



Financing
Progress
with
Sustainability

Annual Report 2024



Financing Progress with Sustainability



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Report 2024



ANNUAL
REPORT 2024

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LETTER OF TRANSMITTAL

To
All Shareholders
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Financial Reporting Council
National Board of Revenue and other Stakeholders

Subject: Annual Report for the year ended 31 December 2024.

Dear Sir/Madam,

We are pleased to enclose a copy of the Annual Report of Bangladesh Infrastructure Finance Fund Limited (BIFFL) along with independent auditor's report and audited financial statements for the year ended 31 December 2024 for your kind consideration and record.

Best Regards.

Sincerely Yours,



Md. Atikul Islam, FCS
Company Secretary



◀ **Dr. Salehuddin Ahmed**
Hon'ble Adviser, Ministry of Finance, and
Chairman of the Advisory Board, BIFFL



◀ **Muhammad Fouzul Kabir Khan**
Hon'ble Adviser, Ministry of Road Transport and Bridges
Hon'ble Adviser, Ministry of Power, Energy and Mineral Resources



◀ **Brigadier General (R.) Dr. M Sakhawat Hussain**
Hon'ble Adviser
Ministry of Shipping

ADVISORY BOARD

Adilur Rahman Khan ▶
Hon'ble Adviser
Ministry of Industries



◀ **Chowdhury Ashik Mahmud Bin Harun**
Executive Chairman,
Bangladesh Investment Development Authority



◀ **Dr. Ahsan H. Mansur**
Governor, Bangladesh Bank

MESSAGE FROM THE CHAIRMAN OF THE ADVISORY BOARD



As the country continues its journey toward inclusive growth, green development, and economic resilience, the role of institutions like BIFFL has become increasingly significant.

DR. SALEHUDDIN AHMED
Hon'ble Adviser, Ministry of
Finance, and
Chairman of the Advisory
Board, Bangladesh
Infrastructure Finance Fund
Limited



ড. সালেহউদ্দিন আহমেদ
উপদেষ্টা
অর্থ মন্ত্রণালয়
গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

Dr. Salehuddin Ahmed
Adviser
Ministry of Finance
Government of the People's
Republic of Bangladesh

Message

It is a great pleasure to extend my sincere greetings and best wishes to all shareholders, members of the board, management, and employees of Bangladesh Infrastructure Finance Fund Limited (BIFFL) on its 14th Annual General Meeting (AGM).

As the country continues its journey toward inclusive growth, green development, and economic resilience, the role of institutions like BIFFL has become increasingly significant. Over the past year, BIFFL has continued to demonstrate its commitment to financing sustainable infrastructure and supporting national development priorities aligned with the Sustainable Development Goals (SDGs).

In an evolving financial landscape marked by global uncertainty and domestic challenges, BIFFL has remained steadfast in its mission to catalyze private sector participation in long-term infrastructure projects. The organization's strategic emphasis on green financing, energy transition, and resilient infrastructure is timely and commendable. Through innovative financing solutions and sound governance, BIFFL is not only facilitating capital mobilization but also ensuring environmental and social sustainability.

The 2024 performance reflects BIFFL's ability to adapt and innovate, supported by a competent management team and dedicated Board. I am particularly pleased with the steps taken to deepen the pipeline of bankable infrastructure projects and enhance institutional partnerships, both locally and internationally.

Looking ahead, I urge BIFFL to continue its focus on capacity building, technology adoption, and the development of financial instruments that attract both domestic and foreign investors. As Chairman of the Advisory Board, I remain confident in BIFFL's ability to lead by example and help shape a more resilient and sustainable economic future for Bangladesh. I would also like to express my sincere appreciation to the management and employees of BIFFL for their unwavering dedication, commitment, and integrity.

Let us move forward together to build the foundations of a greener, stronger, and more inclusive Bangladesh.

Dr. Salehuddin Ahmed

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



BIFFL has demonstrated resilience and adaptability, upholding its commitment to financing infrastructure projects that are economically viable, socially responsible, and environmentally sustainable.

**DR. MD. KHAIRUZZAMAN
MOZUMDER**

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



Message

Dear Esteemed Shareholders and Distinguished Stakeholders,

It is my pleasure to present this message for the Annual Report 2024 of Bangladesh Infrastructure Finance Fund Limited (BIFFL) at its 14th Annual General Meeting (AGM). As a state-owned financial institution with a strong development mandate, BIFFL continues to play a vital role in supporting Bangladesh's national agenda for sustainable and inclusive growth through long-term infrastructure financing.

In 2024, Bangladesh navigated a complex macroeconomic environment characterized by global inflationary pressures, climate vulnerabilities, and the ongoing need for robust investment in critical infrastructure. Against this backdrop, BIFFL has demonstrated resilience and adaptability, upholding its commitment to financing infrastructure projects that are economically viable, socially responsible, and environmentally sustainable.

BIFFL's strategic focus on green growth, energy efficiency, renewable energy, and resilient infrastructure is aligned with the Government's priorities outlined in the Sustainable Development Goals (SDGs) and the 8th Five-Year Plan. I am particularly encouraged by the institution's efforts to mobilize private sector participation through Public-Private Partnerships (PPP), blended finance, and strategic collaborations. These efforts not only ease fiscal pressure but also enhance the quality and sustainability of national infrastructure.

The Board of Directors commends the management team for maintaining sound governance, financial discipline, and a forward-looking investment strategy. We acknowledge the organization's progress in expanding its project pipeline, diversifying its portfolio, and strengthening internal capacity.

As we look to the future, BIFFL must continue to evolve as a knowledge-based and impact-oriented financial institution. With innovative financing instruments, robust risk management, and a deep commitment to environmental, social, and governance (ESG) principles, BIFFL can be a model for sustainable infrastructure financing in developing economies.

On behalf of the Board of Directors, I extend sincere appreciation to all stakeholders- including our shareholders, government agencies, development partners, and clients-for their continued trust and cooperation. Let us continue working together to build a prosperous, climate-resilient, and inclusive Bangladesh.

Warm regards,

(Dr. Md Khairuzzaman Mozumder)



◀ **Dr. Md. Khairuzzaman Mozumder**

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



◀ **Md. Ehsanul Hoque**

Senior Secretary, Road Transport and Highways Division, Ministry of Road Transport and Bridges

M. Saifullah Panna ▶

Secretary, Chief Adviser's Office



Md. Shahrir Kader Siddiky ▶

Secretary, Economic Relations Division, Ministry of Finance



◀ **Farzana Mamtaz**

Secretary, Power Division, Ministry of Power, Energy and Mineral Resources



◀ **Mohammad Abdur Rouf**

Secretary, Bridges Division, Ministry of Road Transport and Bridges



Mohammad Saiful Islam ▶

Secretary, Energy and Mineral Resources Division, Ministry of Power, Energy and Mineral Resources



◀ **S. M. Anisuzzaman**

Chief Executive Officer, Bangladesh Infrastructure Finance Fund Limited

BOARD OF DIRECTORS



◀ **Hasan Khaled Foisal**

Additional Secretary, Finance Division, Ministry of Finance



DIRECTORS' PROFILE

Dr. Md. Khairuzzaman Mozumder

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



Dr. Md. Khairuzzaman Mozumder, Secretary, Finance Division joined as a Director to the Board of Directors of BIFFL on 15 February 2023. Later, he became Chairman of the Board of Directors of BIFFL on 28 August 2023.

Dr. Md. Khairuzzaman Mozumder is an accomplished professional with a 32-year career in various fields combining finance, macroeconomics, international economics, customs, trade facilitation issues, international development, WTO issues, and international trade. Before joining the Finance Division, Ministry of Finance, he served as Secretary of the Energy and Mineral Resources Division under the Ministry of Power, Energy and Mineral Resources. He joined the Bangladesh Civil Service in April 1993, and later served in various positions in government and international development, holding offices in 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) teaching three master's level courses namely WTO & International Trade, Macroeconomics, and International Economics.

Dr. Mozumder has a PhD in government (political economy) from the University of Essex in United Kingdom. He has also obtained an MA in political economy from the McGill University in Canada. He obtained an MSS in international relations from the University of Dhaka in First Class securing the Second Position, and prior to that he obtained a BSS (Honors) in international relations from the same university securing the First Position. During his long professional career, he participated in numerous training programs at home and abroad covering fiscal affairs, finance, trade and development issues.

Mr. Md. Ehsanul Hoque

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



Md. Ehsanul Hoque, a member of the 1982 BCS (Administration) Cadre, currently serves as the Senior Secretary of the Road Transport and Highways Division, Ministry of Road Transport and Bridges. He was appointed in this position on 18 August 2024. He joined BIFFL as Director on 25 September 2024. He is also the Chairman of the Executive Committee of BIFFL.

In his current role, he leads national efforts in policy formulation, infrastructure development, and administrative reform in the Road Transport and Highways Division. He plays a key role in strategic decision-making, ensuring transparency and accountability, and driving institutional efficiency. With extensive experience across various ministries and field administration, Mr. Hoque is also committed to motivating and guiding employees to deliver public service with integrity and professionalism.

With a career span of over four decades, he held a wide range of administrative and leadership positions, including Assistant Commissioner, Upazila Magistrate, Metropolitan Magistrate, Upazila Nirbahi Officer, First-Class Magistrate, Additional Deputy

Commissioner of Bagerhat, District Magistrate and Deputy Commissioner (DC) of Jhalakathi District. His extensive service also includes key roles in various Ministries such as the Finance Division, Ministry of Public Administration, Public Security Division, Chief Adviser's Office. He also served as Director General at the Prime Minister's Office. He held chairmanship at both Bangladesh Road Transport Authority and the Bangladesh Tourism Corporation. He also served as Member Secretary of the Pay and Services Commission of Bangladesh in 2013. He is also chairman of the board of Dhaka Power Distribution Company.

Academically accomplished, Mr. Hoque holds a bachelor's degree in accounting (1975), a master's in finance (1976) from the University of Dhaka, and later earned a bachelor's & master's degree in law. He has received advanced training in Law and Administration, Policy Planning, Money and Banking (Fisk University; Nashville, Tennessee, USA), Credit Analysis (Citicorp School of Global Finance New York, USA, 1993), and Poverty Reduction (Thailand, 2005).

Mr. Hoque is happily married and a proud father of two daughters.

Mr. M. Saifullah Panna

Director, Bangladesh Infrastructure
Finance Fund Limited, and
Secretary, Chief Adviser's Office



The Chief Adviser's Office Secretary, Mr. M. Saifullah Panna, joined as Director of BIFFL on 25 September 2024. The Chairman of the Risk Management Committee and a member of the BIFFL Audit Committee are also among his other roles.

Mr. M. Saifullah Panna took over as the Chief Adviser's Office Secretary on September 18, 2024. He is a member of the 11th BCS (Administration) Cadre.

Having worked in numerous government departments, Mr. Panna has an impressive track record of professional expertise. He joined the civil service in 1993 as an Assistant Commissioner. He then worked as an Assistant Secretary in the National Parliament. At the Field Administration level, he worked as a Senior Assistant Commissioner in the offices of the Deputy Commissioners in Munshiganj, Dhaka, and Mymensing. He was also the Upazila Nirbahi Officer in Saghata, Gaibandha. He also served in the Ministry of Civil Aviation and Tourism, the Ministry of Public Administration and Internal Resources Division, the Cabinet Division, and the Ministry of Finance.

He is a skilled bureaucrat who specializes in public sector reform, particularly in the areas of ICT and financial management. While employed in the Finance Division, he made a substantial contribution to the National Pay Scale, 2015, the Pension Simplification Process, and the Universal Pension Scheme. In addition, he improved the Land Appeal Board's Case Management System to streamline the procedure and provide hotline assistance for plaintiffs and defendants seeking to inquire about the progress of their civil and land revenue cases.

In 2010, Mr. Panna earned a master's degree in global e-policy and e-government from South Korea. He has already earned two post-graduation degrees: an MBA and a Master in Governance Studies. He took part in professional development programs at Macquarie University in Australia and MDIS in Singapore, where he learned negotiation and conflict resolution skills.

Mr. Md. Shahriar Kader Siddiky

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



Mr. Md. Shahriar Kader Siddiky joined in the Board of Directors of BIFFL as Director on 10 December 2023. He is also the Chairman of the Audit Committee and a member of the Risk Management Committee of BIFFL.

Mr. Md. Shahriar Kader Siddiky Joined Economic Relations Division as the Secretary on 23 November 2023. Prior to that, he was an Additional Secretary in the Economic Relations Division (ERD). Mr. Md. Shahriar Kader Siddiky is a member of the 11th batch of BCS (Administration) Cadre.

He joined civil service as Assistant Commissioner in 1993. Later, he worked as Assistant Commissioner of Land and First-Class Magistrate in various places of Bangladesh. Besides, he worked in different Ministries including Cabinet Division, Ministry of Public Administration and Economic Relations Division, Ministry of Finance. He also served in Bangladesh Embassy in Kuwait.

Mr. Siddiky got his Masters in Management in 1990. He completed Chartered Accountancy course in the year 1993. Mr. Siddiky represented at Asian Infrastructure Investment Bank's (AIIB) Board of Directors as Director from the Constituency 3 (Bangladesh, Malaysia, Maldives, Nepal, Philippines and Thailand) and in the Board of Directors of New Development Bank as Director from Bangladesh. He is also serving as the Chairman of IDCOL & IIFC.

Mr. Siddiky has undertaken extensive training in public sector management and has participated in numerous international workshops in different countries and UN bodies. His goal is to influence change in the public sector by promoting better services for the people of Bangladesh. In 2023, he received the prestigious order of Diplomatic Service Merit (Heungin Medal) from the Republic of Korea for his outstanding and meritorious service rendered to promoting friendly relations between the Republic of Korea and the People's Republic of Bangladesh.

Mr. Mohammad Abdur Rouf

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



Mr. Mohammad Abdur Rouf joined Board of Directors of BIFFL as Director on 24 March 2025. He is also a member of the Executive Committee and the Risk Management Committee of BIFFL.

