and export diversification. This move is crucial to enhance the country's trade competitiveness and ensure long-term economic growth.

Reference:

1. World Economic Outlook, April 2023, International Monetary fund (IMF),
2. Asian Development Outlook, April 2023

BIFFL's Performance 2022

Being established in 2011 to contribute to the development of the country's infrastructures and growth, BIFFL has been offering long-term financing to numerous infrastructure projects of the country including the Public Private Partnership (PPP) projects. Also, it has been channelling development partners' funds promoting energy efficient and environmentally friendly projects, food value chain improvement projects as well as women entrepreneurship projects in the country.

As of 31 December 2022, the institution approved financing proposals for BDT 8028.16 crore in various sectors and disbursed BDT 4,258.62 crore.

Sector	31 December 2022	
	Approved	Disbursed
Power & Energy	1,651.48	1,041.87
Transport & Communication	2,580.00	1,244.98
Economic Zones	660.00	537.06
Environment-friendly and Energy-efficient Projects	1,744.76	509.83
Food & Agriculture	115.20	4.78
Health	80.00	20.00
Tourism	150.00	150.00
Others	1,046.72	750.09
Total	**8,028.16**	**4,258.62**

* Figures in BDT crore.

BIFFL & SDGs

Bangladesh has incorporated the priorities of Sustainable Development Goals (SDGs) in all its development policies. BIFFL is working as a unique organization for the development of infrastructure, conservation of environment and climate as well as women empowerment, poverty eradication, redressing gender disparity and sustainable development of the country. In this process, BIFFL has been working with different bilateral and multilateral development partners such as World Bank, JICA, ADB, KfW and AFD for energy efficiency and conservation promotion, infrastructure development and food value chain improvement projects along with capacity development.

BIFFL has been working to promote environment-friendly green construction materials in development works. It has organized nationwide expos from 2016 to 2018 which created a huge impact on the awareness

of the mass people, business entrepreneurs and even the policymakers of the country about green technology and energy efficiency. BIFFL has approved BDT 1,709 crore and disbursed BDT 563 crore for investment in this area.

Financial Outcome

The company finalized its annual financial statements for the year ended on 31-12-2022 and ACNABIN, Chartered Accountants, audited the accounts accordingly. The key financial indicators are as follows:

Balance Sheet and Profit & Loss Account Highlights

Particulars	Figure in BDT crore			%
	2022	2021	Changes	Changes
Balance Sheet Highlights				
Leases, Loans and Advances	1,885.70	1,639.44	246.25	15.02%
Investment	654.44	259.12	395.33	152.57%
Loans and Investment	2,540.14	1,898.56	641.58	33.79%
Assets	4,931.17	4,352.12	579.05	13.31%
Liabilities	2,226.35	1,698.96	527.39	31.04%
Equity	2,704.82	2,653.16	51.66	1.95%
Operational Performance				
Revenue	230.67	235.13	(4.45)	-1.89%
Interest Expenses	19.93	11.95	7.98	66.76%
Operating Income	210.74	223.17	(12.43)	-5.57%
Operating Expenses	13.80	12.22	1.58	12.94%
Profit before Provision	196.94	210.95	(14.02)	-6.64%
Provision	53.60	68.60	(15.00)	-21.87%
Profit before Tax	143.34	142.35	0.98	0.69%
Provision for Income Tax	67.20	81.11	(13.92)	-17.16%
Profit after Tax and Provision	76.14	61.24	14.90	24.33%
Key Ratios (BDT)				
Earnings Per Share (EPS)	3.30	2.65	0.65	24.33%
Net Asset Value (NAV) Per Share	117.19	114.95	2.24	1.95%

Sources of Fund

Other than equity, i.e., paid-up capital, BIFFL channels funds from other sources to enhance its leverage and cater to a larger range of clients. BIFFL has already completed one on-lending project and is in the process of implementing several others sponsored by the Japan International Cooperation Agency (JICA) and the Government of Bangladesh (GoB) to promote financing in energy efficiency and conservation, food value chain improvement etc. Besides, BIFFL has also secured soft loans from World Bank and Asian Development Bank to leverage some mega projects where financing from traditional bank loans would not have been possible. In 2021, BIFFL had also secured concessional credit line from the French Development Agency (AFD) and is also nearing the financial closure of several new concessional credit lines from the German Development Agency (KfW) and ADB in different areas of development financing. Apart from this, financing underprivileged woman entrepreneurs with limited access to formal finance under the central bank's refinancing scheme has been another development initiative of BIFFL.

EECPFP

From the "Energy Efficiency and Conservation Promotion Financing Project" (EECPFP) under the Loan Agreement No. BD-P90 included in the 37th Japanese ODA loan package, dated June 2016 between Japan and

Bangladesh, a total loan of JPY 9,978 million (USD 95 million approximately) is available for BIFFL. In addition, BIFFL has also received JPY 574 million (approximately USD 5.50 million) as technical assistance. This facility can be used for 9 years.

EECPFP PHASE-II

Based on the success of EECPFP, JICA extended the project as the EECPFP Phase-II, Loan Agreement No. BD-P109 dated May 2019 under the 40th ODA Loan Package of the Japan Government. BIFFL will also receive half of the extended fund of JPY 20,076 million for on-lending and technical assistance.

FVCIP

The "Food Value Chain Improvement Project" (FVCIP) is another JICA-funded project under Loan Agreement No. BD-P115 is included in the 41st ODA Loan package of the Japan Government. BIFFL is the sole implementing agency of this project. This project aims to facilitate access to credit for agribusiness and food processing industries to in turn enhance the quality and productivity of end products by providing concessional loans (total loan amount JPY 11,218 million). Like other projects of JICA, this project also includes technical assistance for capacity development of BIFFL as well as the food processing and value chain sector.

IPFF-II

The loan under "Investment Promotion and Financing Facility" (IPFF)-II, is USD 416.70 million, comprising USD 100 million from IDA and USD 256.70 million in the form of Special Drawing Rights (SDR) and USD 60 million from GoB. BIFFL is a participating financial institution (PFI) to implement the project having a unique allocation of USD 30 million for financing through innovative financial instruments.

SBIFFLP

In 2020, the GoB signed an agreement with ADB for providing a 25-year long credit line worth USD 50 million to BIFFL for re-lending to the eligible subprojects structured in the PPP modality. The project aims to strengthen BIFFL's institutional capacity to develop and facilitate infrastructure projects. BIFFL is also receiving technical assistance of USD 0.65 million as per the agreement. Meanwhile, BIFFL has signed the Common Terms Agreement and onshore facility agreement for providing loan of BDT 1,075 crore to the subproject implementing SPV "Dhaka Bypass Expressway Development Company Ltd."

EEREWEFP

On 12 August 2021, The GoB and AFD signed a loan agreement under which BIFFL is receiving EUR 50 million for 15 years to finance energy efficiency, renewable energy and women entrepreneurship development-related areas. This amount is also supplemented with a technical assistance fund. Under this project, BIFFL will provide long term concessional loans to the stated areas. The project is currently under implementation.

EEIP

In 2022, the Government of the People's Republic of Bangladesh (GoB) and Kreditanstalt für Wiederaufbau (KfW), the German state-owned development bank, signed a loan agreement of up to EUR 80.00 million along with a grant agreement of up to EUR 2.00 million to implement the project 'Energy Efficiency in the Industry (EEI)'. GoB will channel a loan portion of up to EUR 40.00 million and a grant portion of up to EUR 1.00 million to BIFFL, one of the project-executing agencies, for the implementation of the project. This project aims to promote energy efficiency measures by providing industrial companies with access to concessionary credit to incentivize the use of more energy-efficient substitutes which will reduce the final energy consumption and associated CO_2 emission by at least 20%.

Classification Status of Loans and Investments

The classification status of loans and investments of BIFFL (as of 31.12.2022) is as follows:

Classification Status	BDT in crore
Standard (STD)	1,659.28
Special Mention Account (SMA)	29.90
Sub-Standard (SS)	12.56
Doubtful (DF)	0.35
Bad and Loss (BL)	183.60
Total	**1,885.70**

Proposal of Dividend for 2022

As per the audited financial statements for the FY 2022 of BIFFL, the 'Total Operating Income' is BDT 210.73 crore and the 'Net Profit after Tax and Provision' (NPAT&P) is BDT 76.14 crore. BIFFL Board in its 114th meeting recommended a dividend of BDT 27.96 crore (50% of NPAT&P less Statutory Reserve and General Reserve) for the FY 2022, in favor of the Government (Finance Division, Ministry of Finance) as the shareholder of the company. Until 2022, BIFFL paid a total of BDT 624.27 crore to GoB as dividends

Year	Dividend		Total
	Stock	Cash	
2014	340.00	10.00	350
2015	70.00	12.00	82
2016	49.00	15.00	64
2017	49.00	15.00	64
2018	-	-	-
2019	-	18.12	18.12
2020	-	21.66	21.66
2021	-	24.49	24.49
Sub total		116.27	624.27
2022 (Proposed)		27.96	27.96
Total	**508.00**	**144.23**	**652.23**

Total Contribution to the National Exchequer

(BDT in crore)

Up to 25 May 2023 since inception of BIFFL	Income Tax and VAT	737.63
	Dividend	116.27
	Total	**853.90**

Corporate Governance

Corporate governance and compliance are priority issues for BIFFL, as it is a Government-owned organization working to facilitate the country's infrastructure development and promote energy-efficient and environment-friendly projects by liaising with international development agencies. The company practices corporate governance principles in its operations and strives to maintain compliance in all aspects.

The Board of Directors emphasizes transparency and accountability of the operations and transactions of the organization comprehensively and the management reports to the Board accordingly. The management also tries to standardize the management information system and periodic reports as and when required by the Board.

A separate report on the corporate governance of BIFFL is included in this report.

Shareholding Structures

Shareholders	Share holding position during the last 5 years				
	2018	2019	2020	2021	2022
Finance Division, MoF	210,799,984	210,799,984	230,799,984	230,799,984	230,799,984
Secretary, Finance Division, MoF	9	9	9	9	9
Secretary, Prime Minister's Office	1	1	1	1	1
Secretary, Power Division,MoPE&MR	1	1	1	1	1
Secretary, E&MRD, MoPE&MR	1	1	1	1	1
Secretary, RT&HD, MoRT&B	1	1	1	1	1
Secretary, Bridges Division, MoRT&B	1	1	1	1	1
Secretary, ERD, MoF	1	1	1	1	1
Additional Secretary, Finance, Division, MoF	1	1	1	1	1
Total number of shares outstanding	**210,800,000**	**210,800,000**	**230,800,000**	**230,800,000**	**230,800,000**

MoF= Ministry of Finance

E&MRD= Energy and Mineral Resources Division

MoPE&MR= Ministry of Power, Energy and Mineral Resources

RT&HD= Road Transport and Highways Division

MoRT&B= Ministry of Road Transport and Bridges

ERD= Economic Relations Division

Board of Directors

BIFFL is an organization with 100% ownership of the Government of Bangladesh represented by the Finance Division as the sponsoring Division/Ministry. All Directors represent their concerned Divisions/Ministries of the Government by virtue of their official positions only. According to BIFFL's Articles of Association, the Board is comprised of 8 members including the Senior Secretary/Secretary of different Divisions/ Ministries. The Board is the highest authority to make/approve the policy and guidelines of the organization pertinent to its operation and approves of the loan/financing and business functions. The Chief Executive Officer, as an ex-officio member of the Board, conducts the day-to-day business affairs of the company under the supervision and guidance of the Board..

Existing Board of Directors

S.I.	Name	Designation	First Appointment	Re-appointment
1	Ms. Fatima Yasmin Senior Secretary, Finance Division, MoF	Chairman	04-Jun-20	30-Sept-2021 (10th AGM)
2	Mr. Md. Habibur Rahman Senior Secretary, Power Division, Ministry of Power, Energy and Mineral Resources	Director	31-Dec-20	26-June-2022 (11th AGM)
3	Ms. Sharifa Khan Secretary, Economic Relations Division, MoF	Director	30-Jul-22	
4	Mr. Md. Monjur Hossain Secretary, Bridges Division, Ministry of Road Transport and Bridges	Director	20-Feb-22	-
5	Mr. A B M Amin Ullah Nuri Secretary, Road Transport and Highways Division, MoRT&B	Director	26-Jun-22	
6	Mr. Mohammad Salahuddin Secretary, The Prime Minister's Office	Director	4-Jan-23	
7	Dr. Md. Khairuzzaman Mozumder Secretary, Energy and Mineral Resources Division, MoPE&MR	Director	15-Feb-23	
8	Mr. Hasan Khaled Foisal Joint Secretary, Finance Division, MoF	Director	18-Nov-21	-

Change of Directors in 2022 and up to May 2023

S.I.	Name	Designation	Appointment	Continuation/ Cessation
1	Ms. Fatima Yasmin	Chairman	04-Jun-20	Continuing
2	Mr. Md. Habibur Rahman	Director	31-Dec-20	Continuing
3	Ms. Sharifa Khan	Director	30-Jul-22	Continuing
4	Mr. Md. Monjur Hossain	Director	20-Feb-22	Continuing
5	Mr. A B M Amin Ullah Nuri	Director	26-Jun-22	Continuing
6	Mr. Mohammad Salahuddin	Director	4-Jan-23	Continuing
7	Dr. Md. Khairuzzaman Mozumder	Director	15-Feb-23	Continuing
8	Mr. Hasan Khaled Foisal	Director	18-Nov-21	Continuing
9	Mr. Abdur Rouf Talukder	Chairman	8-Aug-18	30-Jul-22
10	Mr. Md. Nazrul Islam	Director	7-Nov-17	26-June-22
11	Mr. M. Tofazzel Hossain Miah	Director	27-Feb-20	4-Jan-23
12	Mr. Md. Anisur Rahman	Director	27-Feb-20	20-Feb-22
13	Mr. Md. Abu Bakr Siddique	Director	19-July-21	20-Feb-22
14	Mr. Md. Mahbub Hossain	Director	20-Feb-22	15-Feb-23

Board Meeting and Attendance

In 2022, nine (09) Board meetings were held. The meetings were arranged on a virtual/online platform due to the pandemic situation. As per the guidelines of the Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), the proceedings of the meetings were recorded and preserved for future reference. The status of meeting attendance during the year 2022 is as follows:

Directors	No of Meeting	No of attendance	% of presence
Mr. Abdur Rouf Talukder	4	4	100%
Mr. Md. Mahbub Hossain	9	9	100%
Mr. M. Tofazzel Hossain Miah	9	8	89%
Mr. Md. Nazrul Islam	3	3	100%
Ms. Fatima Yasmin	9	8	89%
Mr. Md. Habibur Rahman	9	7	78%
Ms. Sharifa Khan	5	5	100%
Mr. Md. Monjur Hossain	9	8	89%
Mr. A B M Amin Ullah Nuri	6	5	83%
Mr. Hasan Khaled Foisal	9	9	100%

Directors Proposed for Re-Election

Pursuant to provisions stipulated in the Companies Act, 1994 (1st schedule, regulation-79 & 80), one-third (1/3) of directors (senior-most in order of appointment/re-appointment) of BIFFL will retire in the 12th AGM. The retiring Directors are eligible for re-election (regulation-81). The retiring Directors are as follows:

Name	Designation	First Appointment	Reappointment
Ms. Fatima Yasmin	Chairman	04-Jun-20	30-Sept-2021
Mr. Md. Monjur Hossain	Director	20-Feb-22	
Mr. Hasan Khaled Foisal	Director	18-Nov-21	-

In case of early cessation of any directorship among the retiring director(s) before the AGM, the immediate senior-most Director(s) would be eligible for retirement as per law.

Board Committees

The Board formed two Board Committees named the 'Executive Committee' and 'Audit Committee' consisting of Directors vide the 18th Board meeting dated 8 September 2014. Later, the Audit Committee and Executive Committee were restructured in the 110th and 111th Board Meetings held on 04-Jan-2023 and 15 February 2023 respectively. In the year 2022, six (6) meetings of the Executive Committee and three (3) meetings of the Audit Committee were held.

Going Concern

The Directors of BIFFL assessed that the company is a going concern entity. It is recognized through appropriate inquiries and analysis that the company's resources are adequate to support its operations and that sufficient business opportunities exist to justify the company as a going concern. Accordingly, the financial statements are prepared on a going concern basis and there is no doubt on the company's ability to continue as a going concern.

Related Party Transactions

Transactions with related parties are made on a commercial basis on the principle of arm's length and are done in the ordinary course of business. Details of related parties and related party transactions are described in notes to the financial statements in this annual report as per requirements of relevant International Financial Reporting Standards (IFRSs).

Human Resources

BIFFL recruits and engages talented officials and proactive support staff to keep the organization growing towards its purpose. As of 31 December 2022, the number of employees is 66, as follows:

Organizational Affairs	No. of Employee
Chief Executive Officer	1
CEO's Secretariat	1
Chief Operating Officer	1
Company Secretariat	1
Credit and Investment Department	6
Credit Risk Management Department	7
Credit Administration Department	5
Treasury Department	4
Special Assets Management Department	8
Internal Control and Compliance Department	2
Accounts and Finance Department	4
Technical and IT Departments	2
HR and Administration	4
Support staffs	20
Total	**66**

Currently, the gender ratio of male to female employees in BIFFL is approximately 3:1. The employee turnover is about 5.97%. As of 31 December 2022, the net income per employee is BDT 1,15,36,220.

The company has a plan to increase its employee strength to match its objective and investment plan. BIFFL Board and management also emphasize the continuous development of professional skills, knowledge, and expertise of employees through training, exposure, and exchange programs.

Audit of the Financial Statements for FY2022

The shareholders in the 11th AGM approved the appointment of ACNABIN, Chartered Accountants for the FY2022.

The auditor, ACNABIN, Chartered Accountants audited the financial statements for the FY 2022 and submitted the audited financial statements with an 'unqualified opinion'. The financial statements of BIFFL provided a true and fair view of the financial position as of 31 December 2022, and its financial performance and cash flows for the year then ended as per International Financial Reporting Standards (IFRSs) and comply with the Financial Institutions Act, 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994, the Securities and Exchange Rules,1987 and other applicable laws and regulations. The audited financial statements and independent auditor's reports are attached to the annual report.

Regulatory Compliance

BIFFL has complied with the provisions of the Companies Act, 1994, Financial Institutions Act, 1993 and other rules and regulations of the Registrar of Joint Stock Companies and Firms, Bangladesh Bank, Bangladesh Securities and Exchange Commission etc. during the FY2022. Under section 184 of the Companies Act, 1994 and BSEC's Corporate Governance Guidelines, Condition-1.5, we report that:

1. The financial statements of the company present the financial position, cash flows and changes in equity.
2. Proper books of accounts of the company are maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment. International Accounting Standards (IASs) have been followed in the preparation of the financial statements and any departure from the same has been adequately disclosed.
4. The system of financial control is sound in design and has been effectively implemented and monitored.
5. There is no doubt about the company's ability tocontinue as a going concern. The key operating and financial data for the last 5 years at-a-glance is furnished.
6. The Board has recommended a dividend for the year 2022.
7. In 2022, nine (9) Board meetings were held, and Directors served the Board in their position.
8. BIFFL is fully Government-owned as on 31 December 2022.

Acknowledgement

The Board takes the opportunity to express its appreciation and gratitude to the shareholders, borrowers and other stakeholders for their continued support and cooperation towards the success of the company. The Board also expresses its gratitude to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, National Board of Revenue and other regulatory bodies for their guidance and valuable advice. The Board also thanks ACNABIN, Chartered Accountants - the auditors of the company- for their effort.

This annual report reflects the hard work and dedication of our employees and management team, as well as the trust and support of our valued shareholders.

The Board believes that the contribution of BIFFL to the national economy will increase day by day through financing infrastructure and environment-friendly projects in the country.

As the Chairman of the Board of Directors, I want to express my gratitude to our shareholders for your continued investment and confidence in our company. We remain committed to delivering value to our shareholders, customers, and other stakeholders, and we look forward to your feedback and input on this report.

For and on behalf of the Board of Directors,

Fatima Yasmin
Chairman

Statement of Corporate Governance

Corporate Governance is the system/practice through which a company is functioned, controlled, and managed. This is done through a collection of procedures that are aligned with recognized standards that respond to the interests of shareholders and other stakeholders. It ensures transparency, accountability and fairness in the corporate sector and safeguards the interest of all stakeholders.

In persuasion of corporate objective, BIFFL is committed to establish its corporate governance framework by adopting, reviewing, and complying with all the policies and practices to ensure a balanced corporate environment within the organization with maximum accountability and transparency.

Confirming to this, the Board reviews and improves the systems and policies from time to time to ensure the best practices in the industry.

BIFFL has incorporated the guidelines of Corporate Governance issued by the Bangladesh Securities and Exchange Commission (BSEC) and the Bangladesh Bank as follows. The extent of compliance by BIFFL for the year ended 31 December 2022 with the above rules and directive principles and best practices are given in:

Annexure-I

Status of compliance with the conditions imposed by the Securities and Exchange Commission's (BSEC) notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. BSEC issued the notification regarding compliances on corporate governance code of best practice for listed companies. Notably, BIFFL is not yet listed with any stock exchange, so this notification is not enforced. However, BIFFL voluntarily complies with many of the requirements.

Annexure-II

Status report on compliance with the good governance guidelines issued by Bangladesh Bank through DFIM Circular no. 07, dated 25 September 2007.

Corporate Governance Framework

BIFFL's corporate governance framework is based on the principles of accountability, transparency, ethical management, and fairness. A viewpoint of sound governance is entrenched across the business. BIFFL is operated within a comprehensive governance framework, which is outlined below:

- BIFFL's Board comprises of 9 members including 8 senior Govt. officials from different ministries of the state and the CEO as an ex-officio member of Board. The appointment of Independent Director is in the process;
- Formation of Board Committee i.e. Audit Committee and Executive Committee comprises of the Directors are working as per term of reference prescribed by Bangladesh bank;
- Formation of different committees/units to strengthen the process of business operation through segregation of duties;
- Adoption of the Finance and Accounts Manual and Treasury Policy;
- Adoption of the Human Resource Policy;
- Approval of the Credit Policy;
- Approval of Environmental and Social Monitoring Framework following guidelines of Bangladesh Bank;
- Approval of ICT Policy;
- Approval of ALM Policy;
- Approval of Anti-Money Laundering Policy;
- Approval of ICC Policy and ICC Systems Guidelines- Policy and Procedure;
- Approval of Corporate Social Responsibility (CSR) Policy;
- Strengthening the process of identification, recording and disclosure of related party transactions; and
- Expansion of geographical presence.

(i) Board and Board Committees

Board of Directors

The Board of Directors is the highest authority of BIFFL which is collectively responsible for setting out the company's strategic aims, providing the necessary leadership to implement such aims, supervising the management and reporting to shareholders on their stewardship. The Board is also responsible to the shareholders for the overall management

and performance of the company. In 2022, 9 Board meetings were held.

Executive Committee (EC)

The EC consists of 4 members. Matters related to ordinary business operations of the company and those the Board authorizes from time to time are vested on the EC. The committee ensures proper and timely implementation of polices and guidelines through the management. Company Secretary acts as the secretary of EC. In 2022, 6 EC meetings were held.

Audit Committee (AC)

The AC consists of 4 members and is responsible to examine any matter relating to the financial affairs of the company and to review all audit and inspection reports, internal control systems and procedures, accounting policies and adherence to compliance requirements, among others. The Committee also performs an annual assessment of the effectiveness of the company's internal audit functions and ensures that internal audit has adequate resources to fulfill its mandate. Company Secretary acts as the secretary of AC as per regulation of Bangladesh Bank. In 2022, 3 AC meetings were held.

(ii) Management Committees

Management Committee (MANCOM)

The MANCOM is responsible for all aspects of day-to-day operations in line with the policies and guidelines adopted by the Board. The committee is also responsible for implementing the decisions made by the Board. As on 31 December 2022 the member of the committee are as follows:

01	**Mr. S. M. Anisuzzaman** Chief Executive Officer	Chairman
02	**Mr. Md. Sagir Hossain Khan** Chief Operating Officer	Member
03	**Mr. Md. Tanvir Warsi** Head, Credit Risk Management Department	Member
04	**Mr. Sheikh Anower Sadat** Head, Credit & Investment Department	Member
05	**Mr. Md. Arifur Rahman** Head, Special Asset Management Department	Member
06	**Mr. Shahariar Alam, ACA** Chief Financial Officer	Member Secretary
07	**Mr. Sujit Basak** Head, Internal Control & Compliance Department	Member
08	**Mr. Muhammed Shahjahan** Head, HR & Administration Department	Member
09	**Mr. Md. Afzal Hossain, CFA** Head, Treasury Management Department	Member
10	**Mr. Md. Shahriar Kamal Chowdhury** In-charge, Credit Administration Department	Member

The committee sits at least once each month to make decisions and supervise the regular functions and operations of the organization.