Mr. Mohammad Abdur Rouf was promoted to the post of Secretary to the Government of the People's Republic of Bangladesh on February 25, 2025 and joined as the Secretary of the Bridges Division and Executive Director of the Bangladesh Bridge Authority on February 26, 2025. Before assuming this responsibility, he served as the Managing Director of Dhaka Mass Transit Company Limited (DMTCL), the wholly government-owned Dhaka Metrorail from 09 September 2024 to 25 February 2025. During his tenure as the Managing Director, he rehabilitated Kazipara and Mirpur-10 stations, which were damaged during the July-August agitation in 2024, at a low cost and quickly. He served as Additional Project Director (Finance and Administration) of Dhaka Mass Rapid Transit Development Project (Line-5): Northern Route and Company Secretary (Joint Secretary) of Dhaka Mass Transit Company Limited (DMTCL) from 09 July 2020 to 24 August 2024. He also worked as the Additional Project Director (Finance and Admin) of MRT Line-6 and Additional Project Director (E&HS, LA & Resettlement) and Director (Admin) of MRT Line-5: Northern Route. He gathered much knowledge about company affairs, land management, administrative and financial Management, implementation, operation, maintenance and safety management system of Metro Rail while performing his duties in these positions. He joined the Bangladesh Civil Service cadre in 1994. During his long and illustrious career, he has served at the field administration, National Parliament Secretariat and Export Promotion Bureau as well.

As a member of the 13th Batch of Bangladesh Civil Service Administration Cadre, Mr. Mohammad Abdur Rouf served at the field level as Assistant Commissioner and Magistrate, Upazila Nirbahi Officer, Additional District Commissioner (General), Additional District Commissioner (Revenue), Additional District Magistrate and Deputy Director of Local Government at several Districts. While performing at the field level administration, he became well-versed in the realities of good governance and development activities. He also served as Deputy Director (Finance) at the Export Promotion Bureau. He successfully carried out his duties as

the Secretary of the Fair organized by Dhaka International Trade Fair for 03 (three) times and contributed significantly to the expansion of trade in Bangladesh through product diversification.

In his academic life, Mr. Mohammad Abdur Rouf passed SSC (Science) from Dhorkora High School and HSC from Victoria Government College under Cumilla district with distinction. He obtained his Honors and Master's Degrees in Political Science from Chattogram University. It is to be noted that he secured the first position in his class at the post-graduate level.

He has received advanced training in Development Administration from Monash University, Melbourne, Australia and Macquarie University, Sydney, and International Trade Policy from Kangwon National University, South Korea and Rotterdam Trade Center, Netherlands under KOICA.

As Mid-Career Training for Civil Servant of Bangladesh he received advanced training in Field Administration from Lal Bahadur Shastri National Academy of Administration in India, Development Administration from National Training Academy in Vietnam and Information & Communication Technology training in Wuhan, China. He has received training on Japan's Metro Rail Construction, Operation, Maintenance & Safety Management System in Tokyo and Osaka under JICA. He has received online training on Metro Management and Service for Bangladesh from Beijing Jiaotong University, China and on Public Participation, Consensus Building and Resettlement in Public Works Project organized by JICA in Hokkaido, Japan.

In his illustrious career, Mr. Mohammad Abdur Rouf has travelled to Australia, China, Japan, Germany, Turkey, Thailand, South Korea, Netherlands, France, Fiji, Belgium, India, Vietnam, Malaysia, USA, Sri Lanka, Singapore and Hong Kong for professional purpose and to attend at various seminars, training, negotiation etc.

Mr. Mohammad Abdur Rouf is the third child of late Md. Abdul Mannan and late Begum Saleha Akhtar. He was born in 1967 in Satgharia village of Chiora union of Chaudhagram Upazila under Cumilla district. His wife's name is Mrs. Mahfuza Zafrin Nikkon and he is blessed with a son and a daughter. He takes keen interest in engaging himself in humanitarian activities among other hobbies such as reading, fishing, traveling and reciting poetry.

Ms. Farzana Mamtaz

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



Ms. Farzana Mamtaz, Secretary, Power Division, Ministry of Power, Energy and Mineral Resources took over the responsibility as Director of BIFFL on 13 November 2024. She is also the member of the Audit Committee of BIFFL.

Ms. Farzana Mamtaz is a 15th batch officer of Bangladesh Civil Service (Administration) cadre. She joined the post of Secretary, Power Division, Ministry of Power, Energy and Mineral Resources on 06 October 2024. Before joining this post, she served as Additional Secretary in the Ministry of Agriculture.

Her colorful career began by joining the Divisional Commissioner's Office, Dhaka in 1995 as an Assistant Commissioner. Subsequently, she worked as an Assistant Commissioner in the Deputy Commissioner's Office, Dhaka till June 1999. After serving as a programmer in Bangladesh Computer Council, she served as Assistant Commissioner (Land) one of the most important posts in field administration in Kaliakair, Gazipur and as Upazila Nirbahi Officer in Bhaluka, Mymensingh. Ms. Farzana Mamtaz was working as Senior Assistant Secretary in Local Government Division, Ministry of Public Administration, Power Division and Department of Women Affairs. After being promoted as Deputy Secretary, she worked as Deputy Director (Executive Magistrate) in Women Assistance Program, Department of Women Affairs. Later she worked as Deputy Chief in Human Resource Management Unit, Ministry of Health & Family Welfare.

As a Deputy Secretary, she worked in the Energy and Mineral Resources Division and the Ministry of Social Welfare. After being promoted to the post of Joint Secretary, she served at Ministry of Social Welfare and Ministry of Industries. Later she served as Member (Joint Secretary) at Sustainable and Renewable Energy Development Authority (SREDA) under the Power Division. After her promotion as an Additional Secretary she served at the same position at SREDA from April 2022 to December 2023.

Mother of two sons and only daughter, Ms. Farzana Mamtaz's ancestral home is Uttar Madarsha village of Hathazari Upazila of Chattogram district. Ms. Farzana Mamtaz overcomes the boundaries of Agrani Girls School and Badrunnessa Government Girls' College with merit and success in her student life and obtained Bachelor and Masters Degrees in Applied Physics and Electronics from Dhaka University. After joining to service, she obtained a degree in Information Technology from the Flinders University of South Australia on a scholarship from the Australian Government. She achieved Executive Master of public Health (EMPH) degree from North South University within the country. After joining the civil service, she has taken several skill development trainings in the country and abroad-which she is constantly applying in the workplace to give success.

Mr. Mohammad Saiful Islam

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



Mr. Mohammad Saiful Islam, Secretary, Energy & Mineral Resources Division, Ministry of Power, Energy and Mineral Resources took over the responsibility as Director of BIFFL on 13 November 2024. He is also the member of the Executive Committee of BIFFL.

Mr. Mohammad Saiful Islam joined as the Secretary of Energy and Mineral Resources Division under Ministry of Power, Energy and Mineral Resources on 07 October 2024. Prior to that, he was an Additional Secretary of Budget Wing in Finance Division. Mr. Islam is a member of 15th batch of Bangladesh Civil Service (Administration Cadre).

His academic foundation was built at the Mirzapur Cadet College. He earned his Bachelor's and Master's degree in International Relations from the University of Dhaka. Eager to deepen his expertise, he later pursued a second Masters in Public Finance and Economic Management from the University of Birmingham in the UK. Over the years, he extensively participated in various training programs - both at home and abroad - in areas such as public financial management, financial reform, project management and professional development.

Mr. Islam's career began in 1995 when he joined the district administration of Cox's Bazar as an Assistant Commissioner. Subsequently, his roles as Assistant Commissioner (Land) and Upazila Nirbahi Officer (sub-district administrator) offered him invaluable insights on the challenges and expectations of the mass people. He has also rendered his service in Ministry of Health. Since 2008, he has been an integral part of the finance division; in different capacities he actively participated in various initiatives to enhance public financial accountability. He possesses hands-

on experience in project management and has served as a consultant on a World Bank-funded project.

He has developed a keen interest in Public Financial Reforms, Management Information System and Public Expenditure Management. With a single-minded dedication, he contributed to the evolution and crystallization of Integrated Budget and Accounting System (iBAS) - a homegrown integrated financial management system of the government of Bangladesh to manage and streamline financial operations related to budgeting, accounting and reporting for government organizations. Additionally, he specializes in the Budget and Accounting System (BACS), which classifies revenue and expenditure, records financial transactions to streamline financial reporting, and thus improves the transparency of government expenditures. Mr. Islam was actively involved in developing a web-based revenue collection platform called Automated Challan: a real-time system that significantly improved the efficiency of the government's cash management. Moreover, he was entrusted with the position of National Program Director for the financial reforms initiative known as the Strengthening Public Financial Management Program to enable service delivery.

In addition to his administrative duties, Mr. Islam enjoys sharing his knowledge with the next generation of public financial management professionals. He is a regular resource person at the Institute of Public Finance (IPF), Bangladesh Institute of Administration and Management (BIAM), BCS Administration Academy (BCSAA) and Bangladesh Public Administration Training Centre (BPATC).

On a personal note, he hails from Mymensingh. He is married and blessed with two sons.

Mr. Hasan Khaled Foisal

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



Mr. Hasan Khaled Foisal joined the Bangladesh Civil Service in 1999. He is an Additional Secretary to the Government of Bangladesh and is currently working in the Finance Division, Ministry of Finance. Mr. Foisal joined BIFFL as Director on 18 November 2021. He is also a member of the Executive Committee and the Risk Management Committee of BIFFL.

His work in and outside the Government has focused mainly on economic policy. He has worked in four major areas of the Finance Division: Macroeconomic Policy, Budget Wing, Expenditure Management and presently, Treasury and Debt Management. Before Finance Division, he worked in the FTA wing of the Ministry of Commerce. He has also worked as a Fellow at Bangladesh Foreign Trade Institute (BFTI).

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 befitting two neighbours.

Mr. Hasan Khaled Foisal is an ex-cadet of the Barishal Cadet College. He has completed his Bachelor's and Master's degrees 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.

Mr. 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 04 May 2020. Before joining BIFFL, Mr. Anisuzzaman worked in National Housing Finance and Investments Limited as the Deputy Managing Director.

Mr. Anisuzzaman, a skilled and adaptable management executive, has accumulated over 30 years of vast experience in the financial sector of Bangladesh. Throughout his long career, he has occupied various senior roles in multiple banks and finance companies including the position of Head of Principal Branch, Jamuna Bank PLC. 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 trainings, workshops and conferences at home and abroad. His profession has also led him to travel extensively in different countries across the globe including France, Austria, Croatia, UAE, China, Malaysia, Thailand, India and many others.

FROM THE DESK OF THE CEO



We are expanding our focus to include climate adaptation, smart city development, and clean energy, while deepening our partnerships with multilateral institutions to access innovative finance.

S. M. ANISUZZAMAN
Chief Executive Officer
Bangladesh Infrastructure Finance Fund Limited

Dear Esteemed Shareholders and Stakeholders,

It is with great pride and shared purpose that I present the Annual Report for 2024 of Bangladesh Infrastructure Finance Fund Limited (BIFFL). This has been a year of remarkable growth, strategic expansion, and deepened commitment to sustainability and governance. Despite a challenging global environment and domestic headwinds, BIFFL delivered strong financial results and reinforced its leadership in sustainable infrastructure finance in Bangladesh.

Global and Bangladesh Economy in 2024

The global economy in 2024 demonstrated considerable resilience amid rising geopolitical risks, elevated inflation, and escalating trade tensions. According to the IMF, world GDP growth remained steady at around 3.2%, matching the pace of 2023. However, advanced economies recorded modest improvements, while emerging markets saw a slight slowdown. Multilateral institutions, including the World Bank and OECD, have warned of a deceleration in growth as trade barriers persist and inflation remains stubbornly high-forecasting growth rates for 2025 to hover between 2.3% and 2.9%, the lowest since the 1960s.

Bangladesh's economy also faced a mixed macroeconomic landscape. Real GDP growth moderated to approximately 5.2% in FY 2023–24, down from 5.8% the previous year. Inflation, driven largely by high food and energy prices, peaked at over 11% in mid 2024 and averaged near 10%, easing slightly to around 9–9.4% by March 2025. In response, the Bangladesh Bank adopted a tighter monetary policy, raising the policy rate to 10%, introducing a market-based exchange rate system, and stabilizing foreign exchange reserves. The World Bank forecast GDP growth for FY 2024–25 at 5.7%, noting risks related to inflation, import constraints, and financial sector fragilities. Despite these headwinds, the fundamentals of Bangladesh's growth remain intact, supported by remittances, garment exports, and reforms aimed at ensuring macroeconomic stability.

Performance Highlights and Financial Resilience

2024 was a year of dynamic growth and meaningful progress. Our total assets expanded by 13.81%,

reflecting prudent financial stewardship. Our loans and advances portfolio grew by a remarkable 30.22%, enabling critical investments in transport, power, and technology infrastructure. The strength of our operational model is evident in the 43.40% increase in net interest income and a 33.87% rise in operating income. Most importantly, our net profit surged by 21.40%, with earnings per share rising from BDT 3.61 to BDT 4.38 delivering strong returns to our shareholders and reinforcing investor confidence.

Our total loans and investment portfolio rose to BDT 4,474 crore, up from BDT 3,666 crore in the previous year-underscoring our expanding impact across priority infrastructure sectors.

Deepening Our Commitment to Sustainability

At BIFFL, sustainability is not an afterthought-it is a core philosophy embedded into every aspect of our business model. In 2024, we advanced several impactful green and climate-resilient initiatives, aligning national targets and the United Nations Sustainable Development Goals (SDGs).

We are especially proud of our support for the JICA-funded Food Value Chain Improvement Project, which is catalyzing sustainable transformation in Bangladesh's agriculture and agribusiness sectors. This project aims to modernize and green the country's food supply chains by financing climate-resilient cold storage, logistics, and processing infrastructure. It contributes to national food security while promoting inclusive growth and gender empowerment-particularly among rural women entrepreneurs.