Credit Committee (CC)

To maintain proper discipline in the loan/investment approval process and to ensure better assessment of quality of credit/investment portfolio of BIFFL, CC is formed comprising following officials:

01	**Mr. Md. Sagir Hossain Khan** Chief Operating Officer	Chairman
02	**Mr. Md. Tanvir Warsi** Head of Credit Risk Management Department	Member
03	**Mr. Sheikh Anower Sadat** Head, Credit & Investment Department	Member
04	**Mr. Md. Arifur Rahman** Head, Special Asset Management Department	Member
05	**Mr. Shahariar Alam, ACA** Chief Financial Officer	Member
06	**Mr. Md. Afzal Hossain, CFA** Head, Treasury Management Department	Member
07	**Mr. Amir Hossain Nadim** Principal Officer, Credit Risk Management Department	Member Secretary

The Credit Committee:

I. Reviews the risks and upcoming challenges (technical, economic, social & environmental, and/or legislative) that may adversely affect the proposed project.

II. Review the compliance of applicable policies (internal and external) and rules & regulations/ circulars/directives/guidelines of the regulators in the project appraisal process.

III. Considers the observation and recommendation

of the Credit Risk Management Department on the proposal and review the mitigation scopes of the observations.

IV. Places specific recommendation based on the information, analysis and appraisal report placed by the Credit & Investment Department and the viability, risks & challenges of the project sorted out by the Credit Risk Management Department including the mitigation scope to overcome the risks and challenges.

Asset Liability Management Committee (ALCO)

To manage the balance sheet risk specially for mitigating liquidity and interest rate risks and to assist the MANCOM in the decision-making process, BIFFL management formed an ALCO. The committee is also responsible for creating an optimal structure of the company's balance sheet to provide the maximum profitability, limiting the possible risk level, monitoring capital adequacy and risk diversification. The ALCO convenes periodical meetings and regularly reviews the decisions of the meeting. The members of the ALCO are:

01	**Mr. S. M. Anisuzzaman** Chief Executive Officer	Chairman
02	**Mr. Md. Sagir Hossain Khan** Chief Operating Officer	Member
03	**Mr. Md. Tanvir Warsi** Head, Credit Risk Management Department	Member
04	**Mr. Sheikh Anower Sadat** Head, Credit & Investment Department	Member
05	**Mr. Md. Arifur Rahman** Head, Special Asset Management Department	Member
06	**Mr. Shahariar Alam, ACA** Chief Financial Officer	Member
07	**Mr. Sujit Basak** Head, Internal Control & Compliance Department	Member
08	**Mr. Md. Afzal Hossain, CFA** Head, Treasury Management Department	Member Secretary
09	**Mr. Khandokar Riazul Hoque** Principal Officer, Credit Administration Department	Member

Risk Management Forum (RMF)

The RMF was formed in accordance with the Bangladesh Bank's DFIM Circular no. 01 dated April 07, 2013 to introduce proactive risk management procedures in line with the international best practices. The RMF:

- Reviews management's plans for mitigation of the material risks faced by BIFFL, evaluating their potential impact and implementing appropriate strategies to manage those risks;
- Promotes awareness of a risk-based culture and achievement of a balance between risk minimization and reward for mitigation of risks;
- Reviews the sufficiency of personnel, systems, procedures and other risk management issues;
- Reviews and assesses the integrity and adequacy of the risk management function, including process and organizational structure.

The forum consists of the following members:

01	**Mr. Md. Sagir Hossain Khan** Chief Operating Officer	Chief Risk Officer
02	**Mr. Md. Tanvir Warsi** Head, Credit Risk Management Department	Member
03	**Mr. Sheikh Anower Sadat** Head, Credit & Investment Department	Member
04	**Mr. Md. Arifur Rahman** Head, Special Asset Management Department	Member
05	**Mr. Shahariar Alam, ACA** Chief Financial Officer	Member
06	**Mr. Sujit Basak** Head, Internal Control & Compliance Department	Member
07	**Mr. Kazi Md. Iftekhar** Head, IT & MIS	Member
08	**Mr. Md. Afzal Hossain, CFA** Head, Treasury Management Department	Member
09	**Ms. Mehnaz Hossain** Principal Officer, Credit Administration Department	Member Secretary
10	**Mr. Khandokar Riazul Hoque** Principal Officer, Credit Administration Department	Member

Risk Analysis Unit (RAU)

The RAU is formed to act as the secretariat of the Risk Management Forum with the responsibility for identifying and analyzing various types of risks appropriately and in a timely manner. The RAU comprises:

01	**Mr. Md. Tanvir Warsi** Head, Credit Risk Management Department	Unit Head
02	**Mr. Shahariar Alam, ACA** Chief Financial Officer	Member
03	**Mr. Muhammed Shahjahan** Head, HR & Administration Department	Member
04	**Mr. Md. Afzal Hossain, CFA** Head, Treasury Management Department	Member
05	**Mr. Md. Shahriar Kamal Chowdhury** In-charge, Credit Administration Department	Member
06	**Ms. Mehnaz Hossain** Principal Officer, Credit Administration Department	Member Secretary
07	**Mr. Md. Amir Hossain Nadim** Principal Officer, Credit Risk Management Department	Member

Central Compliance Unit (CCU)

Pursuant to the directions and guidelines of the "Guidance Notes on Prevention of Money Laundering and Terrorist Financing" issued by Bangladesh Financial Intelligence Unit, Bangladesh Bank, BIFFL formed the Central Compliance Unit (CCU). The unit is responsible to monitor, supervise and follow up the entire compliance issues of the organizations including the compliance with Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) under the policy on AML, as approved by the Board. The CCU comprises:

01	**Mr. Md. Sagir Hossain Khan** Chief Operating Officer	Head of CCU & CAMLCO
02	**Mr. Md. Tanvir Warsi** Head, Credit Risk Management Department	Member
03	**Mr. Md. Shahriar Kamal Chowdhury** In-charge, Credit Administration Department	Member
04	**Ms. Rajina Rashid** Principal Officer, Credit Administration Department	DCAMLCO & Member Secretary

Integrity and Ethics Committee

BIFFL has formed an Integrity and Ethics Committee as per the directions and guidelines of Bangladesh Bank to abide by the code of integrity and good governance in line with the National Integrity Strategy of Bangladesh. The committee is responsible for the development of the integrity and ethical standard among the employees of the organization. The committee comprises:

01	**Mr. Md. Sagir Hossain Khan** Chief Operating Officer	Chairman
02	**Mr. Md. Tanvir Warsi** Head, Credit Risk Management Department	Focal Point
03	**Mr. Shahariar Alam, ACA** Chief Financial Officer	Member
04	**Mr. Sujit Basak** Head, Internal Control & Compliance Department	Member Secretary
05	**Mr. Muhammed Shahjahan** Head, HR & Administration Department	Member

Sustainable Finance Committee

Pursuant to the directions of SFD Circular no. 02, dated 01 December 2016 issued by Bangladesh Bank, BIFFL formed the Sustainable Finance Committee. The committee is responsible for supervising the activities of Sustainable Finance Unit of BIFFL. The committee formed as follows:

01	**Mr. Md. Sagir Hossain Khan** Chief Operating Officer	Chairman
02	**Mr. Md. Tanvir Warsi** Head, Credit Risk Management Department	Member
03	**Mr. Sheikh Anower Sadat** Head, Credit & Investment Department	Member
04	**Mr. Md. Arifur Rahman** Head, Special Asset Management Department	Member
05	**Mr. Shahariar Alam, ACA** Chief Financial Officer	Member
06	**Mr. Sujit Basak** Head, Internal Control & Compliance Department	Member

07	**Ms. Rajina Rashid** Principal Officer, Credit Administration Department	Member
08	**Mr. Muhammed Shahjahan** Head, HR & Administration Department	Member
09	**Mr. Salah Uddin Kader Chy** Principal Officer, Accounts & Finance Department	Member
10	**Mr. Kazi Md. Iftekhar** Head, IT & MISD	Member
11	**Mr. Md. Amir Hossain Nadim** Principal Officer, Credit Risk Management Department	Member Secretary

ICT Steering Committee

The ICT Steering Committee is comprised as follows:

01	**Mr. Md. Sagir Hossain Khan** Chief Operating Officer	Chairman
02	**Mr. Md. Tanvir Warsi** Head, Credit Risk Management Department	Member
03	**Mr. Muhammed Shahjahan** Head, HR & Administration Department	Member
04	**Representative from Technical Unit**	Member
05	**Mr. Kazi Md. Iftekhar** Head, IT & MISD	Member Secretary
06	**Mr. Md. Shahriar Kamal Chowdhury** In-charge, Credit Administration Department	Member
07	**Mr. Azmol Huda Sarker** Senior Officer, IT & MISD	Member

The committee is responsible for-

- monitoring management methods to determine and achieve strategic goals;
- recommendations about exposure to ICT risks and controls;
- providing guidance related to risk, funding, or sourcing;
- ensuring project priorities and assessing feasibility for ICT proposals;
- advising on the selection of technology within standards;
- assessing vulnerability of new system and technology; and
- ensuring compliance with regulatory and statutory requirements.

Customer Service and Complaints Management Cell

With a view to strengthening the corporate governance structure and to bring improvement in the quality of customer services, BIFFL formed a Customer Service & Complaints Management Cell including the following officials:

01	**Mr. Md. Tanvir Warsi** Head, Credit Risk Management Department	Head
02	**Mr. Shahariar Alam, ACA** Chief Financial Officer	Member
03	**Mr. Muhammed Shahjahan** Head, HR & Administration Department	Member Secretary
04	**Mr. Salah Uddin Kader Chy** Principal Officer, Accounts & Finance Department	Member
05	**Mr. Kazi Md. Iftekhar** Head, IT & MISD	Member
06	**Mr. Md. Shahriar Kamal Chowdhury** In-charge, Credit Administration Department	Member

Corporate Governance Compliance Report on BSEC's Notification

Annexure-I

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, issued under section 2CC of the Securities and Exchange Ordinance 1969. The status report on compliance with those conditions is furnished below:

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1	Board of Directors			
1.1	**Size of the Board of Directors:**	✓		
1.2	**Independent Directors:**			**Appointment of Independent Director is under process**
1.2(a)	At least one fifth (1/5) of the total number of directors	-	-	"
1.2(b)(i)	Does not hold any share or holds less than 1% share of the total paid-up shares	-	-	"
1.2(b)(ii)	Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares based on family relationship	-	-	"
1.2(b)(iii)	Not been an executive of the company in immediately preceding 2 (two) financial years	-	-	"
1.2(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	-	-	"
1.2(b)(v)	Not a member, director, or officer of any stock exchange	-	-	"
1.2(b)(vi)	Not a shareholder, director, or officer of any member of stock exchange or an intermediary of the capital market	-	-	"
1.2(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm	-	-	"
1.2(b)(viii)	Not be an independent director in more than 5 (five) listed companies	-	-	"
1.2(b)(ix)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI	-	-	"
1.2(b)(x)	Not been convicted for a criminal offence involving moral turpitude	-	-	"
1.2(c)	Appointed by the Board and approved by the shareholders in the AGM	-	-	"
1.2(d)	Not remain vacant for more than 90 (ninety) days	-	-	"
1.2(e)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	-	-	"
1.3	**Qualification of Independent Directors:**			**Not applicable**
1.3(a)	Knowledge of Independent Directors	-	-	"
1.3(b)	Qualifications of Independent Director:			
1.3(b)(i)	Who is or was a promoter or Director of an unlisted company or any listed company or a member of any national or international chamber of commerce or business association	-	-	"
1.3(b)(ii)	Who is or was a top-level executive not lower than CEO or MD or DMD or CFO or Head of F&A or CS or Head of IAC or Head of Legal of an unlisted company	-	-	"

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1.3(b)(iii)	Former official of Govt. or statutory or autonomous or regulatory body in the position not below 5th Grade of national pay scale having at least educational background of bachelor's degree in economics or commerce or business or law	-	-	"
1.3(b)(iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law	-	-	"
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a CA or a CMA or a CFA or a CCA or CPA or CMA or CS or equivalent qualification	-	-	"
1.3(c)	Shall have at least 10 (ten) years of experience in any field mentioned in clause (b)	-	-	"
1.3(d)	The qualifications or experiences in clause (b) may be relaxed subject to prior approval of the commission	-	-	"
1.4	**Quality of Chairperson of the Board of Directors and Managing Director or CEO:**			
1.4(a)	The position of Chairperson of the Board of Directors and the MD or CEO of the company shall be filled by different individuals	✓		
1.4(b)	The MD 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 non-executive directors of the company	✓		
1.4(d)	The roles and responsibilities of the Chairperson and MD or CEO shall be clearly defined by the Board	✓		
1.4(e)	In the absence of Chairman, the remaining members may select one of themselves from non-executive directors as Chairperson for the Board meeting but the reason of absence of the regular chairperson shall be duly recorded in the minutes			The Chairman was present in all Board meeting.
1.5	**The 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	✓		
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	-	-	Not applicable
1.5(v)	Discussion on continuity of any extra-ordinary gain or loss	✓		
1.5(vi)	Discussion on related party transactions along with a statement	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others	-	-	Not applicable
1.5(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing	-	-	Not applicable
1.5(ix)	Explanation on any significant variance occurs between Quarterly Financial performance and Annual Financial Statements	-	-	No such event occurred
1.5(x)	Remuneration to directors including independent directors	✓		
1.5(xi)	Fairness of Financial Statements	✓		
1.5(xii)	Proper books of accounts maintained	✓		
1.5(xiii)	Application of appropriate accounting policies and estimates	✓		
1.5(xiv)	Followed IAS/IFRS in preparation financial statements	✓		
1.5(xv)	The system of internal control sound in design & effectively implemented & monitored	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1.5(xvi)	Minority shareholders have been protected from abusive actions	✓		
1.5(xvii)	No significant doubt upon its ability to continue as a going concern	✓		
1.5(xviii)	Reporting of significant deviations from the last year's in operating results	✓		
1.5(xix)	Key operating and financial data of at least preceding 5 (five) years	✓		
1.5(xx)	Reasons of declaration of no dividend (if any)	✓		
1.5(xxi)	Statement that no bonus share or stock dividend declared as interim dividend	-	-	No such event occurred
1.5(xxii)	Total number of board meeting held & attendance reporting	✓		
1.5(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties	-	-	No such relationship
1.5(xxiii)(b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children	✓		
1.5(xxiii)(c)	Executives	✓		
1.5(xxiii)(d)	10% or more voting interest	-	-	Not applicable
1.5(xxiv)(a)	Brief resume of the Director	✓		
1.5(xxiv)(b)	His/her expertise in functional areas	✓		
1.5(xxiv)(c)	Companies in which the person holds the directorship and the membership of committees of the Board	✓		
1.5(xxv)	Management's discussion and analysis signed by CEO or MD on company's position and operations	✓		
1.5(xxv)(a)	Accounting policies and estimation	✓		
1.5(xxv)(b)	Changes in accounting policies and estimation if any	✓		
1.5(xxv)(c)	Comparative analysis	✓		
1.5(xxv)(d)	Compare financial performance and position with peer industry	✓		
1.5(xxv)(e)	Explain the financial and economic scenario	✓		
1.5(xxv)(f)	Risks and concern to the financial statement and the mitigation plan	✓		
1.5(xxv)(g)	Future or projection or forecast for company's operation, performance and financial position	✓		
1.5(xxvi)	Certification by the CEO and the CFO to the Board under condition no. 3(3)	✓		
1.5(xxvii)	The report and certificate for compliance of conditions of this Code as required under condition no. 9	✓		
1.6	**Meeting of the Board of Directors: Conduct its Board meetings and records the minutes of the meetings**	✓		
1.7	**Code of Conduct for the Chairperson, other Board members and CEO:**			
1.7(a)	Lay down a code of conduct, based on the recommendation of the NRC at condition no. 6	✓		BIFFL adopted code of conduct as circulated by BB
1.7(b)	The Code of Conduct shall be posted on the website	✓		
2	**Governance of Board of Directors of Subsidiary Company**			BIFFL has no subsidiary
2(a)	Composition of the Board of Directors	-	-	″
2(b)	At least 1 (one) independent director to the subsidiary company	-	-	″
2(c)	Submission of Minutes to the holding company	-	-	″
2(d)	Review of Minutes by the holding company	-	-	″
2(e)	Review of Financial Statement by the holding company	-	-	″

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3.1	**Appointment:**			
3.1(a)	Board shall appointment MD or CEO, CS, CFO, and HIAC	✓		
3.1(b)	Position of MD or CEO, CS, CFO, and HIAC shall be filled by different individuals	✓		
3.1(c)	MD or CEO, CS, CFO, and HIAC shall not hold any executive position in any other company	✓		
3.1(d)	Board shall clearly define roles, responsibilities and duties of CS, CFO, and HIAC shall be filled by different individuals	✓		
3.1(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board	✓		No such event occurred in the year
3.2	**Requirement to attend Board of Director's Meetings: The MD or CEO, CS, CFO, and HIAC shall attend the meetings of the Board**	✓		
3.3	**Duties of Managing Director (MD) or Chief Executive Director (CEO) and Chief Financial Officer (CFO):**			
3.3(a)	MD or CEO and CFO shall certify to the Board that they have reviewed financial statements	✓		
3.3(a)(i)	The statements do not contain any materially untrue statement that might be misleading	✓		
3.3(a)(ii)	The statement presents a true and fair view of the company's affairs and compliance with existing standards and laws	✓		
3.3(b)	Certify that no transactions entered which are fraudulent, illegal or violation of the code of conduct for the company's Board	✓		
3.3(c)	The certification shall be disclosed in the annual report	✓		
4	**Board of Director's Committee**			
4(i)	Audit Committee (AC)	✓		
4(ii)	Nomination and Remuneration Committee (NRC)	-	-	Complied as per the prudential guidelines given by the Bangladesh Bank
5	**Audit Committee**			
5.1	**Responsibility to the Board of Directors:**			
5.1(a)	Have an Audit Committee as a sub-committee of the Board	✓		
5.1(b)	Assist the Board in ensuring true and fair view of the situation and monitoring system	✓		
5.1(c)	Audit Committee shall be responsible to the Board	✓		
5.2	Constitution of Audit Committee:	✓		
5.2(a)	At least 3 (three) members	✓		
5.2(b)	Appointment of members of the Audit Committee	✓		
5.2(c)	Qualification of Audit Committee members	✓		
5.2(d)	Term of service of Audit Committee members	✓		
5.2(e)	Secretary of the Audit Committee	✓		
5.2(f)	Quorum of the Audit Committee shall not constitute without 1 (one) Independent Director	✓		No Independent Director
5.3	**Chairperson of the Audit Committee:**			
5.3(a)	Board shall select the Chairperson of the AC, who shall be an Independent Director	-	-	No Independent Director

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
5.3(b)	In the absence of Chairman, the remaining members may select one of themselves as Chairperson for the meeting for quorum as required under condition no. 5.4 (b) but the reason of absence of the regular chairperson shall be duly recorded in the minutes	✓		
5.3(c)	Chairperson of the Audit Committee shall remain present in the AGM	✓		
5.4	Meeting of the Audit Committee:			
5.4(a)	At least 4 (four) meeting in a financial year	✓		3 (three) meetings in 2022
5.4(b)	Quorum of the meeting of the AC	✓		
5.5	Role of Audit Committee:	✓		
5.5(a)	Oversee the financial reporting process	✓		
5.5(b)	Monitor choice of accounting policies and principles	✓		
5.5(c)	Monitor Internal Audit and Compliance process	✓		
5.5(d)	Oversee hiring and performance of external auditors	✓		
5.5(e)	Hold meeting with the external or statutory auditors for review of the financial statements	✓		
5.5(f)	Review the annual financial statements before submission to the Board for approval	✓		
5.5(g)	Review the quarterly and half yearly financial statements before submission to the Board for approval	✓		
5.5(h)	Review the adequacy of internal audit function	✓		
5.5(i)	Review of Management's discussion and analysis	✓		
5.5(j)	Review statement of all related party transactions	✓		
5.5(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		
5.5(l)	Oversee the determination of audit fees based on scope and magnitude	✓		
5.5(m)	Disclosure to the AC about the uses/applications of funds raised by IPO/RPO/Right issue	-	-	Not applicable
5.6	Reporting of the Audit Committee:			
5.6(a)	Reporting to the Board of Directors:			
5.6(a)(i)	Report on activities of Audit Committee to the Board	✓		
5.6(a)(ii)	Immediately report to the Board:			
5.6(a)(ii)(a)	Conflicts of interest	✓		
5.6(a)(ii)(b)	Material defect identified in the internal audit and compliance process	✓		
5.6(a)(ii)(c)	Infringement of laws, rules and regulations	✓		
5.6(a)(ii)(d)	Any other matter which deems necessary to be disclosed	✓		
5.6(b)	Reporting to the Authorities	✓		
5.7	Reporting to the Shareholders & General Investors:	✓		
6	**Nomination and Remuneration Committee (NRC)**			Complied as per the prudential guidelines given by the Bangladesh Bank
6.1	Responsibility to the Board of Directors:			
6.1(a)	Have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	-	-	"
6.1(b)	The NRC shall assist the Board	-	-	"
6.1(c)	The ToR of the NRC in writing as stated at the condition no. 6 (5) (b)	-	-	"
6.2	Constitution of the NRC:			
6.2(a)	At least 3 (three) members	-	-	"
6.2(b)	All members are non-executive directors	-	-	"

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
6.2(c)	Members of the committee are nominated and appointed by the Board	-	-	"
6.2(d)	Board has the authority to remove and appoint any members	-	-	"
6.2(e)	Fill the vacancy for death, resignation, disqualification, or removal	-	-	"
6.2(f)	Appoint or co-opt any external expert as advisor	-	-	"
6.2(g)	Secretary of the Committee	-	-	"
6.2(h)	Quorum of the Audit Committee shall not constitute without 1 (one) Independent Director	-	-	"
6.2(i)	No remuneration other than Director's fee	-	-	"
6.3	Chairperson of the NRC:			
6.3(a)	Board shall select the Chairperson of the committee, who shall be an Independent Director	-	-	"
6.3(b)	In the absence of Chairman, the remaining members may select one of themselves as Chairperson for the meeting but the reason of absence of the regular chairperson shall be duly recorded in the minutes	-	-	"
6.3(c)	Chairperson of the Audit Committee shall remain present in the AGM	-	-	"
6.4	Meeting of the NRC:			
6.4(a)	At least 1 (one) meeting in a financial year	-	-	"
6.4(b)	Convene emergency meeting	-	-	"
6.4(c)	Quorum of the meeting	-	-	"
6.4(d)	The proceedings of each meeting be recorded in the minutes	-	-	"
6.5	Role of the NRC:			
6.5(a)	Be independent and responsible to the Board	-	-	"
6.5(b)	Oversee and make report with recommendations	-	-	"
6.5(b)(i)	Formulating policy for remuneration of the Directors and top-level executive	-	-	"
6.5(b)(i)(a)	The level and composition of remuneration	-	-	"
6.5(b)(i)(b)	The relationship of remuneration to performance	-	-	"
6.5(b)(i)(c)	Remuneration involves a balance between fixed and incentive pay	-	-	"
6.5(b)(ii)	Policy on Board's diversity	-	-	"
6.5(b)(iii)	Identifying process for qualification of Directors and top-level executive	-	-	"
6.5(b)(iv)	Criteria for evaluation of performance of ID	-	-	"
6.5(b)(v)	Identifying the company's needs for employees and determine the employment process	-	-	"
6.5(b)(vi)	Developing, recommending, and reviewing the company's human resource and training policies	-	-	"
6.5(c)	Disclose the nomination and remuneration policy and the activities of NRC in its annual report	-	-	"
7	**External/Statutory Auditors**			
7.1	Shall not engage external/statutory:			
7.1(i)	Appraisal or valuation services or fairness opinions	✓		
7.1(ii)	Financial information systems design and implementation	✓		
7.1(iii)	Book-keeping	✓		
7.1(iv)	Broker-dealer services	✓		
7.1(v)	Actuarial services	✓		
7.1(vi)	Internal audit services	✓		
7.1(vii)	Services that the Audit Committee determines	✓		
7.1(viii)	Audit services on compliance of corporate governance under condition no. 9(1)	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
7.1(ix)	Other services that create conflict of interest	✓		
7.2	Audit firms shall not hold any share of the company they audit	✓		
7.3	Audit firm shall not certify on compliance of corporate governance	✓		
8	**Maintaining a Website by the Company**			
8.1	Have an official website	✓		
8.2	Keep the website functional	✓		
8.3	Available the detailed disclosures on its website	✓		
9	**Reporting and Compliance of Corporate Governance**			
9.1	Obtain certificate regarding compliance of conditions of Corporate Governance Guidelines	-	-	Not applicable
9.2	The professional for the certificate appointed by the shareholders in the AGM	-	-	Not applicable
9.3	Annexure-C attached, in the directors' report whether the company has complied these conditions or not	-	-	Not applicable

Statement of Compliance with the Requirements of Bangladesh Bank

Annexure-II

Bangladesh Bank vide, DFIM Circular no. 7, dated 25 September 2007, issued the guidelines on Corporate Governance, and instructed financial institutions to take appropriate steps to comply with the guidelines and implement the same. Status report on compliance with those guidelines is given below:

Sl. no.	Particulars	Status of Compliance	Remarks (if any)
01	**Responsibilities and authorities of Board of Directors** The responsibilities of the Board of Directors are mainly related to developing strategy. Those are as-		
	A. Work Planning and Strategic Management		
	i. The Board shall determine the vision/ mission of the company. The Board shall also determine the strategy and work plan for enhancement of institutional efficiency and other policy matters on an annual basis. The Board shall make necessary amendments on the strategy on quarterly basis.	Complied	
	ii. The Board shall have its analytical review to be incorporated in the Annual Report as regard to the success or failure in achieving the target as set out in the annual work plan and inform the same to the shareholders in the Annual General Meeting (AGM).	Complied	
	iii. The Board shall determine the Key Performance Indicators for chief executive along with other top-level executives and re-assess on half yearly basis.	Complied	
	B. Formation of Sub-committee		
	To speed up decision making, the Board may form an Executive Committee and Audit Committee with the directors (excluding any alternate director).	Complied	
	C. Financial Management		
	i. Annual budget and statutory financial reports shall be authorized by the Board of Directors.	Complied	
	ii. The Board shall review company's statement of income and expense, statement of loan/lease, liquidity requirement, capital adequacy of provision, action taken for legal cases and recovery of default loan.	Complied	
	iii. The Board shall approve the procurement policy and shall accordingly approve the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, decision relating to purchase of land, building, and vehicle shall remain with the Board.	Complied	
	iv. Bank account of the company shall be operated by a group constituted from amongst the Management which must be approved by the Board and having dual signatures (As amended through circular number 09, dated October 08, 2007).	Complied	
	D. Loan/Lease/Investment Management		
	i. The policies, strategies, procedures etc. in respect of loan appraisal of loan/ lease/ investment proposal sanction, disbursement, recovery, rescheduling, and write-off shall be made with the Board's approval under the purview of the existing laws, rules, and regulations. The Board shall specifically delegate the power of sanction of loan/lease/ investment and such a delegate should desirably be made among the CEO and other top management of the company.	Complied	
	ii. No Director shall interfere directly or indirectly in the process of loan approval.	Complied	
	iii. Core Risk Management Guidelines shall be approved by the Board of Directors of the company.	Complied	
	E. Risk Management		
	Approval shall be taken from Board of Directors for syndicate loan/lease/investment and large loan, lease, or investment.	Complied	
	F. Internal Control & Compliance		

Sl. no.	Particulars	Status of Compliance	Remarks (if any)
	Audit Committee shall be formed for effective implementation of an integrated internal control system of the company and for keeping loan/lease/investment quality at a desired level. Board Audit Committee shall review the report provided by the Internal Control & Compliance Department, the external auditor and the Bangladesh Bank shall make comments thereon.	Complied	
	G. Human Resources Management (HRM)		
	The board shall approve the policy on Human Resources Management and Service Rule. Chairman and Director of the Board shall not interfere on the administrative job in line with the approved Service Rule. No member of the Board shall be included in the selection committees for recruitment and promotion of different levels except the position MD, DMD and GM or equivalent.	Complied	
	H. Appointment of Managing Director/CEO and Increase of Salaries & Allowances		
	The Board shall appoint a competent CEO for the company with the approval of the Bangladesh Bank and shall approve any increment of his salary and allowances.	Complied	
	I. Benefit to the Chairman		
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the company subject to the approval of the Board.	Complied	
02	**Responsibilities and Duties of Chairman**		
	i. Chairman shall not personally possess the jurisdiction to apply policy making or executive or operational and routine affairs of the company.	Complied	
	ii. The Minutes of the Board meetings shall be signed by the Chairman.	Complied	
	iii. Chairman shall sign-off the proposal for appointment of Managing Director and revision of his salaries & allowances.	Complied	
03	**Responsibilities of Managing Director/CEO**		
	The Managing Director or Chief Executive officer of the company or whatsoever be called, shall work under the following area:		
	i. The 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 the achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management.	Complied	
	ii. The Managing Director shall ensure compliance of Financial Institution Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities.	Complied	
	iii. All recruitment /promotion /training, except recruitment/promotion/ training of DMD & GM (as equivalent to EVP) shall be vested upon the Managing Director. He shall act in accordance with the approved HR policy of the company.	Complied	
	iv. The Managing Director may re-schedule the job responsibilities of employees.	Complied	
	v. The 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 the Managing Director.	Complied	

Ethics and Compliance

BIFFL pays highest priority to the moral concerns to make best ethical practice on a day-to-day basis over and above observing the law, as one of the basic professional requirements for the NBFIs. It is also committed to upholding the highest standards of ethics and compliance by its employees. This commitment is reflected in its Code of Conduct that covers, among other issues, the following areas:

a) Their relationship with and responsibilities to BIFFL;

b) Their relationship with and responsibilities to customers;

c) Compliance with laws and regulations;

d) Acting in a professional and ethical manner;

e) Protection of business assets;

f) Disclosure of conflicts of interest; and

g) Prohibition of any conduct involving dishonesty, fraud, deceit, or misrepresentation including insider trading.

Code of Ethics and Conduct at BIFFL

Key areas of our efforts are:

- Fair Treatment of Customers: BIFFL ensures that customers are treated fairly and without prejudice that fosters good support and helps to build a long-term sustainable business relationship.
- Privacy and Security of Client Information: As per our 'Code of Conduct', all information gathered from customers/clients during providing service is to be considered confidential unless it is clearly stated otherwise.
- Transparency and Accuracy of Financial, Taxation, and Other Reporting: Concerned employees related to mentioned job must ensure that information/reporting relating to their customer is readily available, accurate and transparent.
- Interaction in Print, Electronic, and Social Media: All media (print, electronic, and social) inquiries are forwarded to authorized personnel only to represent BIFFL on behalf of the organization.
- Ethics against Discriminatory Harassment: BIFFL Management ensures strict compliance with anti discrimination 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 tied by the prevailing laws of the country.
- Kickback and Secret Commission: At BIFFL, it is strictly maintained that employees must not receive payment or compensation of any kind, except as authorized under the organization's business. BIFFL strictly prohibits the acceptance of secret commission from suppliers and clients.
- Personal Investment and Insider Trading: It is also prohibited for the employees of BIFFL to take part in the trading of publicly traded securities and investments for personal gain if they possess material non-public information about the security or the issuer.
- 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 the 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, it can lead to termination of employment.
- Workplace Security and Safety: One of the primary concerns of BIFFL is to maintain a healthy and productive work environment by ensuring the safety and security of office premises.

Monitoring Compliance

At BIFFL, compliance with our Code of Conduct and Ethics is embedded in our employment contracts, recruitment, and performance management activities. All new employees joining BIFFL as well as existing employees are required to read the Code of Conduct and duly sign a statement of compliance attesting that they have read and understood the aforementioned and provide their commitment to comply with the applicable laws, regulations, and corporate ethics, be held accountable for carrying out the compliance responsibilities, and acknowledge that ignorance of the rules and regulations outlined in the Code cannot be an excuse for non-compliance. We also arrange a session on the Code of Conduct during

the orientation program for the new joiners. All the employees of BIFFL are required to comply with the Code of Conduct. Any breach of this code may lead to disciplinary action. Moreover, BIFFL practices a reward and recognition program which is designed to reward employees who demonstrate ethical principles and uphold the core values of integrity and morality in the Code of Conduct. This type of recognition serves to validate the ethical actions of the concerned employee, encourages repeat behavior, and thus helps sustain a culture of transparency, accountability, and integrity.

Communication of the Statement of Ethics and Business Practices

At the time of joining, all BIFFL employees are required to sign an annual declaration confirming that they have read and understood the Code of Conduct. It is the responsibility of the Human Resource department to circulate the required declaration and ensure the sign of the employee. The Internal Control and Compliance Department (ICCD) ensures whether an employee has breached the Code of Conduct.

Board's Commitment

The BIFFL Board acknowledges its responsibility for ensuring that the company's business activities are conducted following the highest standards of ethics and compliance.

The Board views adherence to ethical standards and compliance as an integral part of the broader corporate governance framework and seeks to adopt a holistic approach in ensuring its implementation. As part of this, it has instituted several approaches to underline its commitment to high standards of ethical behavior:

- Setting down standards of expected behavior through the formulation and communication of a Code of Conduct;
- Installing a system of internal controls, which is reviewed, evaluated, and updated continuously;
- Positioning company policies and procedures on ethical foundations to ensure that ethical considerations are integrated into day-to-day decision-making, activities, and processes;
- Establishing a clearly defined organizational structure that assigns responsibility and authority for the conduct of organizational functions while at the same time ensuring accountability for individual actions; and
- Establishing a variety of monitoring mechanisms including the creation and empowerment of an operationally independent internal audit team.

Audit Committee Report

Objective of the Audit Committee (AC)

To carry out its functions and responsibilities effectively, the audit committee helps to ensure that management properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management's practices and internal controls, and that the outside auditors, through their own review, objectively assess the company's financial reporting practices. The objective of the committee is to assist the Board in fulfilling its corporate governance responsibilities, particularly:

- Ensuring the reliability and integrity of information for inclusion in company's financial statement;
- Safeguarding the independence of the external and internal auditors;
- Compliance with legal and regulatory obligations, including audit, accounting, tax and financial reporting obligations;
- Confirming that the management has selected accounting policies that are in line with applicable accounting standards;
- Establishing the integrity of company's internal control framework;
- Reviewing interim financial releases i.e., quarterly and half yearly unaudited financial statements and recommend the same to the Board of Directors for approval.

Composition of the Audit Committee

The Audit Committee consists of 4 (four) Directors of the company and the chairman and members of the AC are appointed by the board. To fulfill a quorum, at least two members of the committee must be present at the meeting. The committee comprises the following members as of the date of this report:

Ms. Sharifa Khan (Secretary of Economic Relations Division, Ministry of Finance) is the Chairman of the AC posing of vast experience in different fields. Three other members are Mr. Md. Habibur Rahman (Senior Secretary of Power Division, Ministry of Power, Energy & Mineral Resources), Mr. A B M Amin Ullah Nuri (Secretary of Road Transport and Highways Division, Ministry of Road Transport and Bridges) and Mr. Mohammad Salahuddin (Secretary of the Prime Minister's Office). They also possess significant experience in finance, accounting, legal affairs, compliance, and audit.

The company secretary acts as the member secretary of the committee. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit (HIA), representatives of the external auditors and Bangladesh Bank are invited to attend the committee meetings on required basis.

Terms of Reference

The Terms of Reference (ToR) of the AC, defines its roles and responsibilities clearly. The ToR is reviewed and revised with the concurrence of the Board of Directors. The AC is responsible for and reports to the Board on its activities regularly. The role and functions of the committee are further regulated by the rules governing the AC as specified by the 'Conditions on Corporate Governance' issued by the BSEC for listed companies and the 'Corporate Governance for NBFI's in Bangladesh' issued by Bangladesh Bank even though BIFFL is yet to be listed.

Scope of Work

The committee is authorized to monitor and review the effectiveness of the company's internal audit and compliance function in the context of the company's overall risk management system. The committee performs its activities within the ToR of the committee and is empowered to seek information from any director or employee of the company from time to time as it thinks fit. The committee presents a summary of its activities to shareholders and other interested parties by means of this report.

Meetings

Generally, the meeting of the committee held on quarterly basis. In 2022, 3 (three) meetings were held as per organizational requirement. The members of the senior management of the company were invited to participate in meetings as and when required. The proceedings of the AC meetings are regularly reported to the Board of Directors. The committee continued guiding the management with the selection of new accounting policies and implementing the same.

Responsibilities and Duties

The primary responsibility of the committee is to oversee the company's financial controls and

reporting processes on behalf of the Board and report the results of its activities to the Board. The following shall be the principal recurring processes of the committee in carrying out its oversight responsibilities. The committee may perform such other duties and responsibilities as are consistent with its purpose and as the Board or the committee deems appropriate.

Financial Reporting: The committee supports the Board 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 on the company's accounting records and in terms of the International Financial Reporting Standards (IFRSs), 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 the reliability of the information provided to the stakeholders;
- Reviewing the accounting policies and determining the most appropriate accounting policies;
- Strict adherence to and compliance with the IFRSs and the best accounting practices; and
- Reviewing the annual report and accounts prepared for publication, prior to submission to the Board.

Regulatory Compliance: The company's procedures in place to ensure compliance with Bangladesh Bank's instructions and other statutory requirements were under close scrutiny. The committee monitored the compliance of all requirements through various statements/reports submitted by different departments. The committee also monitored the compliance with all relevant laws and regulations.

Internal Control: As part of internal control, the committee:

- Evaluated whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have understanding of their roles and responsibilities;
- Reviewed the arrangements made by the management for building a suitable Management Information System (MIS) and its applications;
- Considered whether internal control strategies recommended by internal and external auditors have been implemented by the management;
- Reviewed the existing risk management procedures for ensuring an effective internal check and control system; and
- Reviewed the corrective measures taken by the management as regards to reports relating to non-compliance, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and inform the board on a regular basis.

Internal Audit: As part of internal audit, the committee:

- Reviewed the activities and organizational structure of the internal audit function and ensured that no unjustified restrictions or limitations were made;
- Reviewed the efficiency and effectiveness of internal audit function;
- Reviewed those findings and recommendations made by the internal auditors for removing the irregularities detected and running the affairs of the institution were duly considered by the management; and
- Recommended the Board in case of a change of the accounting policies.

External Audit: Regarding the external audit functions, the committee:

- Reviewed the auditing works of the external auditors and their audit reports;
- Reviewed whether the external auditor's findings were addressed by the management through appropriate action;
- Reviewed the non-audit services provided by the auditors to ensure that such services do not fall within the restricted scopes and provision of such services does not impair the external auditor's independence and objectivity; and
- Made recommendations to the Board regarding the appointment of the external auditors.

Ethics and Good Governance: The highest standards in good corporate governance and strict adherence to the requirements of BIFFL'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 wrongdoing or other improprieties. The committee also ensures that appropriate procedures are in place to conduct independent investigations into all such incidents.

Reporting of the Audit Committee

The AC reports directly to the Board and the AC immediately report to the Board of Directors in the following cases:

- On conflict of interest;
- Suspected and presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities-related laws, rules, and regulations; and
- Any other matter should be disclosed to the Board of Directors immediately.

No such issues arose at BIFFL during the year ended 31 December 2022.

BIFFL's AC was sincere enough to take the internal control and compliance procedure and practice of the organization according to the guidelines of regulators and best practices in the industry to ensure good corporate governance. The committee also takes care of continuous capacity enhancement and development of the internal audit team of BIFFL.

Statement of the CEO and the CFO

We have reviewed the financial statements of BIFFL which contains balance sheet as on 31 December 2022, profit & loss account, statement of changes in equity, statement of cash flows for the year ended 31 December 2022 and a summary of significant accounting policies and others explanatory notes.

These financial statements have been prepared and presented fairly in accordance with:

1. International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB);
2. Bangladesh Bank guidelines;
3. Companies Act 1994;
4. Income Tax Ordinance 1984;
5. Financial Institution Act 1993;
6. Bangladesh Securities and Exchange Rules 1987; and
7. Other applicable laws and regulations.

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 unit conducts periodic audits to provide reasonable assurance that the established policies and procedures of the company are consistently followed.

Based on the internal control system of the company and our review of these financial statements, we certify to the best of our knowledge and belief that:

i) The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) The statements together present a true and fair view of the company's affairs and follow existing accounting standards and applicable laws;

iii) No transactions entered into the accounting systems by the company during the year which are fraudulent, illegal or violation of the company's code of conduct;

iv) Proper books of accounts as required by the law have been kept by the company;

v) The expenditures incurred were for the company's business; and

vi) Adequate provisions have been made for leases/loans, advances, investments and other assets which in our opinion are doubtful to be recovered.

Chief Financial Officer
Shahariar Alam ACA

Chief Executive Officer
S. M. Anisuzzaman

Credit Rating of BIFFL

Bangladesh Infrastructure Finance Fund Limited (BIFFL) has been awarded as AAA (pronounced as Triple A) as a Government Supported Entity (GSE) in the long-term and ST-1 in the short-term credit rating. As a Stand-alone Financial Institution (SFI), BIFFL has been awarded as AA (pronounced as Double A) in the long-term and ST-1 in the short-term credit rating by both Credit Rating Information and Services Limited (CRISL) and Emerging Credit Rating Limited (ECRL) based on financial and other available information up to the date of rating declaration. The outlook of the rating is "Stable" in the last five consecutive years.

Date of Issue	Long-Term Rating		Short-Term Rating		Outlook	Date of Validity	Credit Rating Agency
	GSE	SFI	GSE	SFI			
31-Oct- 2022	AAA	AA	ST-1	ST-1	Stable	30-Oct- 2023	ECRL
29-Dec-2022	AAA	AA	ST-1	ST-1	Stable	28-Dec-2023	CRISL
31-Oct- 2021	AAA	AA	ST-1	ST-1	Stable	30-Oct- 2022	ECRL
26-Nov-2021	AAA	AA	ST-1	ST-1	Stable	25-Nov-2022	CRISL
26-Nov-2020	AAA	AA-	ST-1	ST-1	Stable	25-Nov-2021	CRISL
26-Aug-2019	AAA	AA-	ST-1	ST-1	Stable	25-Aug-2020	CRISL
20-Aug-2018	AAA	AA-	ST-1	ST-1	Stable	19-Aug-2019	CRISL

The above ratings have been assigned based on BIFFL's financial performance, asset quality, capital adequacy, liquidity, management experience, risk management practice, portfolio management, compliance and governance practice, prospect of the industry and other parameters at the time of assigning the rating. The assigned ratings reflect the strengths of the company, which is backed by a strong team of management, growth in the non-interest income, loans and investments, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position.

CRISL rating scales for Financial Institutions:	ECRL rating scales for Financial Institutions:
Long-Term: AAA (Triple A) An institution rated in this category is adjudged to be best quality, offer highest safety, and have highest credit quality. Risk factors are negligible and risk free, near to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of financial institutions.	**Long-Term: AAA (Triple A)** An institution rated AAA has an exceptionally strong capacity to meet its financial commitments and exhibits a high degree of resilience to adverse developments in the economy, and in business and other external conditions. These institutions typically possess a strong balance sheet and superior earnings record.
Long-Term: AA (Double A) An institution rated in this category is adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.	**Long-Term: AA (Double A)** An institution rated AA has a very strong capacity to meet its financial commitments and is generally able to withstand adverse developments in the economy, and in business and other external conditions. These institutions typically possess a good track record and have no readily apparent weakness.
Short-Term: ST-1 Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, safety is almost like risk free Government short-term obligations.	**Short-Term: ST-1** An institution rated ST-1 has a superior capacity to meet its financial commitments in a timely manner. Adverse developments in the economy and in business and other external conditions are likely to have a negligible impact on the institution's capacity to meet its financial obligations.
Outlook: Stable Indicates that a rating is likely to remain unchanged.	**Outlook: Stable** Indicates that a rating is likely to remain unchanged.

Analysis of Going Concern Assumptions

Going concern is one of the fundamental accounting assumptions that underlies the preparation of financial statements of the companies. Under the going concern concept, an entity is normally viewed as continuing in business for the foreseeable future and there is neither the intent nor the need to liquidate it or cease its operation. The purpose of this going concern statement is to bring together the requirements of International Accounting Standards, Companies Act, listing rules and Bangladesh Securities & Exchange Commission on going concern in the preparation of the financial statements. The management and directors of BIFFL have made annual assessment based on the accounting period ended on 31 December 2022 of whether the company is a going concern involves making appropriate inquiries including review of budgets and future outcome of inherent risks involved in the business.

BIFFL's management and directors are satisfied from the following factors that the financial statement for the year ended 31 December 2022 is prepared based on the going concern assumption.

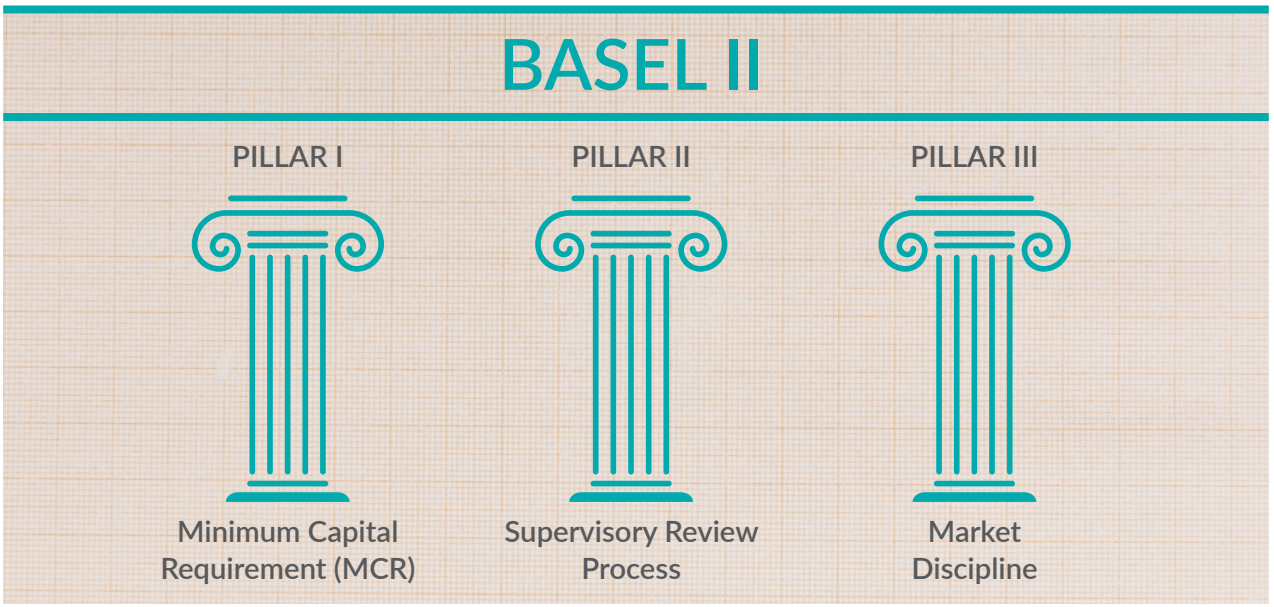
The following indicators underline the company's ability to continue as a going concern:

Less reliance on borrowings and debt	As at 31/12/2022, BIFFL has no significant dependence on borrowings and debt. Considering the present liquidity position, it can be said that the company may not be needed to borrow on an emergency basis.
Sound interest coverage ratio	During the year 2022, the interest coverage ratio stood at 4.82 times, which means the company has sound debt servicing capacity.
Favorable key financial ratios	The company's financial ratios (please see the Key Operating and Financial Highlights at pg. 67) revealed the sound financial strength and prospects.
Consistent payment of dividend	BIFFL has been paying dividends to its shareholders consistently, which reflects the company's long-term viability in operational existence.
Credibility in settling of obligation	The company has strong credibility in terms of settlement of obligation to the creditors and relevant authorities. It has no default payment history for settlement of its obligations.
Consistency in making operating profit	The company is making operating profit consistently from the beginning of its operation.
Quality portfolio	At the end of 2022, BIFFL had loan and investments in diversified sectors with experience of lower classified loans and investment ratio. Considering the industry scenario, this represents a positive indication of sustainability of the company.
Employee satisfaction and working environment	BIFFL is an employee-friendly organization with good corporate environment. It pays a very competitive compensation package with fringe benefits like car facilities, provident fund, performance bonus, gratuity fund, group insurance, hospitalization insurance, rewards, and recognition etc.
Maintenance of Capital Adequacy Ratio (CAR)	As per DFIM circular number 14, dated 28 December 2011 of Bangladesh Bank regarding Capital Adequacy and Market Discipline for FIs, each Financial Institution is required to maintain CAR at least 10% of the total risk weighted assets. As on 31 December 2022, CAR of BIFFL was 119%.
Strong equity base	BIFFL is one of the highest equity-based companies among the FIs. As on 31 December 2022, total equity of BIFFL stands at BDT 27,048.20 million (BDT 26,531.57 million in 31 December 2021), representing an increase of 1.95% over last year.
Ability to pay operational expenses	The company has not faced any difficulties in meeting its day-to-day operational expenses and has continued its reputation of paying vendors on time. The company generates sufficient operating cash flow to meet its operational expenses.
Borrowing facilities from multilateral agencies	The solidity of financial position and the reputation allows the company to negotiate or renew borrowing facilities at a favorable rates and flexible terms and conditions from different development partners i.e. JICA, ADB, the World Bank, KfW and others.
Strong Credit Rating	During 2022, BIFFL has been awarded AAA as a Govt. Supported Entity, AA as a stand-alone financial institution in the long-term rating and ST-1 in the short-term rating by CRISL and ECRL that indicates corporate entity with a sound credit profile. Risks are modest and may vary slightly from time to time.
Off-balance sheet obligations	The company keeps very low exposure to off-balance sheet liabilities and the company has sufficient financial strength to pay the obligations should these materialize.
Changes in Government's policy	The Board and management of BIFFL anticipate no significant changes in legislation or Government's policy which may materially affect the business of the company.