Simultaneously, the ADB-funded "Strengthening BIFFL" Project has proven instrumental in expanding our institutional capacity to finance Public-Private Partnership (PPP) infrastructure projects. The success of the initial phase has led to additional funding, enabling us to support critical projects in transport, logistics, energy, and urban development. Through this initiative, BIFFL is helping to mobilize private capital and foster innovation in the national infrastructure ecosystem.

We also expanded our green financing portfolio, deploying capital from AFD, KfW, and JICA into renewable energy, energy efficiency, and electric mobility projects. Our financing of solar power, cleaner production technologies, and low-emission transportation systems positions BIFFL as a catalyst for Bangladesh's just transition to a low-carbon economy.

Governance, Compliance, and Risk Management

Sound governance and strict compliance standards remain the foundation of our operations. In 2024, BIFFL further strengthened its internal control systems, risk management protocols, and environmental and social safeguards.

Our Environmental & Social Framework (ESF), implemented with support from experienced local and international professionals, ensures that our financed projects uphold national regulations and international best practices. Through our dedicated Environmental and Social Unit, we support clients in achieving compliance while minimizing negative externalities and promoting long-term sustainability.

We continue to enforce robust anti-money laundering, information security, and transparency mechanisms. These efforts not only mitigate risks but also reinforce trust and confidence among stakeholders.

Driving Inclusive and Sustainable Infrastructure

Infrastructure is at the heart of national development, and BIFFL is proud to be a key enabler in this transformation. In 2024, we prioritized projects that deliver both economic value and social impact—focusing on energy, digital infrastructure, connectivity, industrial zones, and social services.

We also promoted financial inclusion through targeted programs for women-led enterprises, particularly in green manufacturing and sustainable agriculture, supported by development partners including AFD and JICA.

Our expanded focus on blended finance and multi-stakeholder collaboration ensures that infrastructure development remains resilient, inclusive, and future-ready.

Contribution to National Exchequer and Dividend to Shareholders

BIFFL has been making a consistent contribution to the National Exchequer. For 2024, BIFFL has contributions of BDT142 crore in taxes to the national exchequer and BDT46 crore as cash dividend to its shareholders.

Recognition and Awards

Our efforts and achievements have not gone unnoticed. As recognition of its contribution to the national exchequer, BIFFL was awarded with the 'Third Highest Taxpayers Award' for AY 2022-23 in NBF category by NBR. BIFFL also received the 'Bronze Award' under Public Sector Entity Category in '23rd ICAB National Award for the Best Presented Annual Report 2022'. As recognition to BIFFL's commitment to environment, The Institute of Energy of University of Dhaka awarded BIFFL with the 'Best Climate Focus Bank in Bangladesh' award.

Looking Ahead

As we move into 2025 and beyond, BIFFL is positioned to lead with purpose. We are expanding our focus to include climate adaptation, smart city development, and clean energy, while deepening our partnerships with multilateral institutions to access innovative finance.

We will continue to finance transformative projects that improve lives, empower communities, and accelerate Bangladesh's journey to becoming a developed, equitable, and sustainable economy.

Acknowledgement

I extend my sincere gratitude to the Hon'ble Chief Adviser, the Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission, the PPP Authority, and all relevant regulators for their continued support and guidance. I thank our valued development partners—JICA, ADB, AFD, KfW, and The World Bank—for their unwavering collaboration.

I also appreciate the Board of Directors for their wise counsel, and our shareholders, clients, and partners for their trust and engagement. Finally, I commend the dedication of the BIFFL team whose professionalism and commitment have been the driving force behind our success.

Together, we are not only financing infrastructure—we are financing the future.

Sincerely,



S. M. Anisuzzaman
Chief Executive Officer

About the Report



NAVIGATING THROUGH THIS REPORT

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

| Core topic | Where to look | What is to be found |
|--|--|--|
| Identity | <ul style="list-style-type: none"> • Corporate Information • Advisory Board • Board of Directors • Corporate Milestones • Our Philosophies • Core Values • Our Products and Services • Corporate Social Responsibilities | <ul style="list-style-type: none"> • Presence of BIFFL as the largest NBF1 in the country in terms of paid-up capital. • Mandated for supporting sustainable infrastructure development. • The organizational structure. • The governance structure. |
| Standing in the Industry and Means of Value Creation | <ul style="list-style-type: none"> • Value Addition • Business Model • Awards and Recognitions • Corporate Governance and Compliance • Statement on Contribution to Government Exchequer • Sustainable Finance & Green Banking | <ul style="list-style-type: none"> • Position in the bigger picture. • Means of conducting business. • Organizational hierarchy for business model and performance optimization. • Contribution to national economy. • Compliance status. |
| Reflections and Deliberations of the Leadership | <ul style="list-style-type: none"> • Message from the Chairman of the Advisory Board • Message from the Chairman of the Board of Directors • From the Desk of the CEO • Statement on Corporate Governance | <ul style="list-style-type: none"> • Broad overview of current standing and future trajectory. • The key drivers of success and incisive analysis of business. • In-depth review of governance and internal control framework. • Birds eye-view of governance status and compliance. |
| Current Market Condition and Competitive Landscape | <ul style="list-style-type: none"> • Operating Environment and Stakeholder Analysis • Market Forces and the Competitive Landscape • Strategy and Resource Allocation: SWOT Analysis | <ul style="list-style-type: none"> • Macroeconomic aspects that shape the industry. • Key competencies and scope of improvement. |
| Risks and Mitigation | <ul style="list-style-type: none"> • Statement on Risk Management • Non-Performing Loan (NPL) Management • Disclosure on Capital Adequacy and Market Discipline • Treasury Operations | <ul style="list-style-type: none"> • Risk identification and quantification. • Risk distribution through matrix. • Risk mitigation tools and techniques. • Stress testing. • Capital adequacy and assets quality. |
| Financial Performance and Outcome | <ul style="list-style-type: none"> • Review of Financial Performance • Key Operating & Financial Highlights • Value Added statement • Notice, Reports & Financial Analysis | <ul style="list-style-type: none"> • Historical financial performance. • Value added, distributed and retained for ensuring decent future business growth. • Year to year growth in financial position and performance. |

ABOUT INTEGRATED REPORTING

The aim of integrated reporting is to enable our stakeholders, including investors, to make a more informed assessment of the value of BIFFL and its prospects as this report is organized around our story of value creation. This annual report has been presented as an 'Integrated Report' with the goal of elucidating how BIFFL has effectively managed its policies and actions consistently to add value to its stakeholders. It also covers the contribution of BIFFL in boosting infrastructure development, economic growth, inclusive prosperity as well as social and environmental sustainability.

Overview of Contents



Scope of the Report

The report covers the period from 1 January 2024 to 31 December 2024, which encompasses the activities that have been carried out within the country, as BIFFL does not have any operation outside Bangladesh.

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 FY 2023 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 Finance Company Act, 2023;
- Income Tax Act, 2023;
- The Securities and Exchange Commission Act, 1993;
- Relevant circulars and guidelines of Bangladesh Bank;

- Requirements of our Development Partners; and
- Other applicable laws and regulations of the land.

The disclosure of non-financial information has been extracted from internally maintained records reported for the statement of financial position, unless otherwise stated that has been extracted from a reliable source.

Our corporate governance practice has been disclosed in line with guidelines of the Corporate Governance (CG) code issued by BSEC in 2018, the Finance Company Act and guidelines of Bangladesh Bank. Furthermore, there have not been any significant changes to the scope, boundary and reporting basis since the last reporting date as of 31 December 2023.

Comparability and Materiality

All the information presented and disclosed in this report is on the same basis as the 2023 report in terms of the entities covered, the measurement procedures applied, and time frame used. Ratios used in this report are comparable across the industry. The structure of the report has been further changed/updated to the integrated reporting style. 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 as part of our continuous focus on improving communication to our stakeholders.

External Assurances

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

| | |
|---|---|
| Audit Report on Financial Statements | Kazi Zahir Khan & Co. Chartered Accountants |
| Gratuity Fund Valuation | Air Consulting, an actuarial firm |
| BIFFL Staff Contributory Provident Fund Audit | Ahamed Shamim & Co. Chartered Accountants |
| Entity Credit Rating | Credit Rating Information and Services Ltd. (CRISL) Emerging Credit Rating Ltd. (ECRL) |
| Comprehensive Inspection and CL Inspection | Bangladesh Bank |
| Tax Consultants | Ahmed Mashuque & Co. Chartered Accountants |

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 in the website biffil.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 presented herewith 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 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

About BIFFL



CORPORATE MILESTONES

2010

29 July

The 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 (BDT. 16 billion/ USD 200 Million)

12 April

The Ministry of Finance approved the formation of the 7-member Board of Directors

20 April

The first meeting of the Board of Directors was 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

9 August

Signed Master Facility Agreement with Bangladesh Bank under IPPF II

4 October

Successfully organized Green Convention and Expo 2018 in Dhaka and Chattogram

December

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

Obtained USBC LEED Platinum Certification for Corporate Office



2019

November

Awarded as the 4th Largest Tax Payer in the Non-Bank Financial Institution Category for the tax year 2018-2019

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 NBF 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

Awarded for special contribution to income tax revenue collection for the Fiscal Year 2021-22 under the NBF category by the LTU of National Board of Revenue

August

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

December

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

2023

February

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

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)

June

BIFFL delegates attended the International Energy Agency's 8th Annual Global Conference on Energy Efficiency in Versailles, France

BIFFL delegates attended a meeting at Energy Community Secretariat in Vienna during Capacity Building Tour in Europe

October

Received Bronze Award under Public Sector Entity Category in 23rd ICAB National Award for Best Presented Annual Report 2022

December

Awarded the 'Third Highest Taxpayers Award' for the AY 2022-23 in the NBF category

2024

May

Awarded as the "Best Climate Focus Bank in Bangladesh" at the '24th National Renewable Energy Conference & Green Expo' on 23 May 2024

12 December

Loan Agreement signing with ADB for Additional fundings of USD 100 Million for the "Project: Strengthening BIFFL-Additional Fund"

2025

6 February

Subsidiary Loan Agreement signed for Additional Funding with Finance Division, Ministry of Finance

23 June

Financial Closer achieved account: RSGTBL

AWARDS AND RECOGNITIONS

08



10



01



09



05



06



04



02



03



07



01

3rd Largest Taxpayer Recognition Award for the assessment year 2022-23 under NBF1 category by NBR.

02

Special Recognition awarded by the LTU, NBR For the assessment year 2022-23.

03

Bronzed award under Public Sector category for Best Presented Annual Reports 2022 in 23rd ICAB National Award.

04

Award for the "Best Climate Focus Bank in Bangladesh" at the 24th National Renewable Energy Conference & Green Expo.

05

Champion of 19th ICAB National Award for Best Presented Annual Reports 2018 under public sector category.

06

2nd Largest Taxpayer Recognition Award for the AY 2020-21 under NBF1 category by NBR.

07

4th Highest Tax Payer Recognition Award for the AY 2021-22 in the category of NBF1 by NBR.

08

Awarded 'Certificate of Merit' under the Public Sector category in the SAFA Best Presented Annual Reports 2021 Awards Program.

09

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.

10

Awarded for special contribution to income tax revenue collection for the FY 2021-22 under the NBF1 category by the LTU, NBR.



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.



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.

OUR PHILOSOPHIES





GOALS

- To supplement achieving SDG 2030 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 and other guideline as issued by BB from time to time.

BIFFL employees should strictly adhere to the following:



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



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



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



Ensure compliance in every action



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



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



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



Maintain zero tolerance on corruption and sexual harassment



Act as a socially responsible entity by participating in CSR activities



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



Nurture a culture of accountability and transparency in its business operations



Provide equal opportunities for all employees



Conserve energy using best possible technologies and thorough management



Maintain non-smoking environment in the office



Prioritize social and environmental safeguards compliance

CORPORATE INFORMATION

Board Of Directors

Chairman

Dr. Md. Khairuzzaman Mozumder

Secretary, Finance Division,
Ministry of Finance

Directors

Mr. Md. Ehsanul Hoque

Senior Secretary, Road Transport & Highways Division,
Ministry of Road Transport and Bridges

Mr. M. Saifullah Panna

Secretary, Chief Adviser's Office

Mr. Md. Shahriar Kader Siddiky

Secretary, Economic Relations Division,
Ministry of Finance

Mr. Mohammad Abdur Rouf

Secretary, Bridges Division,
Ministry of Road Transport and Bridges

Ms. Farzana Mamtaz

Secretary, Power Division,
Ministry of Power, Energy and Mineral Resources

Mr. Mohammad Saiful Islam

Secretary, Energy and Mineral Resources Division,
Ministry of Power, Energy and Mineral Resources

Mr. Hasan Khaled Foisal

Additional 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. Ehsanul Hoque

Member

Mr. Mohammad Abdur Rouf
Mr. Mohammad Saiful Islam
Mr. Hasan Khaled Foisal
Mr. S. M. Anisuzzaman

Audit Committee

Chairman

Mr. Md. Shahriar Kader Siddiky

Member

Mr. M. Saifullah Panna
Ms. Farzana Mamtaz

Risk Management Committee

Chairman

Mr. M. Saifullah Panna

Member

Mr. Md. Shahriar Kader Siddiky
Mr. Mohammad Abdur Rouf
Mr. Hasan Khaled Foisal

Chief Executive Officer

Mr. S. M. Anisuzzaman

Company Secretary

Mr. Md. Atikul Islam, FCS

Registered Office

Unique Heights (Level-3)
117 Kazi Nazrul Islam Avenue,
Eskaton Garden, Dhaka- 1217, Bangladesh
IP Phone: +8809638124335
FAX: +8802-222228518

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
Face Value per Share: BDT 100 each
Ownership: Government of Bangladesh
Represented By: Finance Division, Ministry of Finance

Auditors

Kazi Zahir Khan & Co.,
Chartered Accountants
Hometown Apartments (Flat-C, Level-15),
87 New Eskaton Road, Dhaka-1000

SECTORS, PRODUCTS AND SERVICES

SECTORS FOR INVESTMENT



INFRASTRUCTURE

- Power & Energy
- Transportation & Connectivity
- Port, Container Depot & Terminal
- Economic Zone & Industrial Park
- IT & Telecom
- Natural Resource, Environmental & Social Infrastructure
- Urban & Rural Development Projects
- Tourism & Hospitality
- Healthcare & Education



SUSTAINABLE FINANCE

- Renewable Energy
- Green Building
- Energy Efficient Technologies
- Waste Treatment & Recycling
- Agriculture & Food Value Chain
- Other Innovative Green projects

PRODUCTS AND SERVICES



ADVISORY SERVICES

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



FINANCING PRODUCTS

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

A. Debt Financing

- Term Loan
- Working Capital Loan
- Bridge Financing
- Factoring
- Take Over Financing
- Take Out Financing
- Lease Financing
- Bond Financing
- Commercial Papers/ Instruments

B. Equity Investment

- Ordinary Share
- Preference Share
- Mezzanine Financing
- 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 (BB), Registrar of Joint Stock Companies and Firms (RJSC&F), Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue (NBR), 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 Framework (ESF) and guidelines of development partners are followed along with the national guidelines provided by the central bank. 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 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

Key Partners



Fund Providers

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



Other Stakeholders

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

Key Resources



Human Capital



Financial Capital



IT Resources



Intellectual Capital



Social Resources



Corporate Brand

Cost Structure



Interest Expense



Provision for NPL



Operating Expenses



Income Tax

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.