Considering the above major indicators, the management and directors of the company are of the belief that the preparation of the financial statements of the company for the year ended 31 December 2022 based on "going concern assumption" is appropriate.

Disclosures on Capital Adequacy and Market Discipline

The following detailed qualitative and quantitative disclosures are provided in accordance with Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions which has been published on December 28, 2011. The purpose of these requirements is to complement the capital adequacy requirements and the Pillar III – Market Discipline. These disclosures are intended for market participants to assess key information about the FI's exposure to various risks and to provide a consistent and understandable disclosure framework as per regulatory requirements. The FI has an approved disclosure policy to observe the disclosure requirements set out by the Bangladesh Bank and International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) that were applicable to the FI.



Consistency and Validation: The quantitative disclosures are made based on audited financial statements of BIFFL for the year ended 31 December 2022. Financial statements are prepared under relevant International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/instructions issued by Bangladesh Bank from time to time.

A. Scope of Application

Qualitative Disclosures	
a. The name of the entity to which this guideline applies	These guidelines apply to Bangladesh Infrastructure Finance Fund Limited (BIFFL)
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: (i) that are fully consolidated (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk - weighted)	BIFFL has no subsidiary
c. Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not applicable for BIFFL

Quantitative Disclosures	
a. 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 for BIFFL

B. Capital Structure

Qualitative Disclosure

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

As per Basel II guidelines, regulatory capital consists of Tier-1 and Tier-2 capital.

Tier-1 Capital consists of:

- Fully paid-up capital/ capital line with BB;
- Statutory reserve nonrepayable;
- Share premium account;
- General reserve;
- Retained earnings;
- Minority interest in subsidiaries;
- Non-cumulative irredeemable preference shares;
- Dividend equalization account; and
- Others (if any item approve by Bangladesh Bank).

Tier-2 Capital consists of:

- General provision (UC loans up to specified amount + SMA + off-balance sheet exposure);
- Assets revaluation reserves up to 50%;
- Revaluation reserve for securities up to 45%;
- Revaluation reserve for equity instruments up to 10%;
- All other preference shares;
- Others (if any item approve by Bangladesh Bank); and
- Applicable deductions, if any.

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, 45% of revaluation reserves for securities and 10 % revaluation reserve for equity instruments are eligible for Tier-2 capital.

Quantitative Disclosures

The amount of eligible capital, with separate disclosure of:

Particulars	Amount in BDT crore
Paid up capital	2,308.00
Non-repayable share premium account	-
Statutory reserve	204.22
General reserve	20.00
Retained earnings	172.60
Minority interest in subsidiaries	-
Non-cumulative irredeemable preference shares	-
Dividend equalization account	-
a. Total Tier-1 capital	2,704.82
b. The total amount of Tier-2 capital	18.24
c. Other deductions from capital	-
d. Total eligible capital (a+b+c)	**2,723.06**

C. Capital Adequacy

Qualitative Disclosures

A summary discussion of BIFFL's approach to assessing the adequacy of its capital to support current and future activities.

- Risk Weighted Assets (RWA) and Capital Adequacy Ratio (CAR) BIFFL has applied the Standard Approach for the computation of capital charge for credit risk and market risk while the Basic Indicator Approach for operational risk. The total Risk-Weighted Assets (RWA) of the company are determined by multiplying 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 eligible capital is divided by total RWA to derive Capital Adequacy Ratio.
- Strategy to achieve the required capital adequacy:

Operational level

Immediate measures:

- Asking unrated clients to have credit rating from External Credit Assessment Institutions (ECAIs) recognized by Bangladesh Bank;
- Rigorous monitoring of overdue contracts to bring those under 90 days overdue;
- Assessing the incremental effect of capital charge over the expected net income from financing before sanctioning any proposal, which could be one of the criteria for taking financing decisions.

Continuous measures:

- Financing clients having good credit rating;
- Using the benefit of credit risk mitigation by taking easily liquid-able financial collaterals against lending;
- Focusing more on attracting high-spread earning assets, controlling operating expenses and thus increasing retained earnings.

Strategic level

Injecting fresh capital by issuing new shares. As such BIFFL has capital above industry average.

Quantitative Disclosures

Particulars	Amount in BDT crore
Capital requirement for Credit Risk	195.70
Capital requirement for Market Risk	-
Capital requirement for Operational Risk	32.79
Minimum capital requirement (MCR)	**228.49**
Total eligible capital	**2,723.06**
Risk-weighted assets	2,284.87
Capital to Risk-Weighted Asset Ratio	**119.18%**
Tier-1	2,704.82
CAR on Tier-1	118.38%
CAR on Tier-2	0.80%
Capital Conservation Buffer (1.25% of RWA)	28.56

D. Credit Risk

Qualitative Disclosures

Credit risk is defined as the probability of failure of the counterparty to meet its obligation as per agreed terms and conditions. FIs are very much prone to credit risk due to their core activities i.e., lending to corporate, consumer, SME and other banks/FI. The main objective of credit risk management is to minimize negative impact through adopting proper mitigants and to limit credit risk exposures within acceptable limits. Credit risk management has been independent of the origination from business functions to establish better control and to reduce conflicts of interest. The Head of CRMD has well-defined responsibility for the management of credit risk. The authority and responsibility for all activities that expose the FI to credit risk rest with the Board of Directors (BoD). However, the Board delegated authority to the management of the company, CEO, or other officers of the CRMD.

The board sets forth credit policies and delegates authority to the management for setting procedures, which together has structured the credit risk management framework in the FI. The credit policy contains the core principles for identifying, measuring, approving, and managing credit risk in the FI and is designed to meet the organizational requirements that exist today as well as to provide flexibility for the future. These policies represent the minimum standards for credit extension by the FI and are not a substitute to experience and good judgment.

Definitions of past due and impaired credit: To define past due and impairment through classification and provisioning, BIFFL follows Bangladesh Bank circulars and guidelines. The summary of some objective criteria for loan classification and provisioning requirements is as below:

As per Bangladesh Bank's Prudential Guidelines on Capital Adequacy and Market Discipline for FIs, 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 exposure. For defining the net exposure of the past-due loan, eligible financial collateral (if any) may be considered for credit risk mitigation.

To encounter and mitigate credit risk, the following control measures are in place at BIFFL:

- Continuous monitoring and follow-up by a fully dedicated recovery and collection team;
- Strong follow-up of compliance with credit policies by appraiser and CRMD;
- Taking collateral, performing valuation and legal vetting on the proposed collateral by members of BIFFL's own dedicated technical and legal department;

- Seeking legal opinion from external lawyers for any legal issues if required;
- Monthly review of the market situation and industry exposures through the Risk Management Forum;
- Insurance coverage for funded assets if needed; and
- In addition to the best industry practices for assessing, identifying, and measuring risks, BIFFL also considers the Guideline for Managing Core Risks of Financial Institutions issued by BB for the management of risks.

Approved Credit Policy by the Board of Directors: The Board has approved the credit policy for the company where these policy guidelines provide the details on fundamental credit risk management and outline general principles that are designed to govern the implementation of lending procedures and risk analysis/risk grading systems. The guidelines have been established and will continue to be developed from time to time, taking market requirements into consideration.

Separate Credit Risk Management Department (CRMD): An independent CRMD is in place, at BIFFL, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high-quality credit portfolio and maximizing returns with minimum risk. CRMD has been segregated from the Credit Administration Department (CAD) in line with Central Bank's guidelines. CRMD evaluates credit risks and suggests mitigating measures before the recommendation of every credit proposal for final approval to the Board, while CAD confirms that adequate security documents are in place before disbursement.

Monitoring and recovery team: A strong recovery team monitors the performance of the loans and advances, identifies early signs of delinquencies in the portfolio, and takes corrective measures to mitigate risks, improve loan quality, and ensure recovery of loans promptly including legal actions.

Independent Internal Control & Compliance Department: Appropriate internal control measures are in place at BIFFL. An ICCD has been established to ensure compliance with all internal guidelines, BB guidelines, operational procedures, and adequacy of internal control and documentation procedures.

Credit Evaluation by Credit Committee: The Credit Committee (CC) regularly meets to review the market and credit risk related to lending and recommends appropriate measures to counter associated risks. The CC rationally reviews projects considering the current global financial crisis and its probable impact on the project. The decisions/recommendations of the credit committee shall be based on sound fundamentals, supported by thorough analysis and reasoning focusing on the following factors:

- Cash flow generation,
- Capacity /capability of repayment,
- Net worth,
- Creditworthiness,
- Security coverage,
- Management capacity/capability and sponsors/ successors,
- Industry risk and market condition,
- Business condition/risk,
- Due diligence and compliance, etc.

After reviewing the risks and upcoming challenges that may adversely affect the proposed project and compliance of applicable policies, rules, and regulations, the Credit Committee provides its observations and recommendations. After complying with the specific recommendations based on the information, analysis and appraisal report placed by the CID and the viability, risks & challenges of the project are sorted out by the CRMD including the mitigation scope to overcome the risk and challenges.

Credit approval process: To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system. Depending on the size of the loan, a multilayer approval system is designed. As the smaller loan is very frequent and comparatively less risky, lower sanctioning authority is set to improve processing time and minimize associated risk. Larger loans require more scrutiny as the associated risk is higher. Hence sanctioning authority is higher as well.

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

Methods used to measure credit risk: As per the directives of BB, 'The Standardize Approach' is applied by the company to measure its risk.

Quantitative Disclosures

Total gross credit risk exposures (by major types) of 31-12-22:

Geographical distribution of credit exposures:

Inside Bangladesh	Amount in BDT crore
Urban	
Dhaka Division	476.59
Chittagong Division	29.82
Khulna Division	-
Rajshahi Division	-
Barisal Division	-
Sylhet Division	-
Sub-total	**506.42**
Rural	
Dhaka Division	596.24
Chittagong Division	623.03
Khulna Division	0.18
Rajshahi Division	15.75
Barisal Division	12.18
Sylhet Division	96.96
Rangpur Division	3.04
Mymensingh Division	31.90
Sub-total	**1,379.28**
Outside Bangladesh	
Total	**1,885.70**

Sectoral allocation of leases, loans, and advances:

Name of the Sectors	Amount in BDT crore
i) Textiles	0.33
ii) Garments and accessories	405.79
iii) Transport (including marine transport)	297.42
iv) Chemicals and pharmaceuticals	4.86
v) Iron, steel and engineering	116.23
vi) Agricultural equipment and agro industries	0.18
vii) Power and energy	415.91
viii) Electronics and electrical	-
ix) Information technology (IT)	31.11
x) Paper printing and packaging	-
xi) Plastic	27.03
xii) Real estate and housing	0.69
xiii) Food and beverage	0.02
xiv) Glass and ceramics	255.39
xv) Services	121.00
xvi) Others	209.74
Total	**1,885.70**

E. Equities: Disclosures for Banking Book Positions

Qualitative Disclosures

The general qualitative disclosures requirement to equity risk, includes:

- 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. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

Quantitative Disclosures

BIFFL is yet to make any investment in the Share Market.

F. Interest Rate Risk in the Banking Book

Qualitative Disclosures

Interest rate risk is the risk that affects the FI's financial condition due to changes in market interest rates. Changes in interest rates affect both the current earnings (earnings perspective) and the net worth of FI (economic value perspective). FI assesses the interest rate risk both in earning and economic value perspective. The process of interest rate risk management by the FI involves the determination of the business objectives, expectations about future macro-economic variables, and understanding the money markets and debt market in which it operates. Interest rate risk management also includes quantifying the appetite for market risk to which FI is comfortable. The FI uses the following approach to manage interest rate risk inherent in the Balance sheet:

Simple GAP analysis: Traditional Gap analysis of on-balance sheet Asset Liability Management (ALM) involves careful allocations of assets and liabilities according to re-pricing/maturity buckets. This approach quantifies the potential change in net interest income using a specified shift in interest rates, e.g. 100 or 200 basis points, or a simulated future path of interest rates.

Assumptions for gap analysis FIs consider the following:

- For fixed-rate contracts, remaining maturity is considered;
- For contracts with the provision of re-pricing, the time remaining for the next re-pricing is considered;
- Re-pricing of assets and liabilities takes place in the midpoint of the time bucket;
- The expectation that loan payment will occur on schedule;
- No early encashment is considered in term and recurring deposit;
- Non-maturity deposit withdrawal is considered based on past withdrawal behavior;
- Interest paid on liabilities tends to move faster than interest rates earned on assets;
- Interest rate attached to FI's assets and liabilities does not move at the same speed as market interest rates;
- Point at which some assets and liabilities are re-priced is not easy to identify.

Quantitative Disclosures

Funding gap analysis: Funding gap analysis attempts to determine the potential impact on Net Interest Income (NII) due to changes in interest rate. Result of interest rate risk (increase in interest rate).

Interest Rate Risk			
Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio (BDT in crore)	0.00	0.00	0.00
Net Interest Income (BDT in crore)	50.27	100.53	150.80
Revised Regulatory Capital (BDT in crore)	2,773.32	2,823.59	2,873.86
Risk Weighted Assets (BDT in crore)	2,284.87	2,284.87	2,284.87
Revised CAR (%)	121.38%	123.58%	125.78%

Duration gap analysis: The focus of the duration analysis is to measure the level of FI's exposure to interest rate risk in terms of sensitivity of Market Value of FI's Equity (MVE) due to changes in market value of assets and liabilities caused by interest rate movements. Duration Gap can be used to evaluate the impact on the MVE of the FI under different interest rate scenarios. ALCO monitors the leveraged liability duration and duration gap of the total FI balance sheet every quarter to assess the impact of the parallel shift of the assumed yield curve.

G. Market Risk

Qualitative Disclosures

Views of Board of Directors on trading or investment activities: In BIFFL all the market risk-related policies/guidelines are duly approved by the Board of Directors. The BoD reviews and updates the compliance on a regular basis aiming to mitigate the market risk.

Methods used to measure market risk: The probability of losing assets in balance sheet and off- balance sheet position arising out of volatility in market variables is called Market Risk. The methods are –

- Interest Risk Management;
- Market Analysis;
- Gap Analysis;
- Continuous Monitoring;
- Equity Risk Management.

Market risk management system: To manage the interest rate risk, BIFFL regularly monitors various ratios and parameters. ALCO also regularly monitors the gap between the Rate-Sensitive Assets (RSA) and Rate-Sensitive Liabilities (RSL) and the duration gap of the total portfolio. To manage equity price risk if any, the ALCO of the FI takes prudent decisions complying with sectorial preferences as per the investment policy of the FI and capital market investment limit set by BB.

Quantitative Disclosures

Market Risk: Market risk is defined as the possibility of loss due to changes in the market variables. It is the risk that the value of on/off-balance sheet positions will be adversely affected by movements in equity price, interest rate, and currency exchange rates. The objective of our market risk policies and processes is to obtain the best balance of risk and return whilst meeting customers' requirements. The primary categories of market risk for the FI are:

- **Interest rate risk** arising from changes in yield curves, credit spreads, and implied volatilities on interest rate options.

- **Currency exchange rate risk** is arising from changes in exchange rates and implied volatilities on foreign exchange options.
- **Equity price risk** is arising from changes in the prices of equities, equity indices, equity baskets, and implied volatilities on related options.

BIFFL has a comprehensive Treasury Policy and Asset-Liability Management Policy approved by the Board of Directors to assess, monitor, and manage all market risks. Various internal limits have been set to monitor market risk and the capital requirement is assessed as per the standardized approach of Basel II.

H. Operational Risk

Qualitative Disclosures

Operational Risk: Operational risk is the risk of loss arising from fraud, unauthorized activities, error, omission, inefficiency, systems failure, or external events. It is inherent in every business organization and covers a wide spectrum of issues. We seek to minimize exposure to operational risk, subject to cost-benefit trade-offs. BIFFL captures some identified risk events associated with all functional departments of the FI through a standard reporting format.

Views of Board on the system to reduce operational risk: The policy for measuring and managing operational risks is approved by the Board in line with the relevant guidelines of BB. The Audit Committee of the Board directly oversees the activities of the ICCD to protect against all operational risks. As a part of continued surveillance, the MANCOM, RMF, and CRMD regularly review different aspects of operational risks and suggest formulating appropriate policies, tools, and techniques for the mitigation of operational risk.

Performance gap of executives and staff: BIFFL is an equal opportunity employer. It recognizes the importance of having the right people in the right positions to achieve organizational goals. Our recruitment and selection are governed by the philosophy of fairness, transparency, and diversity. Understanding what is working well and what requires further improvement is essential to our performance management system. The performance management process aims to clarify what is expected from employees as well as how it is to be achieved. Our learning and development strategy puts special focus on continuous professional development to strengthen individuals' skill set by removing weaknesses to perform the assigned job with perfection. We have a wide range of internal and external training programs to enhance capabilities as well as minimize the performance gap that will contribute more to the bottom line. Peoples' performance is assessed based on performance objectives and key performance indicators (KPI) set at the beginning of each year. Decisions related to rewards and recognitions for the employees are taken based on how well the assigned KPIs are met.

Potential external events: The overall environment within which an FI operates creates certain externalities which could affect business performance directly such as:

- **Fraud risk** is the risk of incurring losses because of an intentional act or omission by a third-party involving dishonesty, for personal and/or business gain, to avoid personal and/or business loss, or to conceal improper or unauthorized activity. This includes facilitation, misrepresentation, money laundering, terrorist financing, theft, forgery, and cybercrime.
- **Business continuity risk** is the risk of incurring losses resulting from the interruption of normal business activities, i.e. interruptions to our infrastructure as well as to the infrastructure that supports our businesses.
- **Information security risk** is the risk of an event that could result in the compromise of organizational assets, including, but not limited to, unauthorized use, loss, damage, disclosure, or modification of organization assets. It includes the risk of cyber threats on the organization.
- **Regulatory compliance risk** is the risk of incurring regulatory sanctions (including restrictions on business activities, fines, or enhanced reporting requirements), financial and/or reputational damage arising from our failure to comply with applicable laws, rules, and regulations.
- **Vendor risk** arises from adverse events and risk concentrations due to failures in vendor selection, insufficient controls, and oversight over a vendor and/or services provided by a vendor and other impacts to the vendor itself.

Policies and processes to mitigate operational risk: Risk analysis unit is primarily responsible for risk identification, measurement, monitoring, control, and reporting of operational risk. This unit identifies risk issues primarily through a review of the Departmental Control Function Check List (DCFCL) and reports to the Head of ICCD. DCFCL is a self-assessment process for detecting 'high'

risk areas and finding mitigation of those risks. The forum titled `Risk Management Forum (RMF)' also oversees the operational risk issues. RMF analyzes 'high' and 'moderate' risk indicators and sets responsibility for specific people to resolve the issue.

Approach for calculating the capital charge for operational risk: BIFFL applies the 'Basic Indicator Approach'. Under this approach, FIs must calculate the average annual gross income (GI) of the last three years and multiply the result by 15% to determine the required capital charge. Gross Income is the sum of 'Interest Income' and 'Non-interest Income' of a year or 'Total Operating Income' of the FI with some adjustments as noted below. GI shall:

- Be gross of any provision (e.g., for unpaid interest).
- Be gross of operating expenses, including fees paid to outsource service providers.
- Include lost interest i.e., interest suspense on classified loans (SS, DF, BL).

Quantitative Disclosures

Particulars	BDT in crore
Capital Requirement for Operational Risk	32.79

Notice, Reports & Financial Statements

Bangladesh Infrastructure Finance Fund Limited
Unique Heights (Level-3), 117 Kazi Nazrul Islam Avenue, Eskaton Garden, Dhaka-1217
e-mail: info@biffl.org.bd; Website: www.biffl.org.bd

Ref: BIFFL/CS-2.2.1/2023
Date: 08 June 2023

NOTICE OF THE 12th Annual General Meeting

Notice is hereby given that the 12th Annual General Meeting of Bangladesh Infrastructure Finance Fund Limited (BIFFL) will be held on 24 June 2023, Saturday at 5:30 pm by using online platform (ZOOM) to transact the following business:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements of BIFFL for the year ended 31 December 2022 and report of Independent Auditor's and Director's thereon for the said year.
2. To approve and declare dividend for the shareholders of BIFFL for year ended 31 December 2022 as recommended by the Board of Directors.
3. To retire /elect/re-elect the Director(s) and to confirm the appointment/ reappointment of Directors.
4. To appoint Statutory/External Auditors of the company for the term until 13th AGM and to fix their remuneration.
5. Miscellaneous, if any, (with the permission of the Chair).

The Shareholders, Directors and Auditors are requested to attend the meeting.

By the order of the Board of Directors,

Company Secretary (CC)
Bangladesh Infrastructure Finance Fund Limited
e-mail: companysecretary@biffl.org.bd

Independent Auditor's Report

To the Shareholders of Bangladesh Infrastructure Finance Fund Limited

Opinion

We have audited the financial statements of Bangladesh Infrastructure Finance Fund Limited (the Company), which comprise the Balance Sheet as at December 31, 2022, and Profit and Loss Account and Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 to the financial statements.

Basis for Opinion

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

Emphasis of Matters

Without modifying our opinion, we are drawing attention to the following matters:

1. In note # 8.2 to the financial statements, the Company disclosed 'Capital work in progress' amounting to BDT 8,800,000 against the implementation of Core Financial Solution/ Core Banking Service since 2019.
2. In note # 13.6 to the financial statements, the Company disclosed the reasons for transferring 'Interest on short-term investment (FDRs)' and 'Interest on loans and advances to 'Interest suspense account'.
3. In note # 13.4 to the financial statements, the Company has disclosed the status of recoverability and provision for leases, loans, advances, investment, and others.
4. In note # 2.11.02 to the financial statements, among others the Company disclosed the reason for not making any provision for workers' profit participation fund.
5. In note # 4.4.1 to the financial statements the Company disclosed the reason for preparing the liquidity statement without considering the remaining maturity.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Measurement of provision for loans and advances	
The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. For the individual (party-wise) analysis, these provisions consider the estimates of future business performance and the market value of the collateral provided for credit transactions. At year end the Company reported total gross loans and advances of BDT 18,856,953,828 (2021: BDT 16,394,424,310) and provision for loans and advances at the year-end BDT 1,037,926,562 (2021: BDT 951,943,505). We have focused on the following significant judgments and estimates which could give rise to a material misstatement or management bias: • 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, FID circular no.03 dated 29 April 2013 and DFIM circular no.04 dated 26 July 2021; • For 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; and • Provision measurement is primarily dependent upon key assumptions relating to the probability of default, the ability to repossess collateral, and recovery rates.	We tested the design and operating effectiveness of key controls focusing on the following: • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Reviewed the process of identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Loans (CL). Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the Company's general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note # 7 and 13.5 to the financial statements.	

Risk	Our response to the risk
Borrowing from other banks and other financial institutions	
We focused on this area because the Company receives loans from different donor agencies through GoB to implement infrastructure development projects in Bangladesh. Such an arrangement should be guided by strict internal control. Any non-compliance of the financing agreements with the donor agencies may create major credit risk for the Company.	In responding to the identified key audit matter, we have performed the following procedures: • Checked the drawdowns of borrowings from donor agency's server on a sample basis; • Reviewed the repayments made to the agencies as required on a sample basis; • Recalculated repayment schedule of the loans from donor agencies on a sample basis and • Reviewed the agreements with the donor agencies and checked whether the Company has compiled with the requirements of the agreements on a sample basis.
See note # 11 to the financial statements.	
IT systems and controls	
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.	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. 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. We considered the control environment relating to various interfaces, configuration and other application-layer controls identified as key to our audit.
See note # 2.25 to the financial statements.	

Other Matter

During our audit, we checked the Information Technology General Controls (ITGC) of the Company and observed that there are rooms for further improvements, which are being communicated to the management through our letter to the management for their consideration and taking action.

Other Information

Management is responsible for the 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. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained on note # 2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company' financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;

c) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns;

d) the expenditure incurred was for the purposes of the Company's business for the year;

e) The financial statements of the Company have been drawn up in conformity with Financial Institutions Act, 1993 and in accordance with International Financial Reporting Standards as explained in notes as well as with related guidance, circulars issued by Bangladesh Bank;

f) adequate provisions have been made for loans, leases, investment, advances and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;

g) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

h) statements sent to Bangladesh Bank have been checked on a sample basis and no inaccuracy has come to our attention;

i) taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;

j) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturities of assets and liabilities;

k) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;

l) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;

m) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/ leases found satisfactory;

n) We have reviewed over 80% of the risk-weighted assets of the Company, and we have spent around 2150 person-hours for the audit of the books and accounts of the Company;

o) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;

p) the Company has complied with the "First Schedule" of the Bank Company Act, 1991 in preparing these financial statements; and

q) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

ACNABIN, Chartered Accountants

Muhammad Aminul Hoque, FCA
Partner
ICAB Enrolment # 1129
DVC: 2306141129AS458267

Dated, Dhaka
14 June 2023

Bangladesh Infrastructure Finance Fund Limited

Balance Sheet

As at 31 December 2022

Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
Property and Assets			
Cash	3	**1,109,263**	**15,293,480**
In hand (including foreign currencies)		65,355	94,713
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,043,908	15,198,767
Balance with banks and other financial institutions	4	**18,012,223,533**	**18,836,570,703**
Inside Bangladesh		18,012,223,533	18,836,570,703
Outside Bangladesh		-	-
Money at call and on short notice	5	**26,900,000**	**26,900,000**
Investments:	6	**6,544,408,000**	**2,591,151,513**
Government		4,848,408,000	-
Others		1,696,000,000	2,591,151,513
Loans and advances	7	**18,856,953,828**	**16,394,424,310**
Loans, cash credits, overdrafts etc.		18,856,953,828	16,394,424,310
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	8	**190,814,389**	**203,647,232**
Other assets	9	**5,679,309,690**	**5,453,215,247**
Non-banking assets	10	-	-
Total Property and Assets		**49,311,718,703**	**43,521,202,485**
Liabilities and Shareholders' Equity			
Liabilities			
Borrowing from other banks, financial institutions and agents	11	**11,782,015,689**	**7,133,286,673**
Deposits and other accounts	12	-	-
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits		-	-
Bearer certificate of deposits		-	-
Other deposits		-	-
Other liabilities	13	**10,481,498,849**	**9,856,344,792**
Total Liabilities		**22,263,514,538**	**16,989,631,465**
Capital/Shareholders' Equity		**27,048,204,165**	**26,531,571,020**
Paid up capital	14	23,080,000,000	23,080,000,000
Statutory reserve	15	2,042,157,462	1,889,879,355
General reserve	16	200,000,000	150,000,000
Retained earnings	17	1,726,046,703	1,411,691,666
Total Liabilities and Shareholders' Equity		**49,311,718,703**	**43,521,202,485**

Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
OFF-BALANCE SHEET ITEMS :			
Contingent liabilities	18	**247,158,051**	**247,158,051**
Acceptances and endorsements		-	-
Letter of comfort	18.1	247,158,051	247,158,051
Irrevocable letter 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		-	-
Others		-	-
Total Off-Balance Sheet Items including contingent liabilities		**247,158,051**	**247,158,051**
Net Asset Value (NAV) per share	38	**117.19**	**114.95**

Annexed notes form an integral part of these financial statements.

Company Secretary | **Chief Executive Officer** | **Director** | **Chairman**

Signed as per our report on same date

ACNABIN, Chartered Accountants

Muhammad Aminul Hoque, FCA
Partner
ICAB Enrolment # 1129
DVC: 2306141129AS458267

Dated, Dhaka
22 May 2023

Bangladesh Infrastructure Finance Fund Limited

Profit and Loss Account

For the year ended 31 December 2022

Particulars	Notes	Amount in Taka	
		31-Dec-22	31-Dec-21
Operating Income			
Interest income from leases, loans and advances	20	1,124,279,457	1,370,359,895
Less: Interest expenses on deposits & borrowings etc.	21	199,329,631	119,530,730
Net interest income		**924,949,826**	**1,250,829,165**
Investment income	22	242,851,869	290,892,324
Commission, exchange and brokerage		-	-
Other operating income	23	939,576,473	689,999,574
Total operating income		**2,107,378,168**	**2,231,721,063**
Operating Expenses			
Salary and allowances	24	77,575,580	65,342,353
Rent, taxes, insurance, electricity etc.	25	2,648,664	2,101,236
Legal expenses	26	1,667,093	351,094
Postage, stamp, telecommunication etc.	27	4,481,637	2,323,655
Stationery, printing, advertisement etc.	28	1,559,210	1,846,658
Managing Director's salary and allowances	29	9,640,000	9,236,712
Directors' fees	30	1,136,646	953,316
Auditors' fees	31	244,865	410,350
Charges on loan losses		-	-
Depreciation and repairs of company's assets	32	14,885,915	20,605,411
Other operating expenses	33	24,189,111	19,029,721
Total operating expenses		**138,028,721**	**122,200,505**
Profit before provision		**1,969,349,447**	**2,109,520,558**
Provision for investment, leases, loans and advances	34	335,983,057	435,395,758
Provision for diminution in value of investments		-	-
Other provision	35	200,000,000	250,595,221
Total provision		**535,983,057**	**685,990,979**
Total profit before income tax		**1,433,366,390**	**1,423,529,579**
Provision for income tax	36	671,975,854	811,134,997
Net profit after tax & provision		**761,390,536**	**612,394,582**
Appropriations to:		**202,278,107**	**172,478,916**
Statutory reserve	15	152,278,107	122,478,916
General reserve	16	50,000,000	50,000,000
Retained surplus		**559,112,429**	**439,915,666**
Earnings per share (EPS)	37	**3.30**	**2.65**

Annexed notes form an integral part of these financial statements.

Company Secretary | **Chief Executive Officer** | **Director** | **Chairman**

Signed as per our report on same date

ACNABIN, Chartered Accountants

Muhammad Aminul Hoque, FCA
Partner
ICAB Enrolment # 1129
DVC: 2306141129AS458267

Dated, Dhaka
22 May 2023

Bangladesh Infrastructure Finance Fund Limited

Statement of Cash Flows

For the year ended 31 December 2022

	Particulars	Notes	Amount in Taka	
			31-Dec-22	31-Dec-21
A.	**Cash flow from operating activities:**			
	Interest received		1,279,870,624	1,570,158,881
	Interest paid		(51,586,291)	(52,836,810)
	Dividend received		33,678,252	206,358,126
	Interest received from commercial paper & bond		103,032,190	116,000,080
	Cash paid to employees		(82,317,724)	(67,982,148)
	Cash paid to suppliers		(10,661,767)	(6,185,445)
	Income taxes paid		(964,276,116)	(685,646,513)
	Received from other operating activities		939,943,120	692,611,852
	Paid for other operating activities		(23,809,136)	(20,068,591)
	Cash generated from operating activities		**1,223,873,152**	**1,752,409,431**
	Increase/(decrease) in operating assets and liabilities, statutory deposits			
	Loans and advances to other banks		-	-
	Investment		-	-
	Loans and advances to other customers		(2,145,144,902)	1,827,118,467
	Other assets		(60,125)	(3,945)
	Borrowings from banks, financial institutions and agents		4,326,413,626	2,200,270,214
	Deposits from other banks /institutions		-	-
	Other liabilities		206,044,929	196,792,621
			2,387,253,529	**4,224,177,357**
	Net cash flow from/(used in) operating activities		**3,611,126,681**	**5,976,586,788**
B.	**Cash flow from investing activities:**			
	Purchase of property, plant and equipment net of disposal proceeds		(1,443,746)	(177,154)
	Proceed from investment in securities		645,151,513	577,877,242
	Investment made during the period		(4,848,408,000)	-
	Proceeds from disposal of fixed assets		-	436,000
	Net cash flow from/(used in) investing activities		**(4,204,700,233)**	**578,136,088**
C.	**Cash flow from financing activities:**			
	Dividend paid		(244,957,833)	(216,629,645)
	Issuance of shares		-	-
	Net cash used in financing activities		**(244,957,833)**	**(216,629,645)**
D.	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**		(838,531,385)	6,338,093,231
E.	**Effects of exchange rate changes on cash and cash equivalents**		-	-
F.	**Cash and cash equivalents at the beginning of the year**		18,878,764,183	12,540,670,953
G.	**Cash and cash equivalents at the end of the year (D+E+F)**		**18,040,232,797**	**18,878,764,183**
	Cash and cash equivalents at the end of the year			
	Cash in hand	3.1	65,355	94,713
	Balance with Bangladesh Bank and its agent bank(s)	3.2	1,043,908	15,198,767
	Balance with other banks and financial institutions	4	18,012,223,533	18,836,570,703
	Money at call and short notice	5	26,900,000	26,900,000
			18,040,232,797	**18,878,764,183**
	Net operating cash flow per share (NOCFPS)	39	**15.65**	**25.90**

Annexed notes form an integral part of these financial statements.

Company Secretary **Chief Executive Officer** **Director** **Chairman**

Bangladesh Infrastructure Finance Fund Limited

Statement of Changes in Equity

For the year ended 31 December 2022

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	General Reserve	Retained earnings	Total
Balance as on 1 January 2021	**23,080,000,000**	**1,767,400,439**	**100,000,000**	**1,188,405,645**	**26,135,806,084**
Net profit for the year	-	-	-	612,394,582	612,394,582
Cash dividend	-	-	-	(216,629,645)	(216,629,645)
Share issue	-	-	-	-	-
Stock dividend	-	-	-	-	-
Appropriations made during the year	-	122,478,916	50,000,000	(172,478,916)	-
Balance as on 31 December 2021	**23,080,000,000**	**1,889,879,356**	**150,000,000**	**1,411,691,665**	**26,531,571,021**
Balance as on 1 January 2022	**23,080,000,000**	**1,889,879,356**	**150,000,000**	**1,411,691,665**	**26,531,571,021**
Net gains and losses not recognised on foreign currency transactions	-	-	-	200,442	200,442
Net profit for the year	-	-	-	761,390,536	761,390,536
Share issue	-	-	-	-	-
Cash dividend	-	-	-	(244,957,833)	(244,957,833)
Stock dividend	-	-	-	-	-
Appropriations made during the year	-	152,278,107	50,000,000	(202,278,107)	-
Balance as on 31 December 2022	**23,080,000,000**	**2,042,157,463**	**200,000,000**	**1,726,046,702**	**27,048,204,165**

Annexed notes form an integral part of these financial statements.

Company Secretary **Chief Executive Officer** **Director** **Chairman**

Bangladesh Infrastructure Finance Fund Limited

Liquidity Statement
Asset And Liability Maturity Analysis

As at 31 December 2022

Amount in Taka

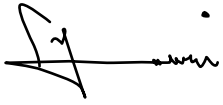
Particulars	Not more than 1 month term	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Assets						
Cash in hand and balance with Bangladesh Bank and its agent bank(s)	1,109,263	-	-	-	-	1,109,263
Balance with banks and other financial institutions (note 4.4 and 4.4.1)	12,321,564,375	1,793,634,735	867,672,926	3,029,351,497	-	18,012,223,533
Money at call and short notice	26,900,000	-	-	-	-	26,900,000
Investments	-	1,107,366,000	4,128,042,000	1,138,000,000	171,000,000	6,544,408,000
Loans and advances	103,118,291	1,153,556,347	2,307,165,621	11,000,000,000	4,293,113,570	18,856,953,828
Fixed assets including land, buildings, furniture and fixtures	-	-	-	-	190,814,389	190,814,389
Other assets	17,332,057	45,970,280	141,645,222	-	5,474,362,130	5,679,309,690
Non-banking assets	-	-	-	-	-	-
Total Assets (A)	**12,470,023,986**	**4,100,527,362**	**7,444,525,769**	**15,167,351,497**	**10,129,290,089**	**49,311,718,703**
Liabilities						
Borrowing from other banks, financial institutions and agents	607,500	451,753,825	215,562,305	2,806,553,232	8,307,538,826	11,782,015,689
Deposits	-	-	-	-	-	-
Other accounts	-	-	-	-	-	-
Provision and other liabilities	6,062,060	717,056	41,019,212	-	10,433,700,521	10,481,498,849
Total Liabilities (B)	**6,669,560**	**452,470,881**	**256,581,517**	**2,806,553,232**	**18,741,239,347**	**22,263,514,538**
Net liquidity gap (A-B)	**12,463,354,426**	**3,648,056,481**	**7,187,944,252**	**12,360,798,265**	**(8,611,949,258)**	**27,048,204,165**

Annexed notes form an integral part of these financial statements.

Company Secretary

Chief Executive Officer

Director



Chairman

Bangladesh Infrastructure Finance Fund Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Reporting entity

1.01 Company profile

Bangladesh Infrastructure Finance Fund Limited hereinafter also referred to as 'BIFFL' started its journey as a Public Limited Company on 21 March 2011, registered under Company's Act 1994 (ACT XVIII of 1994). The authorized share capital of the Company is BDT100 (one hundred) billion divided into 1 (one) billion shares of BDT100 each and the subscribed share capital or paid-up capital is BDT23.08 billion. Certificate of Incorporation was issued by the Registrar of Joint Stock Companies and Firms (RJSC). The business of the Company had commenced from the same date and the Certificate of Commencement of business was also issued by RJSC. BIFFL has also received license from Bangladesh Bank on 16 October 2011 to operate as a Non-Bank Financial Institution under the Financial Institutions Act 1993.

Presently, the Company has an 8-member Board of Directors. The overall policy decisions of the Company are vested with the Board of Directors. The Board of Directors of BIFFL includes: Senior Secretary, Finance Division, MoF; Secretary, Power Division, MoPEMR; Secretary, Road Transport and Highways' Division, MoRT&B; Secretary, Bridges Division, MoRT&B; Senior Secretary, Energy & Mineral Resources Division, MoPEMR; Senior Secretary, Prime Minister's Office; Secretary, Economic Relations Divisions, MoF; and Joint Secretary, Finance Division, MoF. The Senior Secretary, Finance Division, Ministry of Finance is the Chairman of the Board. The CEO is an ex-officio member of the Board.

1.02 Nature of business

The Government of Bangladesh (GoB) has prioritized PPP program as a key initiative for increasing the investment in infrastructure. In order to create an enabling environment for attracting private investments on a sustainable basis, the GoB has also provided keen interest and attention to promote PPP in the country and also taken a series of important measures. As part of it, GoB has established BIFFL under Ministry of Finance (MoF) as a Special Purpose Vehicle (SPV) for financing infrastructure projects in Bangladesh. BIFFL has been designed to serve as channel for mobilizing domestic and foreign private resources along with the public fund through Public-Private Partnership, popularly known in its short form as 'PPP'.

The main objective of BIFFL is to provide predominantly long-term financing for infrastructure projects through issuance of bonds and debt instruments and equity offerings. BIFFL envisages attracting private investments from local & foreign investors and to invest in companies that are implementing infrastructure projects in Bangladesh.

The main goals of the Company are to supplement in achieving SDG 2030 and Vision 2041 of the Government through investment in infrastructure as well as sustainable development projects; to ensure adequate infrastructure development of the country through promotion of PPP; to cater to the requirements of critically important infrastructure projects through customized and structured financial solutions; and to bring in dynamism and necessary expertise in the financial industry for financing infrastructure projects.

BIFFL promotes, encourages and finances private sector investment in all critical infrastructure sectors, but not limited to the Power and Energy, Natural Resource Development, Fertilizer, Transportation System, Port Development, Air & Railway Transportation Projects, Tourism Infrastructure, Telecommunication System, Utility & Environment Management, Green & Renewable Energy Efficient Projects, Social and Industrial Infrastructure Projects, Poverty Alleviation Projects, and Urban & Rural Development Projects.

2 Significant accounting policies and basis of preparation of financial statements

2.01 Statement of compliance and basis of preparation

The Financial Reporting Act, 2015 (FRA) has been enacted during the year 2015. Under the FRA, the Financial Reporting Council (FRC) has been formed and it is empowered to issue financial reporting standards for public interest entities such as Financial Institutions (FIs). The Financial Institutions Act, 1993 has been amended as required to comply for the preparation of their financial statements under such financial reporting standards. The FRC has been formed and adopted International Financial Reporting Standards (IFRSs), and International Accounting Standards (IASs) as metioned in the FRC notification no. 146/FRC/Admin/Notification/2020/67 dated 02 November 2020.

Accordingly, the financial statements of the Company continue to be prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Financial Institutions Act, 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994, the Securities and Exchange Rules, 1987. In case of any requirement of the Financial Institutions Act, 1993, and circulars issued by Bangladesh Bank, which differ with those of IFRSs, the requirements of the Financial Institutions Act, 1993, and circulars issued by Bangladesh Bank shall prevail. The financial statements have been prepared on historical cost basis.

2.02 Disclosure of departure from few requirements of IASs/IFRSs due to mandatory compliance of Bangladesh Bank's requirements

The Bangladesh Bank is the prime regulatory body for Non-Banking Financial Institutions (NBFIs) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations differ with the requirements of IASs/IFRSs. As such the Company has departed from those contradictory requirements of IASs/IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

2.02.01 Valuation of Investments in quoted and unquoted shares and securities

IFRS:

As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank:

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 as per Bangladesh Bank DFIM circular no. 02 dated January 31, 2012 for investments in marketable securities and as per Bangladesh Bank DFIM circular no. 05 dated May 11, 2015 for Mutual funds.

There is no financial impact during the year.

2.02.02 Provision on loans and advances

IFRS:

As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank:

As per FID circular no. 08, dated 03 August 2002, FID circular no. 03, dated 03 May 2006 and FID circular no. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/ standard loans) has to be maintained irrespective of objective evidence of impairment on 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.

2.02.03 Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 'Financial Instruments: Disclosures' and IAS 32 'Financial Instruments: Presentation' cannot be made in the accounts.

Presentation of financial statements is not fully aligned with all the requirements of IAS/IFRS.

2.02.04 Financial guarantees

IFRS:

As per requirements of IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank:

As per the requirements of DFIM circular no. 11 dated 23 December 2009, financial guarantees such as L/C, L/G will be treated as off balance sheet items. No liability is recognised for the guarantee except the cash margin.

There will be no financial changes due to departure

2.02.05 Cash and cash equivalents

IFRS:

Cash equivalents 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 equivalents as it is illiquid asset and not available for use in day to day operations.

Bangladesh Bank:

Bangladesh Bank has issued templates for financial statements vide DFIM circular no. 11, dated 23 December 2009 which will strictly be followed by all NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.

Presentation of financial statements is not fully aligned with the requirement of IAS.

2.02.06 Non-banking assets

IFRS:

There is no particular/specific guideline about non-banking assets in IFRSs.

Bangladesh Bank:

As per the requirements of DFIM circular no. 11 dated 23 December 2009, there must exist a face item named non-banking asset.

This is a presentation issue and there is no financial impact

2.02.07 Statement of cash flows

IFRS:

Cash flow statement can be prepared either in direct method or in 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.

Bangladesh Bank:

As per the requirements of DFIM circular no. 11 dated 23 December 2009, statement of cash flows is a mixture of direct and indirect method.

Presentation of statement of cash flows is not fully aligned with the requirement of IAS/IFRS and there is no financial impact.

2.02.08 Balance with Bangladesh Bank

IFRS:

Balance with Bangladesh Bank should be not be treated as cash and cash equivalents as it is not available for use in day to day operations as per IAS 7 'Statement of Cash Flows'.

Bangladesh Bank:

Balance with Bangladesh Bank is treated as cash and cash equivalents.

This is a presentation issue and there is no financial impact

2.02.09 Off balance sheet items

IFRS:

As per IFRS, there is no mandatory requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank:

As per the requirements of DFIM circular no. 11 dated 23 December 2009, off balance sheet items e.g. Letter of Credit, Letter of Guarantee, Acceptance must be disclosed separately on the face of balance sheet.

This is a presentation issue and there is no financial impact

2.02.10 Disclosure of appropriation of profit

IFRS:

There is no mandatory requirement to show appropriation of profit in the face of the profit and loss account.

Bangladesh Bank:

As per the requirements of DFIM circular no. 11 dated 23 December 2009, an appropriation of profit should be disclosed on the face of profit and loss account.

There is no financial impact for this departure during the year.

2.02.11 Other comprehensive income

IFRS:

As per IAS 1 'Presentation of Financial Statements', other comprehensive income is a component of financial statements or the elements of other comprehensive income are to be included in a single Comprehensive Income (CI) Statement.

Bangladesh Bank:

Bangladesh Bank has issued templates for financial statements which will strictly be followed by all financial institutions. The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income; and the elements of other comprehensive income are also not allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the company does not prepare the other statement of comprehensive income. However elements of OCI, if any, are shown in the Statement of Changes in Equity.

There is no financial impact for this departure during the year.

2.02.12 Loans and advances net of provision

IFRS:

As per IFRS 9, Loans and advances should be presented as net of provision.

Bangladesh Bank:

As per the requirements of DFIM circular no. 11 dated 23 December 2009, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

There is no financial impact for this departure during the year.

2.02.13 Recognition of interest in suspense

IFRS:

Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised in profit and loss account by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank:

As per FID circular no. 8 dated 3 August 2002, once a loan is classified as impaired, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

Charging of interest on impaired assets is not fully aligned with IAS/IFRS.

2.03 Components of the financial statements

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

a) Balance Sheet as at 31 December 2022;

b) Profit and Loss Account for the year ended 31 December 2022;

c) Statement of Cash Flows for the year ended 31 December 2022;

d) Statement of Changes in Equity for the year ended 31 December 2022;

e) Liquidity Statement as at 31 December 2022; and

f) Notes to the Financial Statements for the year ended 31 December 2022.

2.04 Use of estimates & judgments

The preparation of the financial statements of the Company in conformity with Bangladesh Bank Circulars and IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect for the year ended 31 December 2022 is included in the following notes:

a) Note 9.2 Deferred tax assets;

b) Note 13.1 Provision for Income tax;

c) Note 13.3 Employee benefit liabilities (provision for gratuity);

d) Note 13.4 Provision for lease, loans, advances, investment, and others;

e) Note 18.1 Letter of comfort (contingent liabilities);

f) Note 32 Depreciation and repairs of company's assets.

2.05 Going concern

The Company has adequate resources to continue its operation for the foreseeable future. For this reason, the directors continue to adopt a going concern basis in preparing the financial statements. The Company's current credit facilities and resources provide sufficient funds to meet the current requirements of its existing businesses and operations.

The outbreak of COVID-19 across the world has resulted in disruptions in business activities everywhere. COVID-19 poses existential threats to a business's ability to survive, which in turn have significant financial reporting impacts from going concerned and liquidity to recoverability and valuation of assets.

However, the COVID-19 virus can evolve in various directions. If society, and as a consequence business, is exposed to COVID-19 for a longer period, this may result in prolonged negative results and pressure on our liquidity and profitability. However, the Company has taken and will take various measures to keep the Company's going concern status.

Response to address the COVID-19 effects:

a) This includes ensuring adequate safety and health measures for the employees like social distancing and working from home to ensure the safety of the employees;

b) Prudent balance sheet and cash management to ensure enough liquidity to manage all obligations;

c) Introducing and implementing contingency plans for liquidity and putting into controls for regular monitoring;

d) Effective cost control measures are already in place to combat the unprecedented situation;

Furthermore, the management continuously monitors the Company's key ratios and is confident enough to undertake all crisis management and business continuity measures. The Company's management has performed an extensive analysis on the possible impact and has responded through adequate measures mitigating possible impacts. By conducting a stringent review and assessing the levels of facilities expected to be available to the Company, the management strongly believes that the BIFFL has adequate resources for at least 12 months from the date of authorized for issue of the financial statements.

So, based on the facts and circumstances known at this moment, the management believes there is no material uncertainty that may cast any doubt upon the Company's ability to continue as a going concern.

2.06 Materiality and aggregation

Each material item considered by management has been presented separately in the financial statements. No amount has been set off unless the Company has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.07 Consistency

In accordance with the IFRS framework for the presentation of Financial Statements together with IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', BIFFL applies the accounting disclosures and principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed in accordance with the requirement of IAS 8.

2.08 Reporting period

The financial period of the Company was determined from 1 January to 31 December and followed consistently. These financial statements cover one year starting from 1 January 2022 to 31 December 2022.

2.09 Functional and presentation currency

The figures of the Financial Statements are presented in Bangladesh Taka (BDT/Taka/Tk.) which is Company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer except otherwise indicated.

2.10 Assets and basis of their valuation

2.10.01 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, balance with Bangladesh Bank, cash at bank, term deposits, money at call and short notice that are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value. Cash and cash equivalents are shown as per DFIM circular no. 11 dated 23 December 2009.

2.10.02 Investment in securities

Investment in non-marketable shares have been shown at cost. The Company has no investment in marketable securities.

Provision for investment

BIFFL maintains provision on the outstanding balance of investment following the classification as reported in FICL submitted to Bangladesh Bank on quarterly basis.

2.10.03 Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision is made on the basis of quarter end against classified loans and advances reviewed by the management and instructions given in FID circular no. 08 dated 3 August 2002 and FID circular no. 03 dated 03 May 2006.

Interest on loans and advances

Interest is calculated on a daily product basis and is recognized as revenue on accrual basis. However, interest income under category of classified and Special Mention Account (SMA) account is not recognised as income but credited to interest suspense account as per Bangladesh Bank circulars and directives. In addition to above interest due on standard loans are also transferred to suspense accounts on judgmental basis. No interest is charged on bad and loss loans as per guidelines of Bangladesh Bank.

Provision for loans and advances

Provision for loans, advances and investments is an estimate of the losses that may be sustained in the investment portfolio. The methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. Provision for loans and advances are made on quarter basis as per the instructions given in FID circular no. 08 dated 03 August 2002, FID circular no. 03 dated 03 May 2006, FID circular no. 03 dated 29 April 2013, DFIM circular no. 04 dated 26 July 2021 and DFIM Circular no. 33 dated 19 December 2021 of Bangladesh Bank.