Financial Services

LOAN PRODUCTS

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

EQUITY PRODUCTS

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

Revenue Structure



Interest
Income



Investment
Income



Advisory
Services



Fees and
Commission

Customer Segments



Public Sector
Entities



Private
Companies



PPP
Projects



CMSME



Women
Entrepreneurs



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



◀ **Md. Tanvir Warsi**
Head of CRMD
Member



◀ **Sheikh Anower Sadat**
Head of C&ID,
Member



Md. Arifur Rahman ▶
Head of SAMD,
Member



Monis Mortuza Chowdhury ▶
Chief Risk Officer,
Member



◀ **Sujit Basak**
Head of ICCD,
Member



◀ **Md. Atikul Islam FCS**
Company Secretary,
Member

◀ **Salah Uddin Kader Chy** ▶
Chief Financial Officer
(Acting), Member
Secretary



MANAGEMENT COMMITTEE (MANCOM)



◀ **Muhammed Shahjahan**
Head of HR & Admin,
Member

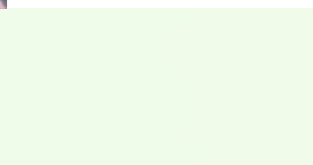


◀ **Md. Afzal Hossain, CFA**
Head of Treasury,
Member

Mehnaz Hossain ▶
Head of RAU,
Member



Tashfiya Tasnim Tisha ▶
In-Charge, Legal Unit,
Member



EVENT HIGHLIGHTS



BIFFL has been awarded as the “Climate Focus Financial Institution” in Bangladesh at the ‘24th National Renewable Energy Conference & Green Expo’ on 23 May 2024. The Chief Executive Officer of BIFFL, Mr. S. M. Anisuzzaman received the award from H.E. Charles Whiteley, the Ambassador & Head of Delegation of the European Union to Bangladesh



Bangladesh Infrastructure Finance Fund Limited (BIFFL) marked International Mother Language Day by adorning the central Shahid Minar with flowers at the break of dawn



BIFFL Celebrated ‘INTERNATIONAL WOMEN’S DAY 2024’ on 10 March 2024 at the office premises



BIFFL commemorated its impressive 13-year journey on 21 March 2024. Led by Mr. S. M. Anisuzzaman, CEO of BIFFL, alongside company officials, the day was celebrated with great enthusiasm, marking a significant milestone in its history



Sansitization Seminar on Food Value Chain Improvement Project (FVCIP) organized by Bangladesh Infrastructure Finance Fund Limited at Intercontinental, Dhaka



Educational Assistance under the Corporate Social Responsibility (CSR)



BIFFL has honored to have Ms. Parveen S. Huda as a Guest Speaker for the arrangements of workshop on Gender Equality



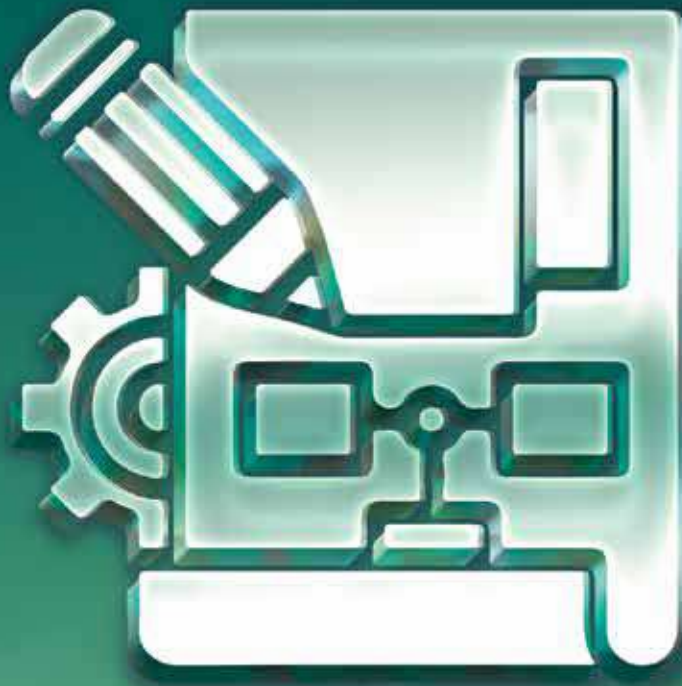
BIFFL arranged a Financial Literacy Program to aware the workers on Paramount Textile

CORPORATE SOCIAL RESPONSIBILITY



As part of BIFFL's corporate social responsibility initiatives, BIFFL contributed Tk. 66,55,000 (Taka sixty-six lakh and fifty-five thousand only) during the 2024 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 support to the hospitals and welfare organizations, vulnerable individual patients (cancer, heart diseases, kidney diseases etc.), disaster management, educational assistance for the underprivileged children and emergency disaster relief during the extreme flash flood in the country.







Strategic Plan



MACRO-ECONOMIC ASPECTS AFFECTING BIFFL

| Factors and Aspects | Outcome | BIFFL's Approach |
|---|---|--|
|  <p>Economic</p> | <p>Despite persistent global headwinds-including inflationary pressures, geopolitical instability, and sluggish demand in key export markets-Bangladesh has demonstrated moderate economic resilience. However, domestic political shifts and policy uncertainties have introduced new complexities.</p> <p>Key Economic Indicators (FY 2023-24)</p> <ul style="list-style-type: none"> • GDP Growth: Estimated at ~5.8%, down from previous years due to external shocks and tightening monetary policies. • Per Capita Income: Increased to ~USD 2,950, reflecting gradual economic expansion. • Inflation: Remains elevated at ~9.5%, driven by food and energy prices, currency depreciation, and supply-side constraints. • Exports: Surpassed USD 63 billion, with the RMG sector remaining the primary driver. • Imports: Moderated to USD 85-88 billion, easing trade deficit pressures. • Exchange Rate: The Taka has depreciated ~25-30% against the USD since 2022, increasing import costs. • Remittances: Recovered to USD 21-22 billion, supported by migrant worker flows and government incentives. • Foreign Reserves: Stabilized at USD 26-28 billion (mid-2024), after significant depletion in 2023. | <ul style="list-style-type: none"> • 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 national goals and SDG 2030. • 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. |
|  <p>Political</p> | <ul style="list-style-type: none"> • Stable political environment has a positive impact on financial as well as economic development of a country. | <ul style="list-style-type: none"> • 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. |

| Factors and Aspects | Outcome | BIFFL's Approach |
|---|--|--|
|  <p>Social</p> | <ul style="list-style-type: none"> Growing GDP and per capita income driven by economic progress has paved the way for better social conditions and quality of life for society. | <ul style="list-style-type: none"> 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. |
|  <p>Technological</p> | <ul style="list-style-type: none"> The role that ICT plays in creating operational efficiency and generating Management Information Systems (MIS) for effective decision making has become vital for BIFFL. | <ul style="list-style-type: none"> 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. |
|  <p>Environmental</p> | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> 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. |
|  <p>Legal</p> | <ul style="list-style-type: none"> BIFFL is regulated by the Finance Company Act, 2023 and other periodic guidelines as issued by Bangladesh Bank from time to time. | <ul style="list-style-type: none"> Apart from Finance Company Act, 2023 and other prescribed guidelines of Bangladesh Bank, BIFFL also complies with the applicable regulations of RJSC&F, 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

Industry Forces Analysis

Impact: Moderate



Influencing Factors

Number of competitors: Financial services industry of Bangladesh is marked by high level of competition with 62 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. However, 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.

BIFFL's Strategic Approach

- 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.

Supplier power

Impact: Moderate



Influencing Factors

BIFFL is finance company and our major source of fund comprises the Government, different multi-lateral and bilateral financial institutions etc.

A key factor in the determination of bargaining power is the control over interest rates and our cost of funds. The Central 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.

BIFFL's Strategic Approach

- Focus on a diversified pool of funds from local as well as foreign institutions.
- Develop sustainable relationship with bilateral and multilateral agencies.
- Proper selection of vendors to ensure smooth supply of materials.

Buyer power

Impact: Moderate

**Influencing Factors**

Extending 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's Strategic Approach

- 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

Impact: Low

**Influencing Factors**

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.

BIFFL's Strategic Approach

- 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

Impact: Low

**Influencing Factors**

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.

BIFFL's Strategic Approach

- 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 | |
| 14 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 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 (lowest loan TAT in the industry) | 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 and Development Partner's fund | <p>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.</p> <p>Focus on Public Private Partnership (PPP) to collaborate with Government as well as private sector to become a major development partner of the country.</p> |
| Portfolio concentration in Infrastructure Development. | <p>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 Enterprise (SME), 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 agricultural 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.</p> |
| Portfolio concentration in Dhaka (Limitation of having no branch outside Dhaka) | <p>Conscious and strategic effort is in place to expand the geographic coverage and reduce portfolio concentration in Dhaka.</p> |

STAKEHOLDER ENGAGEMENT

Stakeholders are people/communities who may - directly or indirectly, positively or negatively - affect or be affected by the outcomes of BIFFL's initiatives and 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, 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 | • Maintaining a consistent bottom line |
| General meetings | A/P | | • Ensuring sustainable return on investment |
| Annual report | A | • Shareholder views on key governance and policy matters | • Engaging in greater transparency and responsible stewardship |
| Interim financial statements | Q | | • Maintaining BIFFL's reputation and credibility |
| Disclosures and announcements | P | • Return on equity | • Safeguarding asset quality |
| Corporate website | 24/7 | | • Ensuring steady growth |
| EC meeting, AC meeting, RMC meeting and Board meeting. | P | • Strategy and continuity | |
| Meetings and consultations | P | • Financial performance | |
| CSR activities | R | | |

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

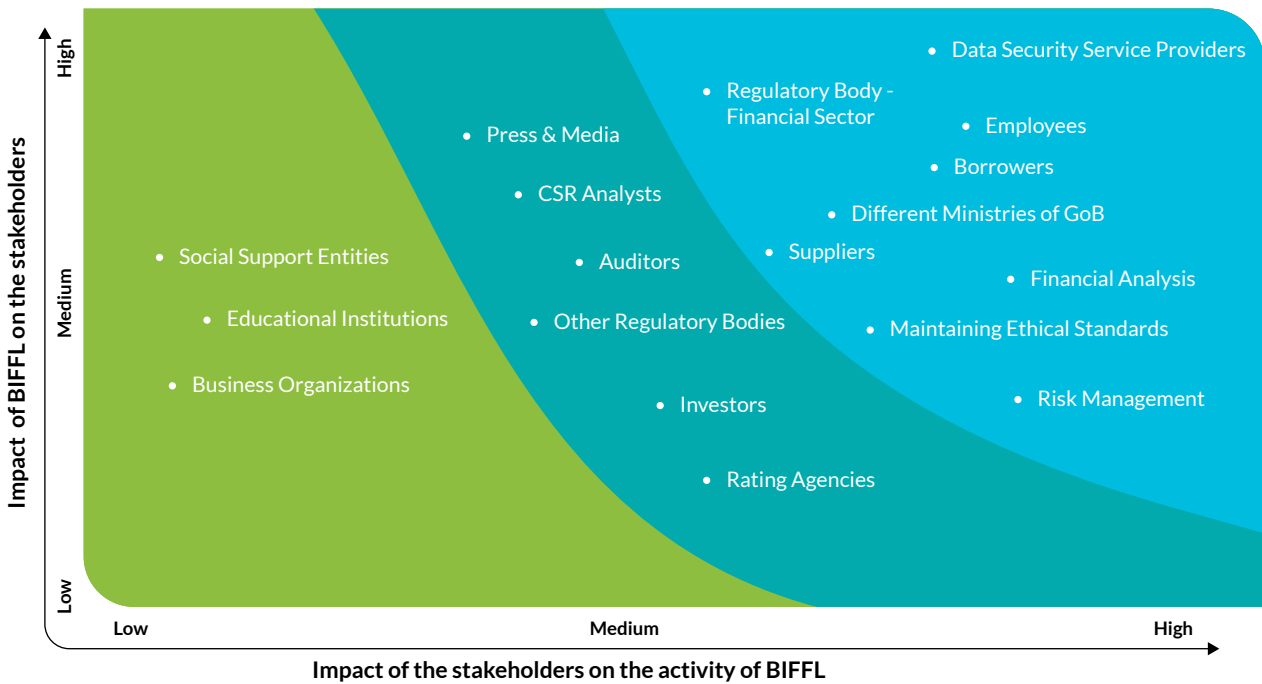
Development Financial Institutions (Investors)

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 | • Green loan initiative launched to incentivize energy efficient and other sustainable projects. |
| Annual report | A | • Building a responsible culture | • Engaging in greater transparency and responsible stewardship. |
| Interim financial statements | P | • Sustainable business performance and growth | • Sharing project pipeline and project implementation status. |
| Investor presentation | P | • Responsible lending and investment | |
| Meetings and consultations | P | • Financial inclusion and access to products and services | |
| One-to-one discussions | P | | |
| General correspondence | R | | |
| 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.