Rate of provision

General Provision on unclassified loans and advances and specific provision on classified loans & advances are made as per below rate:

Particulars	Rate
Standard-other than SME	1%
Standard-SME	0.25%
Special mention account (SMA)	5%
Sub-standard (SS)	20%
Doubtful (DF)	50%
Bad/loss (BL)	100%

Presentation of loans and advances

Loans and advances are shown at gross amount as assets while interest suspense and loan loss provision against classified loans and advances are shown as liabilities in the Balance Sheet.

Write off loans and advances

Loans and advances/investments are written off as per guidelines of Bangladesh Bank. Those written off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

2.10.04 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs associated with bringing the assets to its working condition for its intended use as per IAS 16 'Property, Plant and Equipment'.

Subsequent expenditure on property, plant and equipment

Subsequent expenditure is capitalized only when it increases the future economic benefits from the assets. All other expenditures are recognized as an expense as and when they are incurred.

Depreciation on property, plant & equipment

Depreciation on fixed assets is charged consistently on straight-line method at following rates throughout the estimated useful life of the assets. Depreciation method, useful lives and residual values are reviewed at each reporting date. The depreciation on newly acquired assets is charged from the date of acquisition.

Category of fixed assets	Rate of depreciation
Land & land development	0%
Computer & IT equipment	33%
Office equipment	20%
Furniture & fixtures	10%
Motor vehicles	20%
Building*	2.5%
Electronics	12.5%
Civil construction	50%
Websites & software	50%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the concerned asset and is recognised accordingly in the Profit or Loss Account.

*Up to 2020, the Company has considered depreciation @10% per year on Building (Floor Space). As expectations differ from previous estimates regarding the useful life of the Building (Floor Space), the Company has taken an opinion from an external expert regarding changing the estimate relating to depreciation. The external expert suggested considering the useful life of the Building between 40 to 50 years. Accordingly, the Board of Directors approved the useful life of the Building as 45 years (from 2016).

Impairment

The carrying amount of the entity's non financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, no such conditions that might be suggestive of a heightened risk of impairment existed at the reporting date.

2.10.05 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company over a period of time and the cost of the asset can be measured reliably as per IAS 38 'Intangible Assets'. Intangible assets acquired separately are recorded on initial recognition at costs and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure on intangible assets

Subsequent expenditure on intangible asset is capitalised only when it increases the future economic benefit from the assets. All other expenditures are recognised as expense as and when they are incurred.

Amortisation of intangible assets

Intangible assets are amortized on straight line basis to the profit and loss account from the date when the asset is available for use over its estimated useful life as follows:

Items of intangible assets	Estimate useful life
Computer software	2 years

2.10.06 Other assets

Other assets include all other financial assets and fees and unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamps. Details are shown in Note-9. Receivables are recognised when there is a contractual right to receive cash or another financial assets from another entity.

2.10.07 Non-banking assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgage property. There are no assets acquired in exchange for loan during the period of financial statements.

2.11 Basis for valuation of liabilities and provisions

2.11.01 Provision for tax

a. Current tax

Provision for current tax has been made on the basis of the profit of the year as adjusted for taxation purpose in accordance with the provisions of Income Tax Ordinance, 1984 and amendments made thereto from time to time. The Company's current tax liability is calculated using applicable tax rate on the reporting date, and any adjustments to tax payable in respect of previous years.

b. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

a) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

b) Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and

c) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

2.11.02 Employees' benefit obligation

Defined contribution plan

The Company operates a contributory provident fund scheme for its permanent employees. Provident Fund is administered by a Board of Trustees and is funded by contributions equally from the permanent employees and from the Company @10% of basic salary of the employees. The contributions are invested to ensure optimum return to the employees.

Defined benefit plan

The Company operates a funded gratuity scheme for its permanent employees.

Short term benefit

Short-term employee benefit (salary, bonus etc.) obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Other employee benefit obligation

The Company operates a group life insurance and hospitalisation insurance schemes for its permanent employees.

Workers profit participation and welfare fund (WPPF)

Establishment of Workers' Profit Participation and Welfare Fund (WPPF) is a matter of Banking and Financial Institutions Sector as a whole. Ministry of Finance through its letters no. 53.00.0000.311.22.002.17-130 dated February 14, 2017 and no. 53.00.0000.311.22.002.17-140 dated February 25, 2018 expressed its opinion that Chapter 15 on "Participation in Company Profits by Workers" in the Bangladesh Labor Act, 2006 and amendments made therein on July 22, 2013 should not be applicable for Banks and Financial Institutions and requested to the Ministry of Labor and Employment to take necessary steps in this regard as well as not to apply the said chapter of Labor Act 2006 for Banks and Financial Institutions. Therefore, like other Banks and Financial Institutions, BIFFL did not recognize the WPPF.

2.11.03 Accrued expenses, provisions and payables

Liabilities are recognised for goods and services received, whether paid or not, for those goods and services. Payables are not interest bearing and are stated at their actual value.

Provisions and accrued expenses are recognised in the financial statements when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be probable to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.12 Capital and shareholders' equity

2.12.01 Capital management

The Company has a capital management process for measuring, deploying and monitoring its available capital and assessing its adequacy. This capital management process aims to achieve four major objectives; exceed regulatory thresholds and meet long-term internal capital targets, maintain strong credit rating, manage capital levels commensurate with the risk profile of the Company and provide the Company's shareholders with acceptable returns.

Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the Company. The company's finance and risk management department are key to implementing the Company's capital strategy and managing capital. Capital is managed using both regulatory control measures and internal matrices.

2.12.02 Paid up capital

Paid up share capital represents total amount of shareholder capital that has been paid in full by the Government of Bangladesh i.e. ordinary shareholder. In the event of winding-up of the Company ordinary shareholder(s) rank after all other shareholders and creditors are fully entitled to any residual proceeds of liquidation.

2.12.03 Statutory reserve

As per the Financial Institutions Regulations, 1994, Non-Bank Financial Institutions (NBFIs) are required to transfer 20% of its post tax profit to statutory reserve before declaration of dividend. This requirement has been properly complied with.

2.12.04 Dividends payment

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders.

2.13 Earnings per share

The Company presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

2.14 Contingent assets & liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or Any present obligation that arises from past events but is not recognised because:

a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits can reliably be estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

2.15 Director's responsibility statement

The Board of Directors is responsible for the presentation of the financial statements under section 183 of the Companies Act, 1994 and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements'.

2.16 Related party disclosure

As per IAS 24 Related Party Disclosures, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

2.17 Litigation

The Company is not a party to any material law suits except those arising in the normal course of business. The Company has filed necessary law suits against some of the default clients for non-performance in repayment of investment. The Company, however, has made adequate provision against such doubtful finances.

2.18 Borrowings from other banks, financial institutions and agents

Borrowings include short term and long term borrowings from banks and non-bank financial institutions. These are stated at amounts outstanding on the reporting date. Interest expense on these borrowings is charged to the profit and loss account on accrual basis.

2.19 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of assets and liabilities as of the close of the reporting period as per following bases:

- Balance with other companies and financial institutions are on the basis of their maturity term;
- Investments are on the basis of their residual maturity term;
- Loans and advances are on the basis of their repayment /maturity schedule;
- Property, plant and equipment are on the basis of their useful lives;
- Other assets are on the basis of their adjustments terms;
- Borrowings from other companies and financial institutions are on the basis of their maturity/repayment schedule;
- Deposits and other accounts are on the basis of their maturity terms and past behavioral trends;
- Other liabilities are on the basis of their settlement terms.

2.20 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the statement of financial position date are reflected in the financial statements in Note no. 47 as per IAS 10 'Events after the reporting period'.

2.21 Comparatives and reclassification

Comparative information have been disclosed in respect of 2021 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

To facilitate comparison, certain relevant balances pertaining to the comparatives have been rearranged /restated / reclassified whenever considered necessary to conform to current period's presentation.

2.22 Compliance Report on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

Sl. No.	IFRS/ IAS No.	Name of the IFRS/IAS	Status
1	IFRS-1	First Time adoption of IFRS	Not Applicable
2	IFRS-2	Share based payment	Not Applicable
3	IFRS-3	Business combinations	Not Applicable
4	IFRS-4	Insurance contracts	Not Applicable
5	IFRS-5	Non-current assets held for sales and discontinued operations	Not Applied**
6	IFRS-6	Exploration for and evaluation of mineral resources	Not Applicable
7	IFRS-7	Financial instruments disclosures	Applied*
8	IFRS-8	Operating segments	Not Applicable
9	IFRS-9	Financial instruments	Applied*
10	IFRS-10	Consolidated financial statements	Not Applicable
11	IFRS-11	Joint arrangements	Not Applicable
12	IFRS-12	Disclosure of interest in other entities	Not Applicable
13	IFRS-13	Fair value measurement	Applied
14	IFRS-14	Regulatory Deferral Accounts	Not Applicable
15	IFRS-15	Revenue from contracts with customers	Applied*
16	IFSR-16	Leases	Not Applicable
17	IFSR-17	Insurance Contracts	Not applicable
18	IAS-1	Presentation of financial statements	Applied*
19	IAS-2	Inventories	Not Applicable
20	IAS-7	Cash flow statements	Applied*
21	IAS-8	Accounting policies, changes in accounting estimates and errors	Not Applied**
22	IAS-10	Events after the reporting period	Applied
23	IAS-12	Income taxes	Applied
24	IAS-16	Property, plant and equipment	Applied
25	IAS-19	Employee benefits	Applied
26	IAS-20	Accounting for government grants and disclosure of government assistance	Not Applicable**
27	IAS-21	The effects of changes in foreign exchange rates	Not Applicable**
28	IAS-23	Borrowing costs	Not Applicable**
29	IAS-24	Related party disclosures	Applied
30	IAS-26	Accounting and reporting by retirement benefit plans	Not Applicable
31	IAS-27	Consolidated and separate financial statements	Not Applicable
32	IAS-28	Investments in associates	Not Applicable
33	IAS-31	Interest in joint ventures	Not Applicable
34	IAS-32	Financial instruments: presentation	Applied*
35	IAS-33	Earnings per share	Applied
36	IAS-34	Interim financial reporting	Applied

Sl. No.	IFRS/ IAS No.	Name of the IFRS/IAS	Status
37	IAS-36	Impairment of assets	Applied*
38	IAS-37	Provision, contingent liabilities and contingent assets	Applied*
39	IAS-38	Intangible assets	Applied
40	IAS-40	Investment property	Not Applicable
41	IAS-41	Agriculture	Not Applicable

*As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements.

** Applicable but not applied in the reporting period as no relevant transactions were available.

2.23 Capital adequacy and market discipline

To cope with the international best practices and to make up the capital more risk sensitive as well as more shock resilient, a road map was issued in August 2010 on implementation of Basel Accord in the FIs. Being well pursuant with the road map, prudential guidelines namely 'Capital Adequacy and Market Discipline for Financial Institutions' had been introduced by Bangladesh Bank from December 2011. The guidelines came into force from 1 January 2012 with necessary supplements/ revisions. Instructions in respect of Minimum Capital Requirement, Adequate Capital and Disclosures requirement as stated in the guidelines have been followed for the purpose of statutory compliance.

As per prudential guideline, BIFFL calculated Minimum Capital Requirement (MCR) by dividing the total capital by the sum of risk weighted assets against credit risk, market risk, and operational risk under pillar-I.

Pillar- 1: Minimum capital requirement

Credit Risk

The calculation of capital requirement against credit risk is more elaborate and risk sensitive. The accord gives a choice of some sophisticated approaches to address risks, and adoption of a particular approach depends on the risk measurement capabilities and robustness of the systems in place in a financial institution. A standardized approach has been the preliminary choice of FIs for the credit risk calculation.

Market risk

Market risk is defined as the risk of losses in on and off-balance-sheet positions arising from movements in market prices. The risks subject to this requirement are:

- the risks pertaining to interest rate related instruments and equities in the trading book;
- foreign exchange risk and commodities risk throughout the FI.

The capital charges for interest rate related instruments and equities applied to the current trading book items prudently valued by BIFFL. The capital charges for foreign exchange risk and for commodities risk applied to BIFFL's total currency and commodity positions, subject to some discretion to exclude structural foreign exchange positions.

Operational risk

The accord introduces for the first time a capital charge for operational risk. The framework presents three methods for calculating operational risk capital charges in a continuum of increasing complexity and risk sensitivity. These methods are the Basic Indicator Approach (a fixed percentage of gross income amount), Standardized Approach (sum of a certain percentage of FI's income in each business line) and Internal Measurement Approach (statistical measure of FIs operational loss based on its historical loss data). But initially, Basic Indicator Approach has been applied for calculating the capital charge against operational risk.

2.24 Stress testing

Stress Testing is an important risk management tool that is used by the financial institutions as part of internal risk management and through the Basel II capital adequacy framework, is promoted by Bangladesh Bank. Stress Testing alerts Financial Institutions management to adverse unexpected outcomes related to a variety of risks and provides an indication of how much capital might be needed to absorb losses should large shock occur. Stress Testing supplements other risk management approaches and measures playing particularly important role in:

i. Providing forward-looking assessment of risk;
ii. Overcoming limitations of models and historical data;
iii. Supporting external and internal communication;
iv. Feeding into capital and liquidity planning procedures;
v. Informing the setting of an FI's risk tolerance; and
vi. Facilitating the development of risk mitigation or contingency plans across a range of stressed conditions.

Stress Testing guidelines have been issued by Bangladesh Bank to provide a structured way of assessing the vulnerability of financial institutions to extreme but plausible market conditions. The guidelines enable institutions to accurately assess risk and define the "risk appetite" of the organization and also provide critical information to senior management for decision around capital allocation and contingency planning.

BIFFL exercise stress testing on its portfolio on quarterly basis and submit its stress testing report as per format prescribed by Bangladesh Bank on regular basis.

2.25 IT systems and control

Information Technology forms an integral part of the NBFI's Corporate Governance. It deals primarily with optimizing the linkage between Strategic Direction and Information Systems Management of the Company. In this regard, implementation of the organizational structure with well-defined roles for the responsibility of information, business processes, applications, infrastructure, etc. generates value for our stakeholders while mitigating the risks associated with incorrect deployment and use of Information Technology. IT and MIS department is constantly working towards the development and implementation of new technologies to enable the organization to meet future market demand.

2.26 Prevention of money laundering

In recognition of the fact that financial institutions are particularly vulnerable to money laundering, BIFFL has established an Anti Money Laundering Policy. The purpose of this policy is to provide a guideline to comply with all laws and regulations regarding money laundering, both at country and international levels, to safeguard the Company from potential compliance, financial and reputational risks. Further, Know Your Customer (KYC) procedures have been set up for the borrowers. Training is also given as a continuous process for creating/developing awareness among the relevant officers. As per the regulatory obligation, the Chief Executive Officer (CEO) of the Company clearly and effectively declares BIFFL's stance to prohibit anti money laundering and financing for terrorism each year. The declaration of CEO also includes necessary operational guidelines to implement the same.

2.27 Legal & regulatory compliance

The Company's procedures are in place to ensure compliance with mandatory Bangladesh Bank's instructions and the statutory requirements are under close scrutiny. The Company monitors due compliance with all relevant laws & regulations. The system of internal controls, including financial, operational and compliance controls and risk management systems, are 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 current business environment and to comply with the legal & regulatory requirements.

		Amount in Taka	
		31-Dec-22	31-Dec-21
3	**Cash**		
	Cash in hand (Note- 3.1)	65,355	94,713
	Balance with Bangladesh Bank and its agent bank(s) (Note- 3.2)	1,043,908	15,198,767
		1,109,263	**15,293,480**
3.1	**Cash in hand**		
	In local currency	65,355	94,713
	In foreign currency	-	-
		65,355	**94,713**
3.2	**Balance with Bangladesh Bank and its agent bank(s)**		
	Balance with Bangladesh Bank	1,043,908	15,198,767
	In foreign currency	-	-
		1,043,908	**15,198,767**

3.3 Balance with Bangladesh Bank

Balance with Bangladesh Bank is non-interest bearing and maintained to meet the Cash Reserve Requirement (CRR). CRR (note- 3.4) and Statutory Liquidity Reserve (note- 3.5) which have been calculated and maintained in accordance with the Financial Institutions Regulations 1994 and FID circular no. 06 dated 6 November 2003 and FID circular no. 02 dated 10 November 2004.

3.4 Cash Reserve Requirement (CRR)

CRR is calculated at the rate of 1.5% on total term deposits which is preserved in current account maintained with Bangladesh Bank in compliance with FID circular no. 6 dated 6 November 2003, FID circular no. 02 dated 10 November 2004 and DFIM circular no. 03 dated 21 June 2020. Total term deposits mean term or fixed deposits, security deposit against lease/ loan and other term deposits received from individuals and institutions (except banks and financial institutions).

Required reserve	-	-
Actual reserve held (Balance with BB)	1,043,908	15,198,767
Surplus/(Deficit)	**1,043,908**	**15,198,767**

3.5 Statutory Liquidity Reserve (SLR)

SLR has been calculated at the rate of 2.5% of total liabilities less borrowing from other banks & FIs and Bangladesh Bank. SLR is maintained in liquid assets in the form of cash in hand, balance with Bangladesh Bank, balance with other banks & financial institutions, investment at call, unencumbered treasury bills, prize bond, savings certificates & any other assets approved by Bangladesh Bank.

Required reserve	543,181,366	408,889,783
Actual reserve held	18,013,332,796	18,851,864,183
Surplus/(Deficit)	**17,470,151,430**	**18,442,974,400**

4	**Balance with other banks and financial institutions**		
	Inside Bangladesh		
	Current accounts (Note- 4.1)	2,889	4,901
	Short noticed deposit accounts (Note- 4.2)	11,768,591,600	12,606,935,978
	Fixed deposit accounts (Note- 4.3)	6,243,629,045	6,229,629,824
		18,012,223,533	18,836,570,703
	Outside Bangladesh	-	-
		18,012,223,533	**18,836,570,703**

The company does not maintain any account outside Bangladesh.

4.1	**Current account**		
	Dutch Bangla Bank Ltd.	2,815	3,735
	Uttara Bank Ltd.	74	1,166
		2,889	**4,901**

		Amount in Taka	
		31-Dec-22	31-Dec-21
4.2	**Short noticed deposit account**		
	United Commercial Bank Ltd.	11,088	2,104
	Shahjalal Islami Bank Ltd.	-	-
	Sonali Bank Ltd.	1,595,452,831	920,926
	Agrani Bank Ltd.	10,173,127,681	12,606,012,948
		11,768,591,600	**12,606,935,978**
4.3	**Fixed deposit accounts**		
	Bangladesh Industrial Finance Company (BIFC) Ltd.	723,667,066	680,574,517
	Fareast Finance and Investment Ltd.	405,619,047	386,170,121
	Padma Bank Ltd.	935,000,000	1,020,000,000
	FAS Finance and Investment Ltd.	740,137,477	698,864,573
	First Finance Ltd.	217,893,532	217,000,000
	ICB Islamic Bank Ltd.	262,650,073	302,780,072
	International Leasing and Financial Services Ltd.	958,456,499	917,832,456
	Meridian Finance and Investment Ltd.	310,000,000	325,000,000
	Peoples Leasing and Financial Services Ltd.	607,090,552	607,090,552
	Premier Leasing and Finance Ltd.	323,960,923	318,663,149
	Prime Finance and Investment Ltd.	239,100,000	248,000,000
	Aviva Finance Ltd. (Reliance Finance Ltd.)	57,000,000	70,000,000
	Union Capital Ltd.	463,053,876	437,654,385
		6,243,629,045	**6,229,629,824**
4.4	**Maturity grouping of balance with banks and other financial institutions**		
	On demand	2,889	4,901
	Up to 1 month	12,321,561,486	12,991,935,978
	Over 1 month but not more than 3 months	1,793,634,735	1,580,780,073
	Over 3 months but not more than 1 year	867,672,926	973,317,534
	Over 1 year but not more than 5 years	3,029,351,497	3,290,532,217
	Over 5 years	-	-
		18,012,223,533	**18,836,570,703**

4.4.1 The balances held with banks and financial institutions are categorized based on their remaining maturity dates. Nonetheless, some financial institutions are currently experiencing a liquidity crisis, making it difficult for them to pay both the principal and interest amounts on the maturity date. Consequently, the balances held with these institutions are classified in a different maturity group based on the judgement made in the liquidity statement, rather than their actual maturity date.

5	**Money at call and short notice**		
	FAS Finance & Investment Ltd.	26,900,000	26,900,000
		26,900,000	**26,900,000**
6	**Investments**		
	Investment classified as per nature:		
	Government securities (Note- 6.1)	4,848,408,000	-
	Other investments (Note- 6.2)	1,696,000,000	2,591,151,513
		6,544,408,000	**2,591,151,513**
6.1	**Government Securities**		
	Treasury bills (Note- 6.1.1)	4,848,408,000	-
	National investment bonds	-	-
	Bangladesh Bank bills	-	-
	Government notes/bonds	-	-
	Others	-	-
		4,848,408,000	**-**

		Amount in Taka	
		31-Dec-22	31-Dec-21
6.1.1	**Investment in Govt. Treasury Bill**		
	Investment in Govt. Treasury bills (91 days)	982,366,000	-
	Investment in Govt. Treasury bills (182 days)	3,866,042,000	-
		4,848,408,000	**-**
6.2	**Other investments**		
	Investment in preference share (Note- 6.2.1)	696,000,000	1,341,151,513
	Investment in commercial paper (Note- 6.2.2)	-	250,000,000
	Investment in bond (Note- 6.2.3)	1,000,000,000	1,000,000,000
		1,696,000,000	**2,591,151,513**
6.2.1	**Investment in preference Share**		
	Rajlanka Power Company Ltd.	-	48,484,847
	Doreen Power House & Technologies Ltd.	240,000,000	320,000,000
	Ace Alliance Power Ltd.	-	233,333,333
	Kushiara Power Company Ltd.	456,000,000	456,000,000
	Bhairab Power Ltd.	-	200,000,000
	Summit Gazipur II Power Ltd.	-	83,333,333
		696,000,000	**1,341,151,513**
6.2.2	**Investment in commercial paper**		
	Computer Source Ltd.	-	250,000,000
		-	**250,000,000**

Investment in commercial paper issued by Computer Source Ltd. was written off on 8 Sep 2022 as per the decision of the 106th meeting of the Board of Directors.

6.2.3	**Investment in bond**		
	Ashuganj Power Station Company Ltd.	1,000,000,000	1,000,000,000
		1,000,000,000	**1,000,000,000**
6.2.4	**Residual maturity grouping of investments**		
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	1,107,366,000	47,989,041
	Over 3 months but not more than 1 year	4,128,042,000	558,056,880
	Over 1 year but not more than 5 years	1,138,000,000	1,650,000,000
	Over 5 years	171,000,000	335,105,593
		6,544,408,000	**2,591,151,513**
7	**Leases, loans and advances**		
	a) Inside Bangladesh		
	Leases (Note- 7.1)	-	-
	Loans	18,856,953,828	16,394,424,310
	Cash credits	-	-
	Overdrafts	-	-
	Sub-total	**18,856,953,828**	**16,394,424,310**
	b) Outside Bangladesh	-	-
	Total loans and advances	**18,856,953,828**	**16,394,424,310**
7.1	**Leases**	-	-

		Amount in Taka	
		31-Dec-22	31-Dec-21
7.2	**Sector wise leases, loans and advances**		
	Public sector	2,075,976,889	3,024,161,916
	Co-operative sector	-	-
	Private sector	16,780,976,939	13,370,262,394
		18,856,953,828	**16,394,424,310**
7.3	**Residual maturity grouping of leases, loans and advances**		
	On demand	-	-
	Up to 1 month	103,118,291	35,794,301
	Over 1 month but not more than 3 months	1,153,556,347	1,206,066,934
	Over 3 months but not more than 1 year	2,307,165,621	3,348,214,077
	Over 1 year but not more than 5 years	11,000,000,000	9,801,687,724
	Over 5 years	4,293,113,570	2,002,661,274
		18,856,953,828	**16,394,424,310**
7.4	**Leases, loans and advances on the basis of significant concentration**		
	a. Leases, loans and advances to Directors and organizations related to Directors (fully secured)	-	-
	b. Leases, loans and advances to Chief Executive Officer and other senior executives	16,322,710	15,855,757
	c. Leases, loans and advances to customer groups	-	-
	Large infrastructure projects	10,995,976,733	10,100,306,179
	Sustainable and eco-friendly projects	7,827,407,681	6,254,742,954
	SME- Women entrepreneurs	17,246,704	23,519,419
		18,856,953,828	**16,394,424,310**
	d. Leases, loans and advances on sector basis:		
	i) Textiles	3,260,576	991,151,874
	ii) Garments and accessories	4,057,862,420	1,658,973,560
	iii) Transport (including marine transport)	2,974,152,916	2,291,673,419
	iv) Chemicals and pharmaceuticals	48,635,624	-
	v) Iron, steel and engineering	1,162,337,123	1,394,938,046
	vi) Agricultural equipment and agro industries	1,798,964	2,618,016
	vii) Power and energy	4,159,091,676	2,515,789,558
	viii) Electronics and electrical	-	207,100,196
	ix) Information Technology (IT)	311,069,080	301,898,691
	x) Paper printing and packaging	-	-
	xi) Plastic	270,336,719	250,593,226
	xii) Real estate and housing	6,940,181	-
	xiii) Food and beverage	163,192	329,869
	xiv) Glass and ceramics	2,553,906,150	2,399,455,307
	xv) Services	1,210,015,815	1,194,151,262
	xvi) Others	2,097,383,392	3,185,751,286
		18,856,953,828	**16,394,424,310**
7.5	**Leases, loans and advances on geographical basis**		
	Inside Bangladesh		
	Urban		
	Dhaka Division	4,765,929,851	3,091,565,065
	Chittagong Division	298,236,980	300,343,854
	Khulna Division	-	-

		Amount in Taka	
		31-Dec-22	31-Dec-21
	Rajshahi Division	-	-
	Barisal Division	-	-
	Sylhet Division	-	-
	Rangpur Division	-	-
	Mymensingh Division	-	-
	Sub-total	**5,064,166,831**	**3,391,908,919**
	Rural		
	Dhaka Division	5,962,430,365	5,024,617,122
	Chittagong Division	6,230,280,858	5,842,735,123
	Khulna Division	1,798,964	2,451,921
	Rajshahi Division	157,458,122	143,873,561
	Barisal Division	121,837,374	111,325,962
	Sylhet Division	969,588,482	1,593,238,672
	Rangpur Division	30,420,490	36,184,127
	Mymensingh Division	318,972,343	248,088,903
	Sub-total	**13,792,786,997**	**13,002,515,392**
	Outside Bangladesh	-	-
	Total	**18,856,953,828**	**16,394,424,310**
7.6	**Classification of leases, loans and advances**		
	Unclassified		
	Standard (STD)	16,592,788,076	12,601,360,325
	Special mention account (SMA)	299,010,966	1,334,328,708
	Sub-total	**16,891,799,042**	**13,935,689,034**
	Classified		
	Sub-standard (SS)	125,649,084	1,696,942,954
	Doubtful (DF)	3,535,901	595,323,463
	Bad/Loss (BL)	1,835,969,801	166,468,860
	Sub-total	1,965,154,786	2,458,735,277
	Total	**18,856,953,828**	**16,394,424,310**
7.7	**Particulars of loans, advances and leases**		
	i) Loan considered good in respect of which the FI is fully secured	15,505,922,432	13,073,981,754
	ii) Loan considered good for which the FI holds no other security than the debtor's personal security	501,167,004	526,479,434
	iii) Loan considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors	2,849,864,392	2,793,963,122
	iv) Loan adversely classified, for which no provision is created	-	-
	Total	**18,856,953,828**	**16,394,424,310**
	v) Loan due by directors or officers of the FI or any of them either jointly or separately with any other persons	16,322,710	15,855,759
	vi) Loan due by companies and firms in which the directors of the FI have interests as directors, partners or managing agent or in case of private companies as members	-	-
	vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors and managers or officers of the FI or any of them either severally or jointly with any other persons	-	-
	viii) Maximum total amount of advances, including temporary advances granted during the period to the companies or firms in which the directors of the FI have interests as directors, partners or managing agents or in case of private companies as members	-	-
	ix) Due from other bank/FI companies	-	-

		Amount in Taka	
		31-Dec-22	31-Dec-21
	x) Information in respect of classified loans and advances:	-	-
	a) Classified loans for which interest/ profit not credited to income	1,965,154,786	2,458,735,277
	b) Amount of provision kept against loans classified as bad/loss as at the balance sheet date		-
	c) Amount of interest credited to the interest suspense account	1,042,364,613	748,301,939
	xi) Cumulative amount of written off loans:		
	Opening balance	-	-
	Amount written off during the period	-	-
	Amount received from written off during the period	-	-
	Balance of written off loans and advances yet to be recovered	-	-
	The amount of written off loans for which law suits have been filed.	-	-
		-	-
7.8	**Bills purchased and discounted**		
	Payable inside Bangladesh	-	-
	Payable outside Bangladesh	-	-
		-	-

BIFFL has no bills purchased and discounted.

7.9 Disclosures on collection of audited financial statements as per FRC circular

With reference to DFIM circular no. 08 dated 17 August 2021 and FRC letter Ref. no-178/FRC/APR/2021/28(4) dated 22 December 2021, Bangladesh Infrastructure Finance Fund Limited obtained audited financial statements for 88% of loans and advances disbursed/sanctioned to public interest entity on or after 01 January 2022 to 31 December 2022.

8	**Fixed Assets**		
	Fixed assets including premises, furniture and fixtures (Note- 8.1)	182,014,389	194,847,232
	Capital work in progress (Note- 8.2)	8,800,000	8,800,000
		190,814,389	**203,647,232**
8.1	**Fixed assets including premises, furniture and fixtures**		
	Cost		
	Opening balance	400,141,610	402,710,584
	Addition during the period (Annexure-A)	1,443,746	177,154
		401,585,356	402,887,738
	Disposal/Adjustment during the period	-	2,746,128
	Closing balance (A)	**401,585,356**	**400,141,610**
	Accumulated Depreciation		
	Opening balance	205,294,378	188,417,908
	Charged during the period	14,276,588	19,622,597
		219,570,967	208,040,505
	Adjustment for disposal during the period	-	2,746,127
	Closing balance (B)	**219,570,967**	**205,294,378**
	Written down value (A-B)	**182,014,389**	**194,847,232**
	Details are in (Annexure -A)		
8.2	**Capital work in progress**		
	Opening balance	8,800,000	8,800,000
	Addition during the year	-	-
	Closing balance	**8,800,000**	**8,800,000**

		Amount in Taka	
		31-Dec-22	31-Dec-21
9	**Other assets**		
	Advance income tax (Note- 9.1)	5,462,062,162	5,311,358,631
	Interest receivables on FDR	40,957,061	41,339,063
	Interest receivables on STL	44,833	29,479
	Security deposit	313,607	309,975
	Advance to suppliers	605,000	548,508
	Deferred tax assets (Note- 9.2)	11,381,361	7,938,121
	Receivables against investment (Note- 9.3)	163,945,665	91,691,470
		5,679,309,690	**5,453,215,247**
9.1	**Advance income tax**		
	Opening balance	5,311,358,631	4,625,712,118
	Income tax deducted at sources	174,306,582	145,178,914
	Paid during the period	789,969,534	540,467,600
	Adjustment of AIT	(813,572,585)	-
	Closing balance	**5,462,062,162**	**5,311,358,631**
9.1.1	**Year to year breakdown of advance income tax payment**		
	2014	1,137,841,620	1,137,841,620
	2015	1,468,902,697	1,468,902,697
	2016	816,773,044	816,773,044
	2017	397,143,090	397,143,090
	2018	619,980,669	619,980,669
	2019	561,655,414	561,655,414
	2020	781,687,574	781,687,574
	2021	685,646,513	685,646,513
	2022	964,276,116	-
	Adjustment	(1,971,844,575)	(1,158,271,990)
		5,462,062,162	**5,311,358,631**
9.2	**Deferred tax assets**	11,381,361	7,938,121
9.2.1	**Deferred tax assets for deductible temporary difference**		
	Opening balance	3,780,812	1,155,212
	Deferred tax income/(expense) during the period	1,169,200	2,625,600
		4,950,012	**3,780,812**
	Tax deductible temporary difference		
	Gratuity payable	12,375,030	9,452,030
	Applicable tax rate	40%	40%
	Closing deferred tax assets	**4,950,012**	**3,780,812**
9.2.2	**Deferred tax liabilities (assets) for taxable temporary diference**		
	Opening balance	(4,157,309)	(6,045,714)
	Deferred tax expense/(income) during the period	(2,274,040)	1,888,405
		(6,431,349)	**(4,157,309)**
	Taxable temporary difference		
	Carrying amount of fixed assets as per accounting base	182,014,389	194,847,232
	Carrying amount of fixed assets as per tax base	198,092,762	205,240,505
	Taxable temporary difference on fixed assets	(16,078,372)	(10,393,273)
	Applicable tax rate	40.00%	40.00%
	Closing deferred tax liabilities (Assets)	(6,431,349)	(4,157,309)
	Deferred tax liabilities (assets) at the beginning of the period	(4,157,309)	(6,045,714)
	Deferred tax expense/(income) during the period	**(2,274,040)**	**1,888,405**

		Amount in Taka	
		31-Dec-22	31-Dec-21
9.3	**Receivables against investment**		
	Dividend receivable (Note- 9.3.1)	100,494,804	34,167,885
	Interest receivable on commercial paper (Note- 9.3.2)	-	33,887,233
	Interest receivable on coupon bond (Note- 9.3.3)	29,152,702	23,636,353
	Interest receivable on investment in Govt. T-bill (Note- 9.3.4)	34,298,159	-
		163,945,665	**91,691,470**
9.3.1	**Receivables on preference share**		
	Rajlanka Power Company Ltd.	-	1,741,471
	Doreen Power House & Technologies Ltd.	40,327,790	11,246,918
	Ace Alliance Power Ltd.	-	1,063,210
	Kushiara Power Company Ltd.	60,167,014	13,242,740
	Bhairab Power Ltd.	-	4,790,213
	Summit Gazipur II Power Ltd.	-	2,083,333
		100,494,804	**34,167,885**
9.3.2	**Receivables on commercial paper**		
	Computer Source Ltd.	-	33,887,233
		-	**33,887,233**
9.3.3	**Receivables on bond**		
	Ashuganj Power Station Company Ltd.	29,152,702	23,636,353
		29,152,702	**23,636,353**
9.3.4	**Interest receivable on investment in Govt. T-bills**		
	Interst on investment in Govt. T-bills (182 days)	33,716,894.05	-
	Interst on investment in Govt. T-bills (91 days)	581,264.62	-
		34,298,158.67	**-**
10	**Non banking assets**	-	-
11	**Borrowings from banks, other financial institutions and agents**		
	Inside Bangladesh (Note- 11.1)	536,259,888	634,040,160
	Outside Bangladesh (Note- 11.2)	11,245,755,801	6,499,246,513
		11,782,015,689	**7,133,286,673**
11.1	**Inside Bangladesh**		
	Advance from BB Refinance Scheme	536,259,888	634,040,160
		536,259,888	**634,040,160**
11.2	**Outside Bangladesh**		
	Borrowing from EECPFP JICA Loan no. BD-P90, BDP109 and BDP115	7,402,335,321	5,897,934,590
	Borrowing from IPFF II of World Bank	1,705,561,942	601,311,923
	Borrowing from SBIFFLP ADB Loan no: BAN-3958	2,014,567,750	-
	Borrowing From EEREWEF AFD Loan no. CBD103101S	123,290,787	-
		11,245,755,801	**6,499,246,513**
11.2.1	**Borrowing from EECPFP JICA Loan no. BD-P90 & BDP109**		
	Principal borrowing	7,148,558,460	5,747,613,792
	Interest due	253,776,862	150,320,798
		7,402,335,321	**5,897,934,590**

		Amount in Taka	
		31-Dec-22	31-Dec-21
11.2.2	**Borrowing from IPFF II of World Bank**		
	Principal borrowing	1,473,003,122	557,463,514
	Unrealised loss on FC transaction	178,712,662	-
	Interest due	53,846,158	43,848,409
		1,705,561,942	**601,311,923**
11.2.3	**Borrowing from SBIFFLP ADB Loan no. BAN-3958**		
	Principal borrowing	1,985,100,000	-
	Interest due	29,467,750	-
		2,014,567,750	**-**
11.2.3	**Borrowing From EEREWEF AFD Loan no. CBD103101S**		
	Principal borrowing	122,609,623	-
	Interest due	681,165	-
		123,290,787	**-**
12	**Deposits and other accounts**		
	Current deposits and other accounts	-	-
	Bills payable	-	-
	Savings deposits	-	-
	Term deposits	-	-
	Bearer certificate of deposit	-	-
	Other deposits	-	-
		-	-
13	**Other liabilities**		
	Provision for income tax (Note- 13.1)	5,794,144,089	5,932,297,580
	Account payables (Note- 13.2)	19,363,548	12,155,312
	Provision for leases, loans, advances and others (Note- 13.5)	2,643,820,500	2,357,837,443
	Deferred tax liabilities (Note- 13.3)	-	-
	Employee benefit liabilities (Note- 13.4)	12,695,872	9,786,615
	Audit fees payable	388,615	542,600
	Security deposit payable	111,634	109,418
	Interest suspense account (Note- 13.6)	1,995,735,930	1,532,517,776
	Interest payable	15,238,660	11,098,048
		10,481,498,849	**9,856,344,792**
13.1	**Provision for income tax***		
	Opening balance	5,932,297,580	5,120,425,388
	Addition during this period	675,419,094	811,872,192
	Less : Adjustment	813,572,585	-
	Closing balance	**5,794,144,089**	**5,932,297,580**

*BIFFL has disputed tax liabilities with Large Taxpayers Unit (LTU) of NBR for the assessment year of 2017-18 amounting BDT 3,67,39,156 as per the assessment made by BIFFL. However, BIFFL filed an appeal to commissioner of taxes (appeal) against this order for availing full credit of advance income tax deducted at source in 2021. Commissioner of Taxes (Appeal) instructed Deputy Commissioner of Taxes (DCT), LTU to give the full credit of advance income tax deducted at source after verifying the source documents. As required by DCT of LTU, BIFFL submitted all the required documents and yet to be received any final assessment order from DCT of LTU. Since, BIFFL has the strong ground for availing credit of advance income tax any provision has not been made for this disputed tax claim.

		Amount in Taka	
		31-Dec-22	31-Dec-21
13.2	**Account payables**		
	Withholding and payroll tax	523,968	411,987
	Withholding VAT	368,909	226,725
	Bill payables	5,113,933	3,198,462
	Provision for incentive bonus	10,306,736	8,308,539
	Partial downpayment for reschedule of term loans	3,000,000	-
	Salary payable	-	9,599
	Excise duty payable	50,000	-
		19,363,546	**12,155,312**
13.3	**Employee benefit liabilities**		
	Gratuity Fund (GF) payable		
	Opening Balance	9,452,030	2,888,030
	Addition during the period	2,923,000	6,564,000
	Amount transferred during the period	-	-
	Closing Balance (A)	**12,375,030**	**9,452,030**
	Contributory Provident Fund (CPF) payable		
	Opening Balance	334,585	334,585
	Addition during the period	5,034,292	4,588,346
	Amount transferred during the period	(5,048,034)	(4,588,346)
	Closing Balance (B)	**320,842**	**334,585**
	Total (A+B)	**12,695,872**	**9,786,615**
13.4	**Provision for leases, loans, advances, investment, and others**		
	General provision		
	Leases, loans and advances:		
	Opening balance	186,205,590	205,123,298
	Addition during the period	143,286,480	(18,917,708)
	Closing balance (i)	**329,492,070**	**186,205,590**
	Investment:		
	Opening balance	23,411,515	31,540,503
	Addition/(deduction) during the period	(6,451,515)	(8,128,988)
	Closing balance (ii)	**16,960,000**	**23,411,515**
	Off-balance sheet item:		
	Opening balance	2,471,581	-
	Addition during the period	-	2,471,581
	Closing balance (iii)	**2,471,581**	**2,471,581**
	Closing balance of total general provision i+ii+iii (A)	**348,923,651**	**212,088,686**
	Specific provision		
	Leases, loans and advances:		
	Opening balance	489,636,452	29,883,945
	Addition during the period	199,148,092	459,752,507
	Closing balance (i)	**688,784,544**	**489,636,452**
	Investment:		
	Opening balance	250,000,000	250,000,000
	Addition (adjustment due to write-off) during the period	(250,000,000)	-
	Closing balance (ii)	**-**	**250,000,000**
	Closing balance of total specific provision i+ii (B)	**688,784,544**	**739,636,452**
	Covid-19 special provision for leases, loans and advances		
	Opening balance	218,367	-
	Addition during the period	-	218,367
	Closing balance (C)	**218,367**	**218,367**

		Amount in Taka	
		31-Dec-22	31-Dec-21
	Other provision		
	Fixed Deposit Receipts (FDRs)		
	Opening balance	**1,405,533,938**	**1,154,938,717**
	Addition during the period	200,000,000	250,595,221
	Closing balance (i)	**1,605,533,938**	**1,405,533,938**
	Provision for other assets		
	Opening balance	360,000	360,000
	Addition during the period	-	-
	Closing balance (ii)	**360,000**	**360,000**
	Closing balance of total other provision i+ii (D)	**1,605,893,938**	**1,405,893,938**
	Closing balance of total provision maintained (A+B+C+D)	**2,643,820,500**	**2,357,837,443**

BIFFL maintained FDR accounts with different Banks and NBFIs licensed by Bangladesh Bank. However, due to the current market liquidity position and post covid economic downturn, some NBFIs have been facing difficulties to pay back the due amount on maturity. Nonetheless, BIFFL is pursuing the recovery drive continuously and has recovered significant amount from different Banks and NBFIs, and strong persuassion to recover the total fund is still continued. As BIFFL is wholly owned by the GoB, there is minimum chance of not being able to recover against this investments. The Board of Directors of BIFFL is also monitoring this issue from their position to recover the whole FDR amount. Besides that to build resilience against the economy and market shock, BIFFL has been maintaining provision against these FDRs.

13.4.1	**Provision for loans, advances and investments**		
	General provision	**348,923,651**	**212,088,686**
	Statutory requirement	348,923,651	212,088,686
	Voluntary provision	-	-
	Specific Provision	**689,002,911**	**739,854,819**
	Statutory requirement	689,002,911	739,854,819
	Voluntary provision	-	-
		1,037,926,562	**951,943,505**
13.4.2	**Other provision**		
	Statutory requirement	575,298,717	575,298,717
	Voluntary provision	1,030,595,221	830,595,221
		1,605,893,938	**1,405,893,938**
13.4.3	**Total provision**		
	Statutory requirement	1,613,225,279	1,527,242,222
	Voluntary provision	1,030,595,221	830,595,221
		2,643,820,500	**2,357,837,443**
13.5	**Interest suspense account**		
	On leases, loans and advances:		
	Opening balance	748,301,939	690,340,593
	Addition during the period	507,543,896	752,755,917
	Transferred to interest income	(213,481,222)	(694,794,571)
	Closing balance (i)	**1,042,364,613**	**748,301,939**
	On Investment		
	Opening balance	33,887,233	33,887,233
	Addition (adjustment due to writeoff) during the period	(26,387,233)	-
	Transferred to interest income	(7,500,000)	-
	Closing balance (ii)	**-**	**33,887,233**
	On Fixed Deposit Receipts (FDRs)		
	Opening balance	750,328,604	553,535,983
	Amount credited during the period	381,072,510	405,121,847
	Amount debited during the period	(178,029,797)	(208,329,226)
	Closing balance (iii)	**953,371,318**	**750,328,604**
	Closing balance of interest suspense account (i+ii+iii)	**1,995,735,930**	**1,532,517,776**

		Amount in Taka	
		31-Dec-22	31-Dec-21

Due to post pandemic impact and global financial crisis, some projects whose installments were not due and remain standard in the reporting period were adversely affected, and project operation was recovering slowly. Considering the potential adverse impact of the financial crisis, out of the interest on loans and advances BDT 20,19,19,819 interest accrued on loans and advances with standard classification status set aside from the interest income and BDT 4,45,33,558 net of recovered amount kept in the interest suspense account. This amount will be eventually recognized as interest income depending on the recovery. Besides, BIFFL made the short-term investment (FDRs) to different banks and FinanciaL Institutes (FIs) based on satisfactory performance and ratings. However, due to vulnerable conditions in the money markets and liquidity crises, some banks and FIs struggle to pay back the due amount on maturity dates. Therefore, considering the ongoing liquidity crisis and vulnerable conditions in the money market, interest accrued on FDRs has been transferred to the interest suspense account.

13.5.1 Interest suspense on FDR

Bangladesh Industrial Finance Company (BIFC) Ltd.	184,186,127	134,715,145
First Finance Ltd.	17,117,198	15,919,031
FAS Finance and Investment Ltd.	192,290,275	143,260,485
International Leasing and Financial Services Ltd.	250,795,552	202,794,824
Peoples Leasing and Financial Services Ltd.	32,151,835	32,151,835
Union Capital Limited	114,554,433	89,221,607
Fareast Finance and Investment Ltd.	66,351,641	42,724,028
Premier Leasing and Finance Ltd.	54,967,196	48,202,586
Interest Suspense A/C FDRs- Accrual	40,957,061	41,339,064
Total	**953,371,318**	**750,328,604**

14 Share capital

14.1 Authorized capital

1,000,000,000 ordinary shares of Tk.100 each	**100,000,000,000**	**100,000,000,000**

14.2 Issued, subscribed & paid up capital

23,08,00,000 ordinary shares of Tk.100 each	**23,080,000,000**	**23,080,000,000**

14.3 Capital adequacy and market discipline

As per Capital Adequacy and Market Discipline for Financial Institutions guideline of Bangladesh Bank, BIFFL calculated minimum capital requirement by dividing the total capital by the sum of risk weighted assets against credit risk, market risk, and operational risk under pillar-I. BIFFL maintains Capital Adequacy Ratio (CAR) of minimum 10%.

Tier-1 (Core capital)

Fully paid-up capital/ capital lien with BB	23,080,000,000	23,080,000,000
Statutory reserve	2,042,157,462	1,889,879,355
Non-repayable share premium account	-	-
General reserve	200,000,000	150,000,000
Retained earnings	1,726,046,703	1,411,691,666
Minority interest in subsidiaries	-	-
Non-cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Others (any item approved by Bangladesh Bank)	-	-
Sub-Total	**27,048,204,165**	**26,531,571,021**
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	-	-
Shortfall in provisions required against investment in share	-	-
Remaining deficit on account of revaluation of investments in securities after netting off any other surplus on the securities	-	-
Any investment exceeding the approved limit	-	-
Investments in subsidiaries which are not consolidated	-	-
Others (if any)	-	-
Sub-Total		
Total eligible Tier-1 capital	**27,048,204,165**	**26,531,571,021**

	Amount in Taka	
	31-Dec-22	31-Dec-21
Tier-2 (Supplementary capital)		
General provision (Unclassified up to specified limit+ SMA+ off balance sheet exposure)	182,362,219	195,202,038
Assets revaluation reserves upto 50%	-	-
Revaluation reserve for securities up to 50%	-	-
All other preference shares	-	-
Others (any item approved by Bangladesh Bank)	-	-
Sub-Total	**182,362,219**	**195,202,038**
Deductions, if any	-	-
Total eligible Tier-2 capital	**182,362,219**	**195,202,038**
Total capital	**27,230,566,384**	**26,726,773,059**
Total risk weighted asset	**22,848,707,311**	**20,290,829,741**
Required capital	2,284,870,731	2,029,082,974
Surplus/(deficit)	**24,945,695,653**	**24,697,690,085**
Capital Adequacy Ratio (CAR)	**119%**	**132%**
On core capital (Tier-1)	118%	131%
On supplementary capital (Tier-2)	1%	1%

15 Statutory reserve

Opening balance	1,889,879,355	1,767,400,439
Add: Transferred from profit during the year	152,278,107	122,478,916
Closing balance	**2,042,157,462**	**1,889,879,355**

In compliance with the Rule 6 of the Financial Institutions Regulations 1994, the company transfers 20% of its net profit after tax to statutory reserve for the respective period.

16 General reserve

Opening balance	150,000,000	100,000,000
Addition during the period	50,000,000	50,000,000
Closing balance	**200,000,000**	**150,000,000**

17 Retained earnings

Opening balance	1,411,691,666	1,188,405,645
Add (Less): Net gain or (loss) on FC transaction	200,442	-
Add: Net profit for the period	761,390,536	612,394,582
	2,173,282,643	**1,800,800,227**
Less:		
Transferred to statutory reserve for the period	152,278,107	122,478,916
Transferred to general reserve for the period	50,000,000	50,000,000
Stock dividend	-	-
Cash dividend	244,957,833	216,629,645
	447,235,940	**389,108,561**
Closing balance	**1,726,046,703**	**1,411,691,666**

18 Contingent liabilities

In the normal course of business, the Company makes certain commitments in favor of clients and incurs some contingent liabilities. No material losses are anticipated as a result of these transactions. These contingent liabilities and commitments are quantified below.