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

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 | <ul style="list-style-type: none"> Customer service | <ul style="list-style-type: none"> Maintain service excellence |
| One-on-one feedback from customers who visit BIFFL | R | <ul style="list-style-type: none"> Satisfaction on existing products | <ul style="list-style-type: none"> Effective complaint resolution |
| Customer surveys conducted via traditional or non-traditional research techniques | P | <ul style="list-style-type: none"> Need for innovations and customized solutions | <ul style="list-style-type: none"> Continuous introduction of innovative products which promote greater customer convenience |
| Social media interactions | 24/7 | <ul style="list-style-type: none"> Communication methods | <ul style="list-style-type: none"> Effective marketing and communication |
| Customer complaint handling mechanism | R | <ul style="list-style-type: none"> Awareness promotions | <ul style="list-style-type: none"> Better market share |
| Corporate website | 24/7 | <ul style="list-style-type: none"> Timely and relevant information on products and services | <ul style="list-style-type: none"> Regularly arrange conventions, expos, meetings, seminars etc. to engage stakeholders |
| Correspondence | R | <ul style="list-style-type: none"> Customer benefits and rewards Loyalty recognition | |

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 | <ul style="list-style-type: none"> Developing strategic partnerships | <ul style="list-style-type: none"> Engaging in fair and equitable procurement |
| Feedback evaluations | P | <ul style="list-style-type: none"> Promoting transparent and ethically responsible business practices | <ul style="list-style-type: none"> Supplier risk assessment mechanism |
| Meetings | P | | <ul style="list-style-type: none"> Contractual agreements to promote sustainable procurement |
| Visits to supplier workshops / offices | R | | <ul style="list-style-type: none"> Local sourcing, maintenance of suppliers & service provider register |
| Written communications (letters & e-mails) | R | <ul style="list-style-type: none"> Continuous communication with suppliers & service providers | |
| Reviews and assessments | 24/7 | <ul style="list-style-type: none"> Regular reviews on quality of goods and services | |

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 | <ul style="list-style-type: none"> Policy decisions affecting the financial sector Submission of returns Taxes paid to the Government | <ul style="list-style-type: none"> 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 (MSME) 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 | AW – 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 | <ul style="list-style-type: none"> Community capacity building Community empowerment Social welfare Environmental protection Preservation of local culture | <ul style="list-style-type: none"> 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 | R | | |
| 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

- Financial Performance
- Economic benefits
- System Efficiency

Environment

- Materials
- Energy
- Biodiversity
- Emission
- Waste
- Compliance

Social

- Equal rights
- Labour
- Treatment
- Child labour
- Personal development
- 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 profitable 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 |

| Category | Identified Material Aspect | Why is this material? | Inside the Organization | Outside the Organization |
|-------------------------|----------------------------|---|--|--------------------------|
| Environment | Materials | Many of our large infrastructure projects use large volumes of fuels in electricity and heat production and LP Gas processing. | Yes | Yes |
| | Energy | Many of our large infrastructure projects use large volumes of fuel and other energy sources, like hydropower, in electricity and heat production. | Yes | Yes |
| | 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 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 |
| 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 its 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 |

STRATEGY AND RESOURCE ALLOCATION: SWOT ANALYSIS



Strength

- Presence of a distinguished and inclusive Board of Directors
- Government ownership and funding support
- Access to long term concessional finance
- Strong financial capacity and capital base
- Experience of investing in landmark PPP projects
- Relatively diversified sectoral portfolio
- Pioneer in emerging sectors (Energy Efficiency) and technical expertise providing competitive advantage
- Expertise in arranging and participation in syndications
- Strategic partnership with multilateral agencies
- Strong Credit Rating



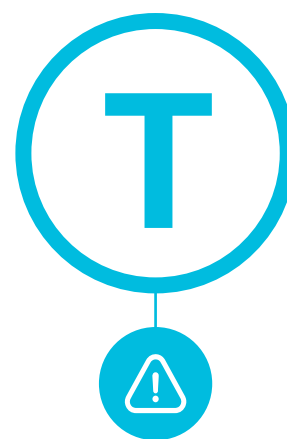
Weakness

- Low leveraged capital structure
- Absence of a dedicated marketing / business development unit
- Very limited advisory revenue (lack of dedicated unit, skill sets, low visibility) and need to expand other fee- based services
- Sovereign credit lines have limited flexibility in terms of product offerings and sectoral coverage
- High concentration risk in financing
- Yet to leverage alternative sources including market-based instruments (e.g., bonds)
- Delayed implementation of CFS has hindered the process of integration of systems
- Absence of comprehensive HR policies



Opportunity

- Massive investments envisaged in infrastructure via PPP in the 8th Five Year Plan
- Ambitious GoB targets to generate renewable energy and conserve energy in the medium to long-term horizon
- Necessity in investment in areas of waste recycling, wastewater treatment
- Funding agencies prioritizing climate finance
- Bangladesh's high growth trajectory as well as positive investment outlook, requires higher levels of investment
- Significant infrastructure financing opportunities indicated by development partners in their country strategies for Bangladesh
- BB has introduced regulatory measures to enable issue of green bonds and initiated reforms in the debt market



Threat

- Relative absence of a bankable project pipeline for the private sector and more specifically for PPP projects
- Recent increase in interest rate in the market and macro-economic instability
- Foreign reserve crisis and volatile exchange rate
- Competition from banks and other NBFIs in case of bridge financing, work order financing, preference shares and bond financing
- Reduced offerings of concessionary loans due to LDC graduation and higher average funding costs
- Private wing of multilateral DFIs and commercial banks' lending directly to developers potentially could result in increased competition

Strategic Response to Potential Threats

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

- BIFFL is committed to working with PPPA to address issues related to slow implementation of PPP projects. BIFFL is actively pursuing opportunities for developing innovative financial solutions.
- BIFFL has a strong equity capital base and is not listed on the stock exchange; hence it will be less exposed to volatility in the capital market. BIFFL is rather focusing on securing foreign funds from international development agencies.
- BIFFL will arrange workshops and discussion session from time to time 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.
- For addressing economic instability, diversification in portfolio management, fostering entrepreneurship supporting innovation and technological advancement would strengthen resilience against economic fluctuations.
- Prudent liquidity management, collaboration with peers and development partners, and proper mobilization of resources would enhance the resilience to foreign reserve crisis.

Long-term objectives

- Accelerate balanced growth of portfolio by enhancing market outreach and leveraging opportunities in infrastructure and sustainable financing.
- Make BIFFL a preferred destination for diverse forms of financing and servicing needs for sustainable finance and across the infrastructure value chain.
- Ensure higher entity ratings in all categories including sustainability and credit ratings.

Implementation of long-term objectives

- Additional disbursement of BDT 4,500 crore for the overall loan portfolio, increase EE portfolio by 5 times and RE portfolio by 3 times by 2028.
- Approve and disburse in 2 additional PPP projects.
- Diversify funding avenues through exploration of non-sovereign funding sources.
- Get accreditation with Green Climate Fund (GCF) and prepare issuance of infrastructure / green bonds.
- Continue to invest in sustainable growth through improved ESG practices and stable financial performance.

- Enhance documentation and integration of ESG practices in loans management processes.
- Enhance E&S disclosures in line with requirements of regulatory agencies.

Mid-term objectives

- Ensure further diversification of resource mobilization avenues.
- Broaden access to finance by enhancing from sovereign and non-sovereign sources.
- Expand the products & services offerings in a phased manner.
- Ensure strengthening of corporate governance, internal audit, accounting system, IT, risk management and treasury functions.

Implementation of mid-term objectives

- Arrange further credit lines from existing as well as new development partners.
- Ensure enhanced and comprehensive documentation of policies and procedures.
- Enhance the quality of risk management through implementation of IT enabled systems.
- Improve overall quality, effectiveness and accountability of internal audit processes.

- Establish a dedicated advisory unit and avail opportunities to collaborate in design of innovative products.
- Increase share of short and mid-term financing in the product portfolio.
- Increase visibility in viable investments for bonds and preference shares.
- Explore viable opportunities for offering diversified and innovative products.

Short-term objectives

- Increase market avenues by ensuring outreach to new customers with varying financing needs in infrastructure value chain.
- Maximize individual as well as organizational proficiency through sustained capacity building and performance recognition.
- Enhance operational efficiency and effectiveness throughout the organization.
- Enhance performance in key parameters to attain better entity ratings.

Implementation of short-term objectives

- Drive targeted business development activities to develop a robust pipeline.
- Operationalize core financial solution (CFS) and IT-enabled system throughout the organization.

- Streamline all HR processes through comprehensive policies, SOPs, and automated systems.
- Improve individual performance through structured capacity building initiatives and effective performance evaluation.
- Conduct periodic reviews and updates to the corporate policy framework.
- Introduce risk based internal audit in line with the overall Credit Risk strategy.
- Upskill and enhance knowledge by ensuring at least 50 hours of annual training for each employee.
- Optimize performance through an integrated performance management system.
- Operationalize dedicated business development unit, develop and implement business development policies & guidelines to approach new customers and partners.
- Enhance CSR spending in line with Bangladesh Bank guidelines.
- Ensure better due diligence, improved compliance and oversight.
- Undertake initiatives in sustainable/ green financing in line with Bangladesh Bank's Sustainable Finance Policy.

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 2024, 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. Availability of long-term concessional funding sources has put BIFFL in an 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.

BIFFL's strong performance and value creation in 2024 is evident by growth in net worth, interest revenue, net profit margin and earnings per share. BIFFL earned BDT 101.13 crore net profit in 2024 and ROE was 3.62%.



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

21.40%

Growth in net profit

24.59%

Net profit margin

22.04%

Portfolio Growth

1.93%

Return on Assets (ROA)

112.80%

Capital Adequacy Ratio

3.62%

Return on Equity

BDT 4.38

Earnings Per Share

BDT 122.37

Net Assets Value Per Share

BDT 1.56 Crore

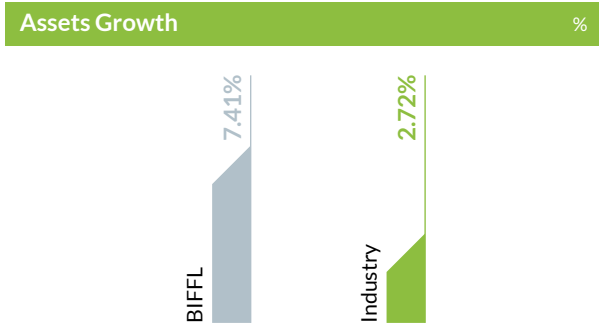
Profit Per Employee

BIFFL's Performance compared to the industry

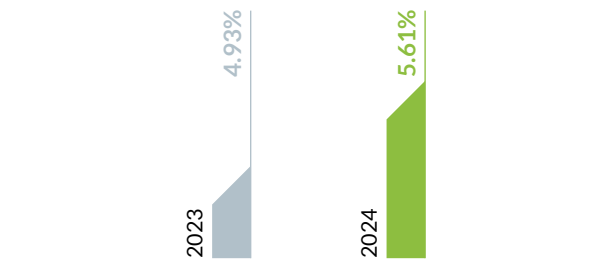
BIFFL continued outperforming the industry in 2024 in terms of portfolio growth, earnings per share, profit per employee and net profit margin etc.

Total Asset

During the last five years as per the available data (June 2019 to June 30, 2023), asset base of NBFi industry grew at a Cumulative Average Growth Rate (CAGR) of 2.72% while during last five years BIFFL asset base grew at a CAGR of 7.41%. At the end of 2024,



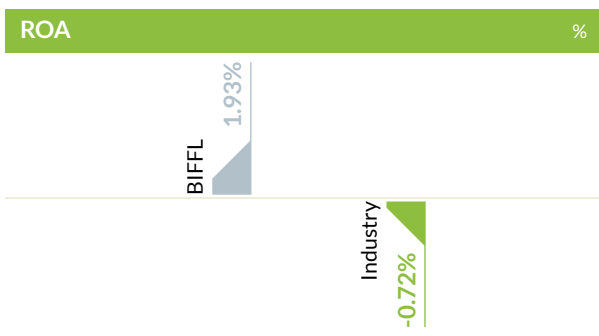
Market Share



BIFFL's total assets reached to BDT5,590.76 crore. BIFFL is sustainably maintaining its asset growth. Market share in terms of total Asset rose to 5.61% in 2024 from 4.93%. At the end of 2024, BIFFL holds 5.61% (Bangladesh Bank Annual Report- 2022-23) of the total Assets of NBFi industry, compared to 4.93% in 2023.

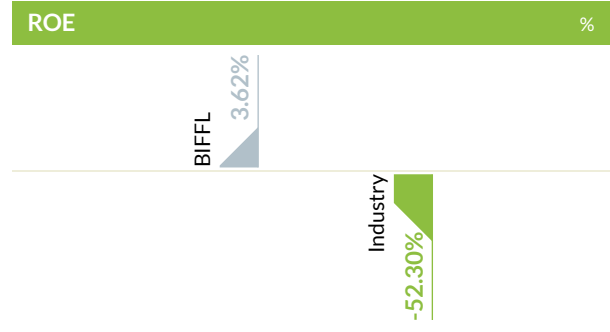
Return on Assets (ROA)

BIFFL's ROA at the end of 2024 was 1.93% compared to (.72%) of industry ROA. It outperformed the industry in terms of ROA. BIFFL maintained average ROA above the industry for the last five years.

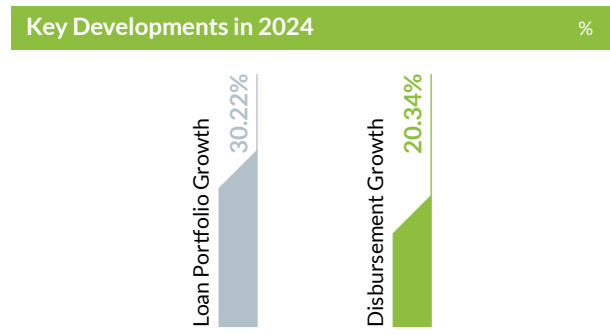


Return on Equity (ROE)

BIFFL's ROE in 2024 was 3.62% against the industry ROE of (52.30%). This relatively low ROE 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 2024



BIFFL's financial results in 2024 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 loans in different sectors. Considering the adverse impact of changes in economic condition and market landscape, BIFFL remained cautious in selecting projects and disbursement thereon which resulted in loan portfolio growth of 30.22% and disbursement growth of 20.34% compared to 2023.

BIFFL focused meticulously on human resources as one of the major strategies. BIFFL invested a lot in improving the quality of the existing employees in the form of both local and foreign training 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 ample opportunities for its employees to march forward.

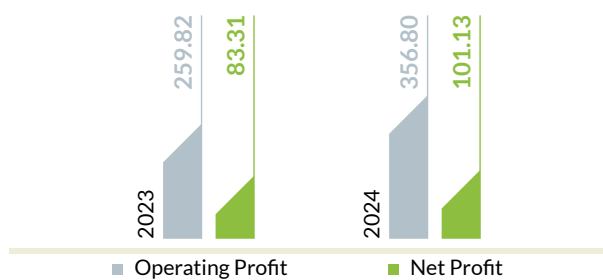
Analysis of Financial & Operational Performance

Profitability Growth:

In 2024, the profitability indicators showed improvements posting net profit after tax of BDT 101.13 crore compared to BDT 83.31 crore in 2023 reflecting a year-to-year growth of 21.40%. 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 2024's financials show the following results.

| Particulars | In BDT Crore | | Y-Y Growth | |
|------------------|--------------|--------|------------|--------|
| | 2023 | 2024 | Amount | % |
| Operating Profit | 259.82 | 356.80 | 96.99 | 37.33% |
| Net Profit | 83.31 | 101.13 | 17.82 | 21.40% |

Operating Profit and Net Profit



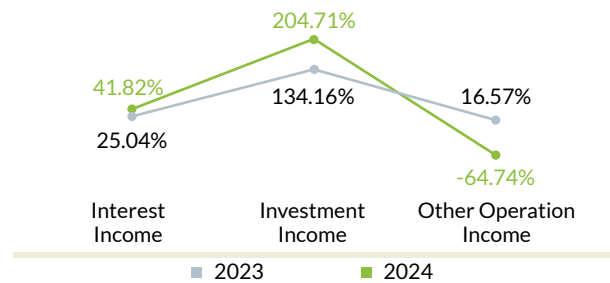
Revenue Growth:

Where the industry is facing numerous challenges in growing up revenue lines amid stricter regulatory guidelines and soaring non-performing loans, BIFFL has succeeded in earning BDT 411.26 crore total revenue in 2024 registering 33.97% year to year growth. BIFFL is expecting a continued growth in revenue and profit in coming years with new PPP, infrastructure and energy efficient and agri-business projects financing.

In total revenue mix, core contributor was interest revenue. In 2024, interest revenue contributed 48.48%(2023:45.80%), investment income 42.13% (2023:18.52%) and other income 9.39% (2023: 35.68%), respectively, in total revenue.

| Particulars | Percentage (%) | |
|-----------------------------|----------------|----------------|
| | 2023 | 2024 |
| Interest Income | 45.80% | 48.48% |
| Investment Income | 18.52% | 42.13% |
| Other Operating Income | 35.68% | 9.39% |
| Total (%) | 100.00% | 100.00% |
| Total (BDT in crore) | 306.97 | 411.26 |

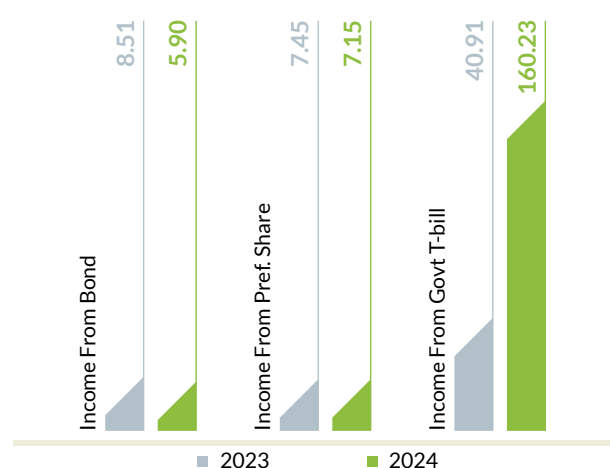
Y-Y growth in components of total revenue %



In 2024, BIFFL's income from bonds and pref. shares decreased by 30.70% and 3.92% respectively due to regular repayment by investment clients while addition of Govt. T-bill in investment portfolio resulted in recording BDT 160.23 crore investment income compared to BDT 40.91 crore in 2023 which resulted overall, income from investment increased by 204.71% in the reporting year.

| Particulars | In BDT Crore | | Y-Y Growth | |
|--------------------------------|--------------|---------------|---------------|----------------|
| | 2023 | 2024 | Amount | % |
| Income from bond | 8.51 | 5.90 | (2.61) | -30.70% |
| Income from Pref. Share | 7.45 | 7.15 | (0.29) | -3.92% |
| Income from Govt T-bill | 40.91 | 160.23 | 119.31 | 291.64% |
| Total Investment Income | 56.87 | 173.28 | 116.41 | 204.71% |

Investment Income

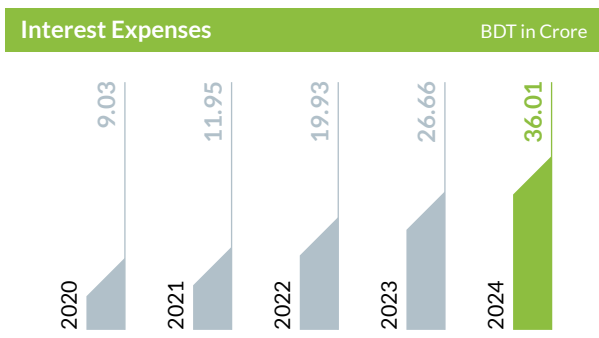
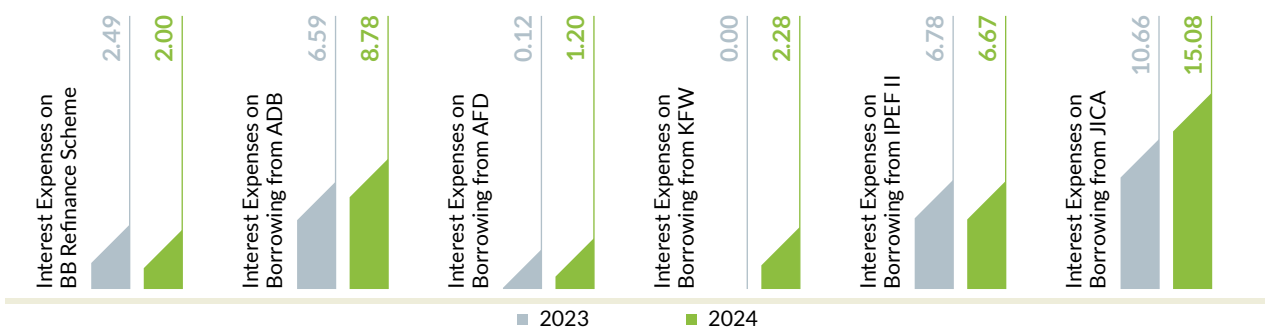


Interest Expenses:

In 2024, interest expenses increased by 35.08% to BDT 36.01 crore from BDT 26.66 crore of 2023. This rise of overall interest expenses is due to BIFFL stances to move to low-cost funding sources from Development Partners and Multilateral Agencies.

| Particulars | In BDT Crore | | Y-Y Growth | |
|--|--------------|--------------|-------------|---------------|
| | 2023 | 2024 | Amount | % |
| Interest expense on BB refinance scheme | 2.49 | 2.00 | -0.49 | -19.73% |
| Interest expense on borrowing from ADB | 6.59 | 8.78 | 2.19 | 33.19% |
| Interest Expenses on Borrowing from AFD | 0.12 | 1.20 | 1.07 | 864.18% |
| Interest Expenses on Borrowing from KFW | 0.00 | 2.28 | 2.28 | 100.00% |
| Interest expense on borrowing from IPFF II | 6.78 | 6.67 | -0.12 | -1.72% |
| Interest expense on borrowing from JICA | 10.66 | 15.08 | 4.42 | 41.43% |
| Total interest expenses | 26.66 | 36.01 | 9.35 | 35.08% |

Breakdown of Interest Expenses



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 18.45 crore in 2024 compared to BDT 20.50 crore in 2023 which reflects 9.97% reduction in operating expenses compared to previous year.

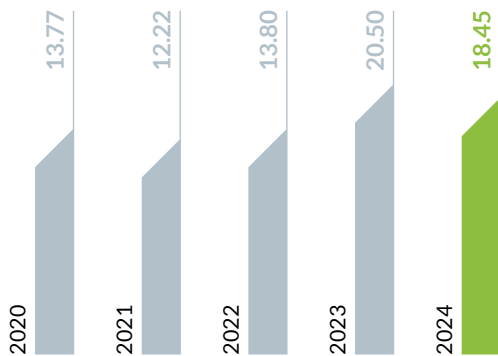
| Particulars | In BDT Crore | | Y-Y Growth | |
|--|--------------|--------------|---------------|---------------|
| | 2023 | 2024 | Amount | % |
| Salary and allowances | 7.53 | 7.57 | 0.03 | 0.45% |
| Rent, taxes, insurance, electricity etc. | 0.29 | 0.25 | (0.04) | -15.05% |
| Legal expenses | 0.19 | 0.06 | (0.13) | -70.60% |
| Postage, stamp, telecommunication etc. | 0.39 | 0.41 | 0.02 | 4.12% |
| Stationery, printing, advertisement etc. | 0.17 | 0.19 | 0.01 | 8.16% |
| Managing Director's salary and allowances | 1.01 | 1.05 | 0.04 | 4.03% |
| Directors' fees | 0.13 | 0.13 | 0.00 | 0.93% |
| Auditors' fees | 0.03 | 0.06 | 0.03 | 125.08% |
| Depreciation and repairs of company's assets | 1.67 | 1.08 | (0.59) | -35.30% |
| Other operating expenses | 9.09 | 7.67 | (1.41) | -15.55% |
| Total Operating expenses | 20.50 | 18.45 | (2.04) | -9.97% |

The main contributors to changes in operating expenses were:

- Staff related cost decreased by 0.45%, comprising:
 - Recruitment of new employees;
 - Rewards and incentives in line with strong financial performance.
- Rent, insurance, and electricity expenses decreased by 15.05% along with 35.30% decrease in depreciation and repairs of company's assets.
- Rise in business dealings, increased transaction volume in the period increased expenses of stationery, printing, and advertisement by 8.16% and enhanced recovery measures and assets management caused legal expenses to decrease significantly by 70.60%
- Other operating expenses decreased by 15.15% in 2024 compared to 2023 due to fall in payment of consultancy services for different development partners funded projects. Major contributors of other operating expenses were office maintenance, IT maintenance, CSR expenses, promotional expenses, travelling allowances and conveyances.
- Auditors' fees increased by 125.08% in 2024 mainly due to rise in provision for audit fees of development partners funded projects.

Operating Expenses

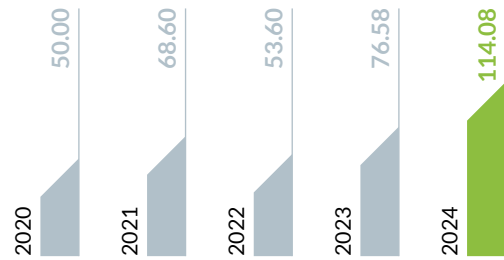
BDT in Crore



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 2024 increased due to deterioration of asset quality resulting from turbulent market and economic downturn.

Provision for Loan, Lease, Advances, and Other BDT in Crore



Analysis of Financial Position

Loans and Investment Portfolio

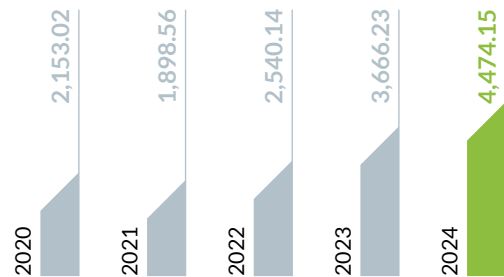
In 2024, loans and investment portfolio stood to BDT 4,474.15 crore compared to BDT 3,666.23 crore in the previous year reflecting year to year growth of 22.04%. Strong measures for recovery of due instalments and cautious selection of new projects for disbursement during post pandemic period resulted in growth of loan and investment portfolio. BIFFL was focusing on financing different sectors like textiles, garments and accessories, transport, steel and engineering, renewable energy, waste management & recycling, electronics and electrical, plastic, food and beverage, glass and ceramics, services, port development, port operation and other sectors.

| Particulars | In BDT Crore | | Y-Y Growth | |
|-----------------------|--------------|----------|------------|--------|
| | 2023 | 2024 | Amount | % |
| Loans and investments | 3,666.23 | 4,474.15 | 807.92 | 22.04% |

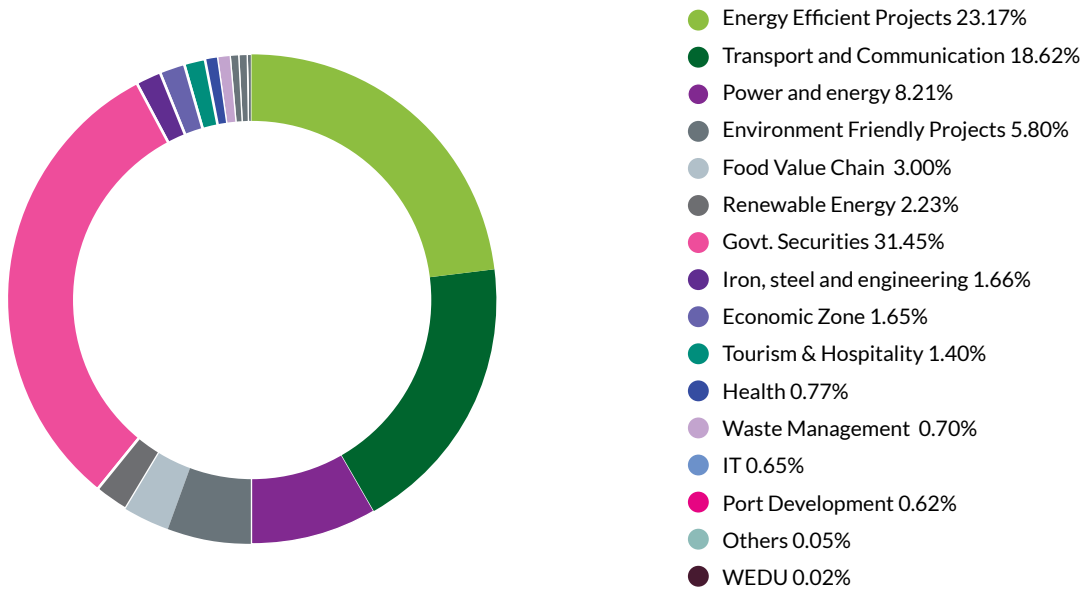
BIFFL loans and investment portfolio have experienced steady growth over the last five years. In 2020, loans & investment portfolio was BDT 2,153.02 crore. However, within a span of 5 years, it reached to BDT 4,474.15 crore.