Acceptances and endorsements	-	-
Letter of comfort (Note- 18.1)	247,158,051	247,158,051
Irrevocable letters of credit	-	-
Bills for collection	-	-
Indemnity bond	-	-
Corporate guarantee	-	-
	247,158,051	**247,158,051**

		Amount in Taka	
		31-Dec-22	31-Dec-21
18.1	**Letter of comfort**		
	The Company gives the comforts to third parties on behalf of clients. Letter of comfort represents an undertaking that the Company will pay to third parties and it converts into loans or lease on the basis of the agreement with the clients. The maximum amount that the Company could be required to pay under the comforts is its principal amount.		
	Directors or officers	-	-
	Government	-	-
	Banks and other financial institutions	-	-
	Customers	247,158,051	247,158,051
		247,158,051	**247,158,051**

		Amount in Taka	
		Jan-Dec'2022	Jan-Dec'2021
19	**Income statement**		
19.1	**Income**		
	Interest, discount and similar income	-	-
	Interest income on leases, loans and advances (Note- 20)	1,124,279,457	1,370,359,895
	Investment income (Note- 22)	242,851,869	290,892,324
	Other operating income (Note- 23)	939,576,473	689,999,574
		2,306,707,799	**2,351,251,794**
19.2	**Expenses**		
	Interest expenses on deposits, borrowings etc. (Notes- 21)	199,329,631	119,530,730
	Salary and allowances (Note- 24)	77,575,580	65,342,353
	Rent, taxes, insurance, electricity etc. (Note- 25)	2,648,664	2,101,236
	Legal expenses (Note- 26)	1,667,093	351,094
	Postage, stamp, telecommunication etc. (Note- 27)	4,481,637	2,323,655
	Stationery, printing, advertisement etc. (Note- 28)	1,559,210	1,846,658
	Managing Director's salary and allowances (Note- 29)	9,640,000	9,236,712
	Directors' fees (Note- 30)	1,136,646	953,316
	Auditors' fees (Note- 31)	244,865	410,350
	Charges on loan losses	-	-
	Depreciation and repairs of company's assets (Note- 32)	14,885,915	20,605,411
	Other operating expenses (Note- 33)	24,189,111	19,029,721
		337,358,352	**241,731,236**
20	**Interest income on leases, loans and advances**		
	Interest income from term loan (Note- 20.1)	1,124,279,457	1,370,359,895
		1,124,279,457	**1,370,359,895**
20.1	**Interest income from term loan**		
	Interest income from loan to large infrastructure projects	925,636,870	1,081,998,963
	Interest income from loan to sustainable and eco-friendly projects	197,070,442	286,099,470
	Interest income from loan to women entrepreneurs	1,080,918	1,715,285
	Interest income from staff loan	491,227	546,177
		1,124,279,457	**1,370,359,895**
21	**Interest expenses on borrowings etc.**		
	Interest expense on BB refinance scheme	33,127,530	30,828,177
	Interest expense on borrowing from ADB under loan no. Ban-3958	29,467,750	-
	Interest expense on borrowing from IPFF II of World Bank	32,597,123	17,456,040
	Interest expense on borrowing from JICA under loan no. BDP90, BDP109 and BDP115	103,456,064	71,246,513
	Interest expense on borrowing from AFD under loan no.	681,165	
		199,329,631	**119,530,730**

		Amount in Taka	
		Jan-Dec'2022	Jan-Dec'2021
22	**Investment income**		
	Interest income from commercial paper (Note- 22.1)	7,500,000	-
	Interest income from bond (Note- 22.2)	101,048,539	106,336,046
	Dividend income from preference share (Note- 22.3)	100,005,171	184,556,279
	Interest on investment in Govt. treasury bill (Note- 22.4)	34,298,159	-
		242,851,869	**290,892,324**
22.1	**Interest income from Commercial Paper**		
	Computer Source Ltd.	7,500,000	-
		7,500,000	**-**
22.2	**Interest income from Bond**		
	IDLC Zero Coupon Bond	-	21,178,680
	Ashuganj Power Station Company Ltd.	101,048,539	85,157,366
		101,048,539	**106,336,046**
22.3	**Dividend income from Preference Share**		
	Kushiara Power Company Ltd.	46,924,274	49,644,658
	Summit Gazipur II Power Ltd.	2,665,525	9,562,785
	Bhairab Power Ltd.	8,541,670	19,834,049
	Doreen Power House & Technologies Ltd.	29,080,872	47,913,585
	Rajlanka Power Company Ltd.	1,709,922	10,341,554
	Zodiac Power Chitttagong Ltd.	-	18,627,945
	Ace Alliance Power Ltd.	11,082,908	28,631,703
		100,005,171	**184,556,279**
22.4	**Interest income from investment in Govt. T-bills**		
	Interest from investment in T-bills (91 days)	581,265	-
	Interest from investment in T-bills (182 days)	33,716,894	-
		34,298,159	**-**
23	**Other operating income**		
	Interest income (FDRs)	142,270,974	163,670,359
	Interest on short term loan (STL)	2,735,243	2,726,951
	Interest on SND	772,728,298	518,264,486
	Fees income (Note- 23.1)	18,337,208	4,300,508
	Gain on disposal of assets	-	435,999
	Gain (loss) on foreign currency exchange transactions	1,782,299	-
	Recovery from write-off	1,500,000	-
	Non eligible portion of CPF	222,451	601,270
		939,576,473	**689,999,574**
23.1	**Revenue from fees**		
	Other fees	18,337,208	4,300,508
		18,337,208	**4,300,508**
24	**Salary and allowances**		
	Salary and allowances	61,314,756	50,513,304
	Bonus	13,337,824	8,265,049
	Gratuity expenses	2,923,000	6,564,000
		77,575,580	**65,342,353**
25	**Rent, taxes, insurance, electricity etc.**		
	Rent and taxes	43,584	3,632
	Utility bills	1,749,943	1,373,604
	Health insurance premium	855,137	724,000
		2,648,664	**2,101,236**

		Amount in Taka	
		Jan-Dec'2022	Jan-Dec'2021
26	**Legal expenses**		
	Legal expense	272,624	139,500
	Renewal & registration	1,362,044	186,316
	Stamp cost	32,425	25,278
		1,667,093	**351,094**
27	**Postage, stamp, telecommunication etc.**		
	Postage and courier	12,541	372
	Telephone, telex, fax and mobile	392,996	491,148
	Networking expense	672,000	672,000
	IT enabled services	2,208,548	-
	Internet bandwidth charge	1,195,552	1,160,135
		4,481,637	**2,323,655**
28	**Stationery, printing, advertisement etc.**		
	Stationery and printing	1,265,942	1,582,087
	Advertisement and publicity	257,750	244,734
	Books and periodicals	29,886	19,026
	Binding and spiral	5,632	810
		1,559,210	**1,846,658**
29	**Managing Director's salary and allowances**		
	Basic pay and allowances	7,920,000	7,920,000
	Bonus	1,720,000	1,316,712
	Gratuity expenses	-	-
		9,640,000	**9,236,712**

The compensation for the Managing Director, including their salary, allowances, and bonuses, has been determined and disbursed in accordance with the Prudential Guidelines of Financial Institutions of Financial Institutions dated December 2011, DFIM circular no.02 dated 25 March 2015 and DFIM (C)1054/55/2020-506 dated 25 Feb 2020.

30	**Directors' fees**		
	Honorarium for attending meeting	1,136,646	953,316
		1,136,646	**953,316**
31	**Auditors' fees**		
	Annual statutory audit fees	244,865	232,100
	Other audit fees	-	178,250
		244,865	**410,350**
32	**Depreciation and repairs of company's assets**		
	Repair & maintenance	609,327	982,813
	Depreciation on company's fixed assets (Annexure-A)	14,276,588	19,622,597
	Loss on disposal of assets	-	1
		14,885,915	**20,605,411**
33	**Other operating expenses**		
	Office maintenance	7,640,671	6,344,760
	Training expenses	16,100	3,833
	Bank charges & commission	3,437,057	2,864,640
	Entertainment expenses	2,751,864	2,520,161
	Promotional expenses	1,811,720	-

		Amount in Taka	
		Jan-Dec'2022	Jan-Dec'2021
	Consultancy and professional Fees	187,821	1,720,278
	Project site supervision, travelling and conveyance expenses	524,318	2,219,147
	CIB service charges	30,810	26,661
	CSR expenses	6,500,000	1,805,000
	IT maintenance	1,288,750	1,525,242
		24,189,111	**19,029,721**
34	**Provision for investment, leases, loans and advances**		
	General provision	136,834,965	(24,575,115)
	Specific provision	199,148,092	459,752,507
	Covid 19 sepcial provision	-	218,367
		335,983,057	**435,395,758**
35	**Other provision**		
	Provision on FDR	200,000,000	250,595,221
	Provision on other assets	-	-
		200,000,000	**250,595,221**
35.1	**Provision on FDR**		
	On FDR with other financial institutes	200,000,000	250,595,221
		200,000,000	**250,595,221**
36	**Provision for income tax**		
	Current tax (Note- 36.1)	675,419,094	811,872,192
	Deferred tax (income)/expense during the period	(3,443,240)	(737,195)
		671,975,854	**811,134,997**
36.1	**Current tax expense**		
	Income tax expense during the period	673,718,701	811,872,192
	Previous year shortage of tax provision	1,700,393	-
		675,419,094	**811,872,192**
36.2	**Effective tax rate**		
	Income tax expense (A)	671,975,854	811,134,997
	Profit before income tax (B)	1,433,366,390	1,423,529,579
	Effective tax rate (A/B)	**46.88%**	**56.98%**

		2022		2021	
		%	Taka	%	Taka
36.3	**Reconciliation of effective tax rate**				
	Profit before income tax		1,433,366,390		1,423,529,579
	Applicable tax rates		40%		40%
	Income tax	**40%**	**573,346,556**	**40%**	**569,411,831**
	Income tax on net inadmissible expenses and provision	8.52%	122,073,572	19.63%	279,371,616
	Tax savings from tax rates lower than applicable rate	-1.40%	(20,001,034)	-2.59%	(36,911,256)
	Effect of deferred tax	-0.24%	(3,443,240)	-0.05%	(737,195)
	Income tax expenses	**46.88%**	**671,975,854**	**56.98%**	**811,134,997**
	Effective tax rate		**46.88%**		**56.98%**

	Amount in Taka	
	Jan-Dec'2022	Jan-Dec'2021

37 Earning per share

Earnings Per Share (EPS) has been computed by dividing the net profit by the weighted average number of ordinary shares outstanding at the end of the year as per IAS 33 'Earnings Per Share'. EPS has been calculated as follows:

Net profit after tax	761,390,536	612,394,582
Weighted average number of ordinary shares outstanding	230,800,000	230,800,000
Earning Per Share (EPS) restated	**3.30**	**2.65**

37.1 Weighted average number of ordinary number of shares outstanding for the year ended on 31 December 2022

Particulars	Shares	Weighted average numbers of ordinary shares
1-Jan-22	230,800,000	230,800,000
	230,800,000	230,800,000

38 Net Asset Value per share

Net assets (total assets less total liabilities)	27,048,204,165	26,531,571,021
Weighted average number of ordinary shares outstanding	230,800,000	230,800,000
Net Asset Value (NAV) per share	**117.19**	**114.95**

39 Net operating cash flow per share

Net cash flow from operating activities	3,611,126,681	5,976,586,788
Weighted average number of ordinary shares outstanding	230,800,000	230,800,000
Net operating cash flow per share	**15.65**	**25.90**

40 Related party disclosures

BIFFL entered into a number of transactions with related parties in the normal course of business. The name of the significant related parties, nature of these transactions and amounts are set out below according to the provisions of IAS 24, 'Related Party Disclosures'. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

40.1 Details of transactions (excluding salary and employment benefits) with key management personnels:

Name of the personnel	Types of transactions	Outstanding Balances as on 31 December 2022
Mohammad Sagir Hossain Khan (Chief Operating Officer)	Car loan	577,955
Mohammad Monirul Islam Khan FCS (Company Secretary)	Home loan	6,940,181
Sk Anower Sadat (Head of C&ID)	Car loan	728,587
Md. Tanvir Warsi (Head of CRMD)	Car loan	782,142
Md. Arifur Rahman (Head of SAMD)	Car loan	2,951,604
		11,980,468

Car loan:		
Balance at 01 January	4,321,192	6,342,639
Disbursements made during the period	4,966,662	-
Interest charged during the period	156,669	149,261
Loans adjusted during the period	(4,404,235)	(2,170,708)
Balance at 31 December	**5,040,288**	**4,321,192**
Home loan:		
Balance at 01 January	8,182,576	8,985,660
Disbursements made during the period	-	-
Interest charged during the period	332,604	396,917
Loans adjusted during the period	(1,575,000)	(1,200,000)
Balance at 31 December	**6,940,181**	**8,182,576**

41 Claim not acknowledged as debt

There was no claim against the financial institution unacknowledged as debt as on 31 December 2022.

42 Receivable from directors

No amount is due from any of the directors of the Company.

43 Disclosure regarding branch

As at 31 December 2022, the Company has no branch in or outside Bangladesh.

44 Executive Committee and Audit Committee

To conform with the Bangladesh Bank guidelines, the Board of Directors of BIFFL constituted the Executive Committee (EC) and Audit Committee (AC) as sub committee of the Board and the committees met several times during the year 2022.

45 Rounding off

Monetary figures in the financial statements have been rounded off to the nearest Taka.

46 Approval of the financial statements and declaration of dividend

The Board of Directors in its 114th meeting held on 22 May 2023 approved the financial statements and recommended BDT 27,95,56,214 as cash dividend for the year ended on 31 December 2022 for onward approval by shareholders of the Company at 12th Annual General Meeting (AGM).

47 Events after the reporting period

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 event can be identified:

(a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and

(b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

The details about the events after reporting period are as follows:

(i) BDT 37,016 is received from staff contributory provident fund account against the forfeighted amount from outgoing employees for the year ended on 31 December 2022 and the amount is recorded under other income.

For Bangladesh Infrastructure Finance Fund Limited

Company Secretary | **Chief Executive Officer** | **Director** | **Chairman**

Bangladesh Infrastructure Finance Fund Limited

Annexure -A

Schedule of Fixed Assets & Intangible Assets

As at 31 December 2022

Amount in Taka

Particulars	Cost				Depriciation					Written down value	
	Balance as at 01.01.22	Addition during the year	Disposal/ adjustment during the year	Balance as at 31.12.22	Rate	Balance as at 01.01.22	Charged during the year	Disposal/ adjustment during the year	Balance as at 31.12.22	As at 31.12.22	As at 31.12.21
Office Premises	293,064,167	-	-	293,064,167	2.50%	136,197,534	4,103,871	-	140,301,405	**152,762,762**	**156,866,633**
Office Equipments	19,757,890	-	-	19,757,890	20.00%	10,639,967	3,309,532	-	13,949,499	**5,808,391**	**9,117,922**
Office Furnitures & Fittings	37,146,004	390,018	-	37,536,022	10.00%	12,330,118	3,734,626	-	16,064,744	**21,471,278**	**24,815,885**
Office Vehicles	32,634,623	-	-	32,634,623	20.00%	28,920,459	2,753,561	-	31,674,019	**960,603**	**3,714,164**
IT Equipment	17,253,568	1,053,728	-	18,307,296	33.33%	16,920,940	374,999	-	17,295,939	**1,011,356**	**332,628**
Office Intangibles	9,085,360	-	-	9,085,360	50.00%	285,360	-	-	285,360	**8,800,000**	**8,800,000**
Total	**408,941,611**	**1,443,746**	**-**	**410,385,357**	**-**	**205,294,378**	**14,276,588**	**-**	**219,570,966**	**190,814,389**	**203,647,232**

Disclosures, Checklists & Other Pertinent Information

Glossary

Terms	Meaning
Accrual Basis	Recognizing the effects of transactions and events when they occur, without waiting for receipt or payment of cash or cash equivalent.
Amortization	Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life.
Cash Basis	Recognizing the effects of transactions and events when receipt or payment of cash or cash equivalent occurs.
Cash Equivalents	Short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk in change in value.
Depreciation	Depreciation is the allocation of the depreciable amount of an asset over its estimated useful life. Depreciation for the accounting period is charged to net profit or loss for the period either directly or indirectly.
Dividend	The proportion of profit distributed to shareholders inclusive of tax withheld.
Gross Portfolio	Leases, Loans & Advances and investments granted to clients under loan and quasi equity facilities.
Net Portfolio	Leases, Loans & Advances granted to clients under loan facilities.
Intangible Asset	An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.
Interest expenses	The sum of monies accrued and payable to the sources of borrowed working capital.
Paid up Capital	All amounts received by the company or due and payable to the company in respect of the issue of shares
Provision	Amounts set aside against possible losses on net receivable of facilities granted to clients, as a result of them becoming partly or wholly uncollectible.
Related Parties	Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.
Related Party Transactions	A transfer of resources or obligations between related parties, regardless of whether a price is charged.
Shareholders' Equity	Total of issued and fully paid ordinary share capital and reserves.
Value Addition	Value of wealth created by providing leases, loans & advances and other related services considering the cost of providing such services.

Ratios

Ratio	Method of computation	Indication
Cost to Income Ratio	Operating expenses excluding provision for bad and doubtful debts as a percentage of total income.	Efficiency of cost management in generating operating income, net of interest cost.
Earnings Per Share (EPS)	Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the year.	Share of current year's earnings attributable to an ordinary share in issue.
Net Asset Value per Ordinary Share	Ordinary shareholders' funds divided by the number of ordinary shares in issue.	Book value of ordinary shares.
Return on Assets (ROA)	Net profits expressed as a percentage of average total assets.	Overall effectiveness in generating profits with available assets; earning power of invested total capital.
Return on Equity (ROE)	Net profit, less preference shares dividends if any, expressed as a percentage of average ordinary investment (equity).	Earning power on shareholders' book value of shareholders' funds.

Abbreviations

ADB	Asian Development Bank
AC	Audit Committee
ADB	Asian Development Bank
AFD	Agence Française de Développement (French Development Agency)
AGM	Annual General Meeting
AIT	Asian Institute of Technology
ALCO	Asset Liability Management Committee
ALM	Asset Liability Management
ANSI	American National Standards Institute
AoA	Articles of Association
ASHRAE	American Society of Heating, Refrigerating and Air-Conditioning Engineers
ASTM	American Society for Testing and Materials
BACS	Budget and Accounting Classification System
BAPA	Bangladesh Agro Processors Association
BAU	Bangladesh Agriculture University
BB	Bangladesh Bank
BB ESRM	Bangladesh Bank Environment and Social Risk Management
BBS	Bangladesh Bureau of Statistic
BCBL	Bangladesh Commerce Bank Limited
BDBL	Bangladesh Development Bank Ltd
BDT	Bangladesh Taka
BGMEA	Bangladesh Garments Manufacturers and Exporters Association
BICC	Bangabandhu International Convention Centre
BIFFL	Bangladesh Infrastructure Finance Fund Limited
BIID	Bangladesh Industrial Innovation and Development
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
BLFCA	Bangladesh Leasing and Finance Companies Association
BoD	Board of Directors
BPATC	Bangladesh Public Administration Training Centre
BRSMA	Bangladesh Auto Re-rolling and Steel Mills Association
BRTA	Bangladesh Road Transport Authority
BSc	Bachelor of Science
BSEC	Bangladesh Securities and Exchange Commission
BSS	Bachelor of Social Sciences
BSSF	Bangladesh Shooting Sport Foundation
BTMA	Bangladesh Textile Mills Association
CAGR	Cumulative Average Growth Rate

CAMLCO	Chief Anti-Money Laundering Compliance Officer
CAR	Capital Adequacy Ratio
CCCI	Chittagong Chamber of Commerce and Industry
CCU	Central Compliance Unit
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFS	Core Financial Solutions
CFT	Combating the Financing of Terrorism
CGC	Corporate Governance Code
CIDA	Canadian International Development Agency
COO	Chief Operating Officer
CRAB	Credit Rating Agency of Bangladesh Ltd.
CRISL	Credit Rating Information & Services Limited
CS	Company Secretary
CSF	Critical Success Factor
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee
DFIM	Department of Financial Institutions and Markets
DGIS	Directorate-General for International Cooperation
DNCC	Dhaka North City Corporation
DSCC	Dhaka South City Corporation
E&S	Environmental & Social
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBRD	European Bank for Reconstruction and Development
EC	Executive Committee
EE	Energy Efficiency
EE&C	Energy Efficiency & Conservation
EECM	Energy Efficient Construction Material
EECPFP	Energy Efficiency & Conservation Promotion Financing Project
EEREWE	Energy Efficiency Renewable Energy & Women Entrepreneurship Financing
EFT	Electronic Fund Transfer
EIHP	Energy Institute Hrvoje Pozar
EIU	Economist Intelligent Unit
EIU	Economic Intelligence Unit
EPA	Environmental Protection Agency
EPACT	Energy Policy ACT
EPC	Engineering Procurement and Construction
EPRC	Energy and Power Research Council
EPS	Earnings per Share

EPZ	Export Processing Zone
ERD	Economic Relations Division, Ministry of Finance, Government of Bangladesh
ESMF	Environmental and Social Management Framework
ETP	Effluent Treatment Plant
FCS	Fellow Chartered Secretary
FEEM	Fiscal Economics and Economic Management
FI	Financial Institution
FICL	Classification of Loans of Financial Institutions
FIMA	Financial Management Academy
FMO	Netherlands Development Finance company/ Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden
FPP	Financial Programming and Policies
FRC	Financial Reporting Council
FX	Foreign Exchange
FY	Financial Year
FZOEU	Environmental Protection and Energy Efficiency Fund/Fond za zaštitu okoliša i energetsku u□inkovitost (Croatia)
GBCM	Green Bricks and Construction Materials
GCMU	Green Construction Materials Unit
GDP	Gross Domestic Product
GNI	Gross National Income
GPEDC	Global Partnership for Effective Development Cooperation
GoB	Government of Bangladesh
GrACe	Green Architecture Cell
GRI	Global Reporting Initiative
HRD	Human Resource Development
IASs	International Accounting Standards
IATI	International Aid Transparency Initiative
IBA	Institute of Business Administration
ICAB	Institute of Chartered Accountants of Bangladesh
ICC	Internal Control and Compliance
ICSB	Institute of Chartered Secretaries of Bangladesh
ICT	Information and Communications Technology
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IESNA	Illuminating Engineering Society of North America
IFRSs	International Financial Reporting Standards
IGCC	International Green Construction Code
IIRC	International Integrated Reporting Council
ILO	International Labor Organization
IPFF	Investment Promotion and Financing Facility
IPO	Initial Public Offering

IPoA	Istanbul Program of Action
ISS	Institute of Social Studies
IT	Information Technology
JDI	Japan Development Institute
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau
LCR	Liquidity Coverage Ratio
LDC	Least Developed Country
LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design
LL.B	Bachelor of Laws
LL.M	Master of Laws
LPD	Lighting Power Density
MANCOM	Management Committee
MCCI	Metropolitan Chamber of Commerce and Industry
MDGs	Millennium Development Goals
MIS	Management Information System
MoA	Memorandum of Association
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MSc	Master of Science
MSM	Maastricht School of Management
MSS	Master of Social Sciences
MTBF	Medium Term Budget Framework
NBFI	Non-Bank Financial Institution
NBR	National Board of Revenue
NII	Net Interest Income
NOC	No Objection Certificate
NSFR	Net Stable Funding Ratio
OECD	Organization for Economic Co-operation and Development
p.a.	per annum
PBIG	Post-Busan Interim Group
PET	Polyethylene Terephthalate
PFI	Participating Financial Institution
PFM	Public Financial Management
PPP	Public Private Partnership
RE	Renewable Energy
RJSC	Registrar of Joint Stock Companies
RJSC&F	Registrar of Joint Stock Companies and Firms

RMF	Risk Management Forum
ROA	Return on Assets
ROE	Return on Equity
ROI	Return on Investment
SAARC	South Asian Association for Regional Cooperation
SAFA	South Asian Federation of Accountants
SCAQMD	South Coast Air Quality Management District
SDF	SAARC Development Fund
SDGs	Sustainable Development Goals
SFU	Sustainable Finance Unit
SLR	Statutory Liquidity Ratio
SME	Small and Medium-Sized Enterprise
SREDA	Sustainable and Renewable Energy Development Authority
SWOT	Strengths Weaknesses Opportunities Threats
TA	Technical Assistance
TAT	Turnaround Time
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNO	Upazila Nirbahi Officer
USD	United States Dollar
USGBC	United States Green Building Council
VAT	Value Added Tax
VGF	Viability Gap Financing
VOC	Volatile Organic Compounds
VRF	Variable Refrigerant Flow
WB	World Bank
WEDU	Women Entrepreneurship Development Unit
WESP	World Economic Situation and Prospects
WTP	Waste Treatment Plant
YC	Young Consultants
Y--Y	Year-to-year

Vote of Thanks

It is a pleasure for the management of Bangladesh Infrastructure Finance Fund Limited (BIFFL) to organize the 12th Annual General Meeting (AGM) and prepare the Annual Report for the year 2022. The report contains the material information, financial outcomes as well as the governance and compliance status of the organization during the year 2022.

On behalf of the management, I would like to express gratitude to the honorable Chairman and members of the Board of Directors and the CEO for their immense support and guidance. I would like to thank all the employees and staff of BIFFL for their great efforts and sincerity to complete the Annual Report and organize the AGM.

I would like to convey our gratitude to the Finance Division of the Ministry of Finance, regulatory bodies, auditors, clients, bankers as well as all stakeholders of the organization.

Please accept our sincere apology for any inadvertent mistake that may have occurred in the Annual Report.

Best Regards.

Yours Sincerely,

Shahariar Alam ACA
Company Secretary (CC)

biffl.org.bd

Bangladesh Infrastructure Finance Fund Ltd.

(A company owned by the Government of Bangladesh and represented by the Finance Division, Ministry of Finance)

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