Loans and investment portfolio

BDT in Crore



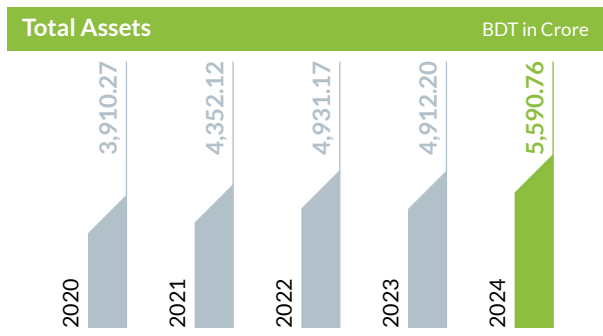
Sectoral Allocation of Loans and Investment Portfolio 2024



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 the transport and communication sector. Other important sectors are services, economic zones, glass and ceramics, steel, and engineering etc.

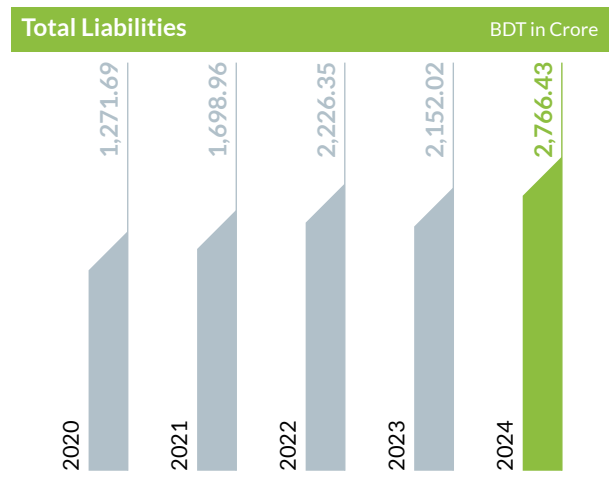
Total Assets

Total assets of BIFFL increased by 43% in last five years. Over the last five years BIFFL’s asset base grew on average @7.41% per year. This increase in assets is mostly financed by sustainable earnings and low-cost borrowing from Development Partners and Multilateral Agencies.



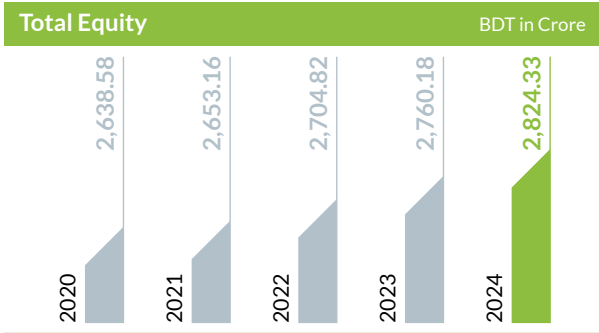
Total Liabilities

In 2024, total liabilities stood to BDT 2,766.43 crore registering 28.55% growth compared to previous reporting year. The growth in total liabilities is mainly resulted from increased borrowing from different development partners, transferring of unrealized interest on deposits held with banks and finance companies and non-performing loans to interest suspense accounts and maintenance of additional provisions for non-performing assets. However, liability portion is still quite low compared to equity capital.

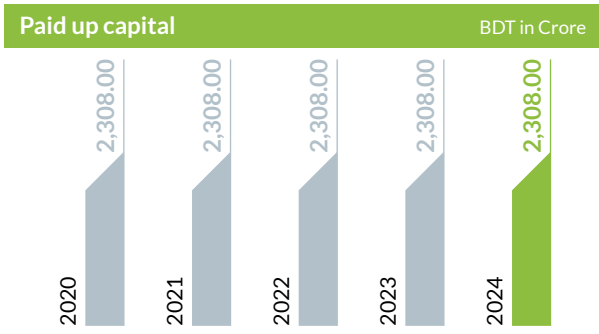


Equity Capital

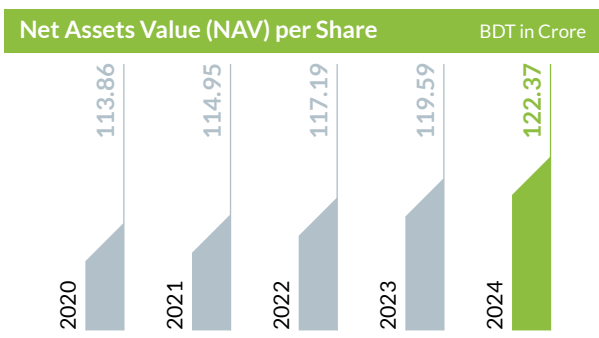
Over the last five years, the equity capital of BIFFL has increased by BDT 185.75 crore. This increment is resulted from retained net profit after disbursement of cash dividend. At the end of 2024, the amount of common equity capital was BDT2,824.33 crore.



Paid up capital over the last five years remained unchanged to BDT 2,308 crore.

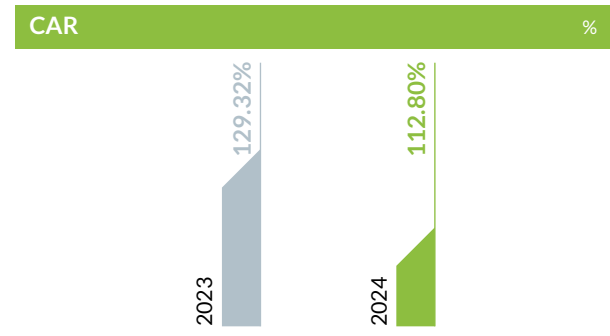


Net assets value per share of BIFFL is in an increasing trend from 2020. At the end of 2024, NAV per share was BDT 122.37, BDT 2.78 higher than previous year.



Capital and Capital Adequacy

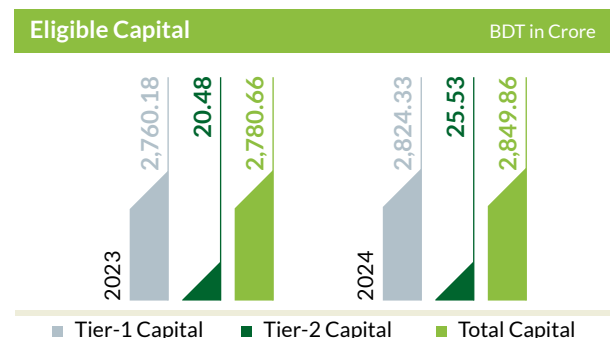
BIFFL is operating with strong capital base with capital adequacy ratios (CAR) well above the Basel II minimum regulatory capital requirements. Required CAR is 10% where, in 2024 BIFFL had CAR of 112.80% compared to 129.32% in 2023. The fall in CAR by 16.52% is mainly due to upward movement of risk weighted assets in 2024 compared to the previous year. Total capital increased by 2.49% in 2024 to BDT 2,849.86 crore from BDT 2,780.66 crore in 2023.



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

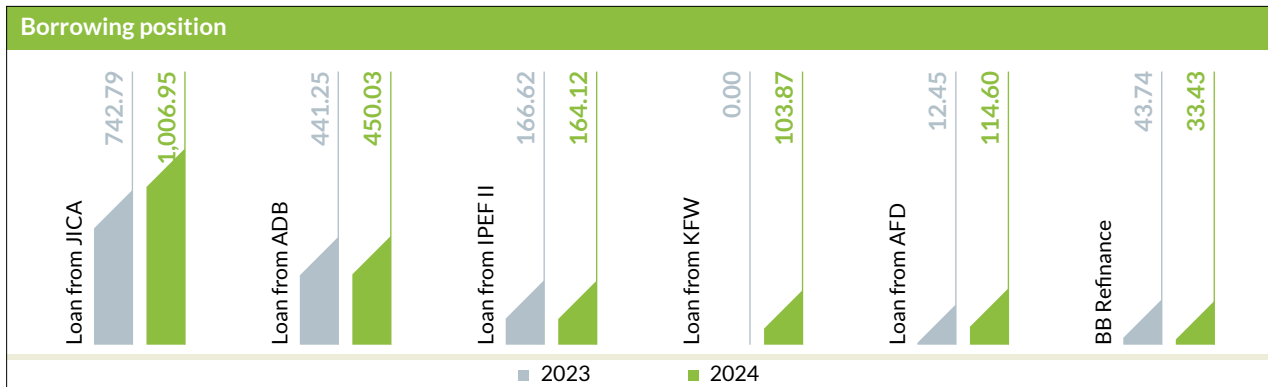
| Particulars | In BDT Crore | | Y-Y Growth | |
|----------------------|-----------------|-----------------|--------------|--------------|
| | 2023 | 2024 | Amount | % |
| Tier-1 Capital | 2,760.18 | 2,824.33 | 64.15 | 2.3% |
| Tier-2 Capital | 20.48 | 25.53 | 5.05 | 24.6% |
| Total Capital | 2,780.66 | 2,849.86 | 69.19 | 2.49% |

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

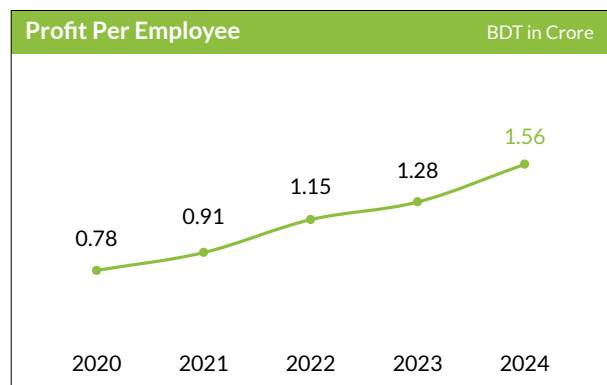
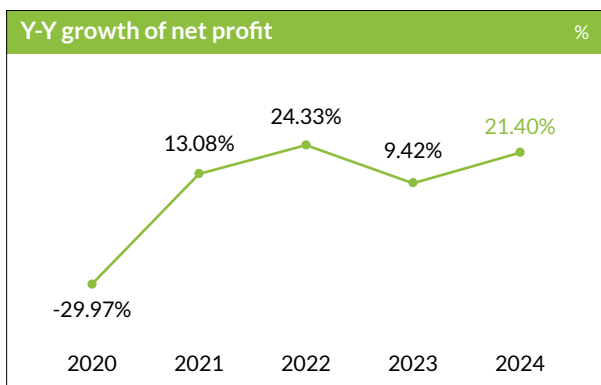
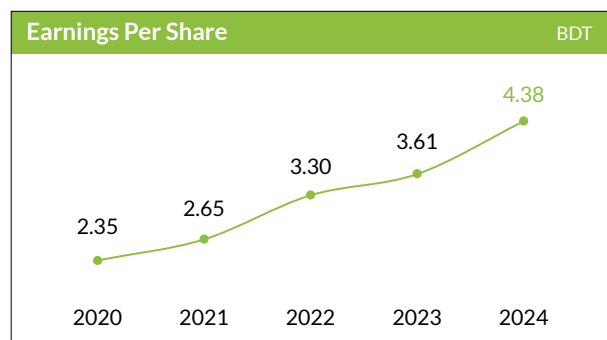
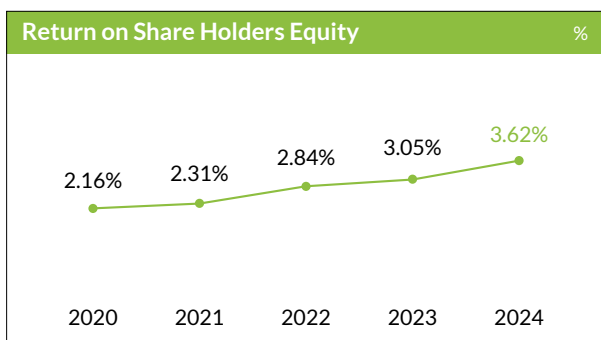
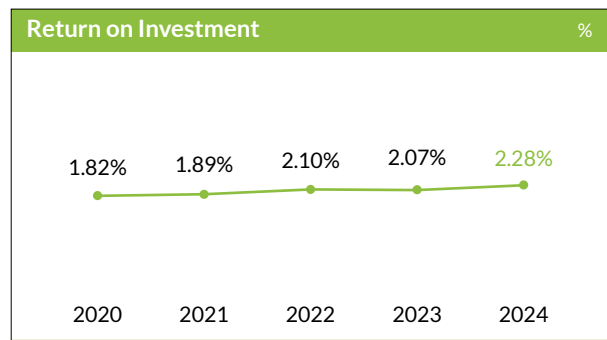
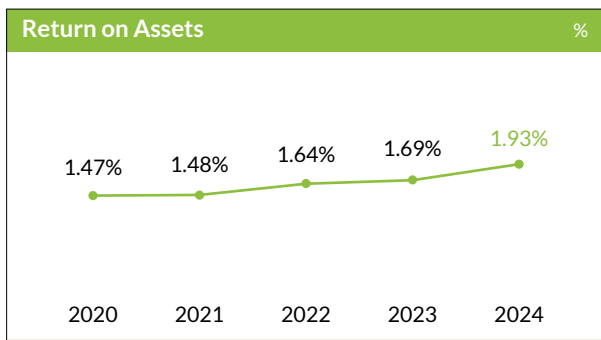


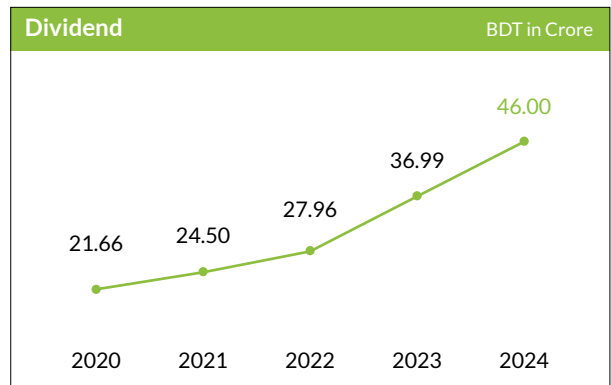
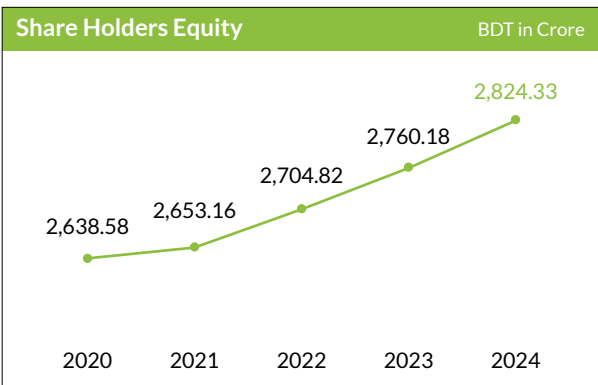
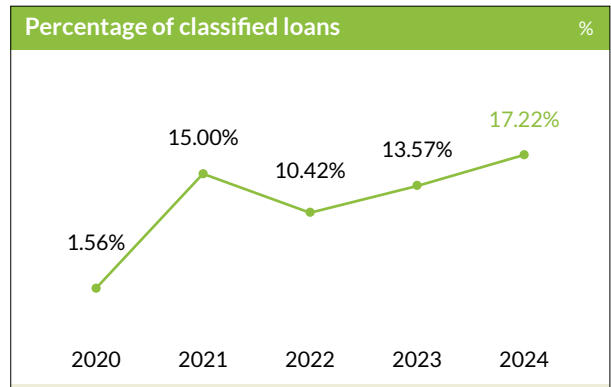
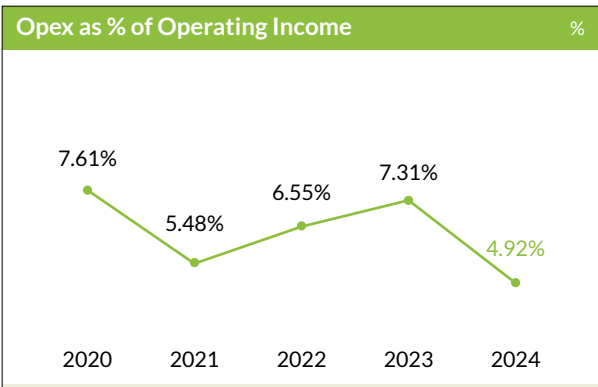
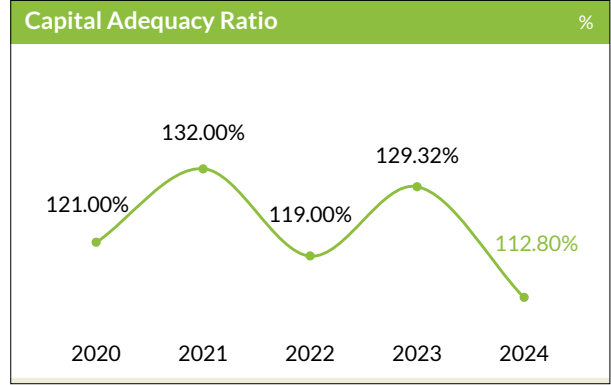
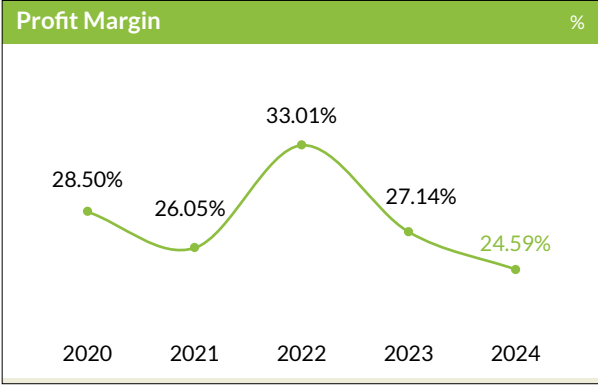
Borrowings from Development Partners and Multilateral Agency

BIFFL received around BDT 488 crore fresh disbursement of long-term concessional loans from JICA, KfW, AFD and other development partners in 2024 and also made repayment of BDT 61 crore to different development partners and central bank.



Other key ratios





KEY OPERATING & FINANCIAL HIGHLIGHTS

Figure: BDT in Crore

| Particulars | 2020 | 2021 | 2022 | 2023 | 2024 | Growth of 2024 over 2023 | 5-Year AVG(%) |
|---|----------|----------|----------|----------|----------|--------------------------|---------------|
| Financial Performance (BDT): | | | | | | | |
| Loans and Investment Portfolio | 2,153.02 | 1,898.56 | 2,540.14 | 3,666.23 | 4,474.15 | 22.04% | 15.75% |
| Total Assets | 3,910.27 | 4,352.12 | 4,931.17 | 4,912.20 | 5,590.76 | 13.81% | 7.41% |
| Total Liabilities | 1,271.69 | 1,698.96 | 2,226.35 | 2,152.02 | 2,766.43 | 28.55% | 16.82% |
| Total Equity | 2,638.58 | 2,653.16 | 2,704.82 | 2,760.18 | 2,824.33 | 2.32% | 1.37% |
| Operational Performance (BDT): | | | | | | | |
| Interest Income from Loans and Advances | 112.06 | 137.04 | 112.43 | 140.58 | 199.37 | 41.82% | 12.21% |
| Total Revenues | 190.04 | 235.13 | 230.67 | 306.97 | 411.26 | 33.97% | 16.70% |
| Operating Income | 181.02 | 223.17 | 210.74 | 280.32 | 375.26 | 33.87% | 15.70% |
| Operating Expenses | 13.77 | 12.22 | 13.80 | 20.50 | 18.45 | -9.97% | 6.03% |
| Financial Expenses | 9.03 | 11.95 | 19.93 | 26.66 | 36.01 | 35.08% | 31.87% |
| Total Provision | 50.00 | 68.60 | 53.60 | 76.58 | 114.08 | 48.97% | 17.94% |
| Profit before Provision & Tax | 167.25 | 210.95 | 196.93 | 259.82 | 356.80 | 37.33% | 16.36% |
| Profit before Tax | 117.25 | 142.35 | 143.34 | 183.24 | 242.72 | 32.46% | 15.66% |
| Net Profit after Tax | 54.16 | 61.24 | 76.14 | 83.31 | 101.13 | 21.40% | 13.30% |
| EBITDA | 130.73 | 156.27 | 164.70 | 211.41 | 279.64 | 32.27% | 16.42% |
| Financial Ratios | | | | | | | |
| Return on Assets (%) | 1.47% | 1.48% | 1.64% | 1.69% | 1.93% | 13.77% | 5.54% |
| Return on Investment (%) | 1.82% | 1.89% | 2.10% | 2.07% | 2.28% | 10.24% | 4.68% |
| Return on Share Holders Equity (%) | 2.16% | 2.31% | 2.84% | 3.05% | 3.62% | 18.80% | 10.90% |
| Profit Margin (%) | 28.50% | 26.05% | 33.01% | 27.14% | 24.59% | -9.39% | -2.91% |
| Opex as % of Operating Income | 7.61% | 5.48% | 6.55% | 7.31% | 4.92% | -32.75% | -8.35% |
| Earnings Per Share (BDT) | 2.35 | 2.65 | 3.30 | 3.61 | 4.38 | 21.40% | 13.30% |
| Profit per Employee | 0.78 | 0.91 | 1.15 | 1.28 | 1.56 | 34.87% | 14.67% |
| Capital Adequacy Ratio (CAR) (%) | 121% | 132% | 119% | 129% | 112.80% | -12.78% | -1.39% |
| Classified Loans (%) | 1.56% | 15.00% | 10.42% | 13.57% | 17.22% | 26.85% | 10.57% |
| Equity Statistics: | | | | | | | |
| Number of Shares (No.) | 23.08 | 23.08 | 23.08 | 23.08 | 23.08 | 0.00% | 0.00% |
| Paid Up Capital | 2,308.00 | 2,308.00 | 2,308.00 | 2,308.00 | 2,308.00 | 0.00% | 0.00% |
| Shareholders Equity | 2,638.58 | 2,653.16 | 2,704.82 | 2,760.18 | 2,824.33 | 2.32% | 1.37% |
| Dividend | 21.66 | 24.50 | 27.96 | 36.99 | 46.00 | 24.37% | 13.43% |
| Net Assets Value (NAV) per Share | 113.86 | 114.95 | 117.19 | 119.59 | 122.37 | 2.32% | 1.45% |

HORIZONTAL ANALYSIS

For the last 5 years
Balance Sheet

| Particulars | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
|--|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
| | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) |
| PROPERTY AND ASSETS | | | | | | | | | | |
| Cash | 0.17 | 100% | 1.53 | 907% | 0.11 | 66% | 0.03 | 17% | 0.17 | 100% |
| Cash in hand | 0.01 | 100% | 0.01 | 106% | 0.01 | 73% | 0.00 | 10% | 0.02 | 216% |
| Balance with Bangladesh Bank | 0.16 | 100% | 1.52 | 952% | 0.10 | 65% | 0.03 | 17% | 0.15 | 93% |
| Balance with other Banks and Financial Institutions | 1,251.21 | 100% | 1,883.66 | 151% | 1,801.22 | 144% | 1,081.64 | 86% | 1,011.30 | 81% |
| Inside Bangladesh | 1,251.21 | 100% | 1,883.66 | 151% | 1,801.22 | 144% | 1,081.64 | 86% | 1,011.30 | 81% |
| Outside Bangladesh | - | - | - | - | - | - | - | - | - | - |
| Money at call and short notice | 2.69 | 100% | 2.69 | 100% | 2.69 | 100% | 2.69 | 100% | 2.69 | 100% |
| Investments | 316.90 | 100% | 259.12 | 82% | 654.44 | 207% | 1,389.68 | 439% | 1,509.57 | 476% |
| Government Securities | - | - | - | - | 484.84 | 100% | 1,256.48 | 259% | 1,407.07 | 290% |
| Others Investments | 316.90 | 100% | 259.12 | 82% | 169.60 | 54% | 133.20 | 42% | 102.50 | 32% |
| Lease, Loans and Advances | 1,836.11 | 100% | 1,639.44 | 89% | 1,885.70 | 103% | 2,276.55 | 124% | 2,964.58 | 161% |
| Fixed assets including Land, Building, Furniture and Fixtures | 22.31 | 100% | 20.36 | 91% | 19.08 | 86% | 17.72 | 79% | 16.96 | 76% |
| Other assets | 480.88 | 100% | 545.32 | 113% | 567.93 | 118% | 143.90 | 30% | 85.50 | 18% |
| TOTAL PROPERTY AND ASSETS | 3,910.27 | 100% | 4,352.12 | 111% | 4,931.17 | 126% | 4,912.20 | 126% | 5,590.76 | 143% |
| LIABILITY AND SHAREHOLDERS' EQUITY | | | | | | | | | | |
| Liabilities | | | | | | | | | | |
| Borrowings from Bangladesh Bank, Other Banks and Financial Institutions | 484.43 | 100% | 713.33 | 147% | 1,178.20 | 243% | 1,406.85 | 290% | 1,873.00 | 387% |
| Term Deposits | - | - | - | - | - | - | - | - | - | - |
| Other Liabilities | 787.26 | 100% | 985.63 | 125% | 1,048.15 | 133% | 745.17 | 95% | 893.43 | 113% |
| TOTAL LIABILITIES | 1,271.69 | 100% | 1,698.96 | 134% | 2,226.35 | 175% | 2,152.02 | 169% | 2,766.43 | 218% |
| Shareholders' Equity | 2,638.58 | 100% | 2,653.16 | 101% | 2,704.82 | 103% | 2,760.18 | 105% | 2,824.33 | 107% |
| Paid up capital | 2,308.00 | 100% | 2,308.00 | 100% | 2,308.00 | 100% | 2,308.00 | 100% | 2,308.00 | 100% |
| Share premium | - | - | - | - | - | - | - | - | - | - |
| Statutory reserve | 181.74 | 100% | 188.99 | 104% | 204.22 | 112% | 220.88 | 122% | 241.10 | 133% |
| General reserve | 10.00 | 100% | 15.00 | 150% | 20.00 | 200% | 25.00 | 250% | 30.00 | 300% |
| Fair value measurement reserve | - | - | - | - | - | - | - | - | - | - |
| Retained earnings | 138.84 | 0% | 141.17 | 102% | 172.60 | 124% | 206.31 | 149% | 245.23 | 177% |
| Non controlling interest | - | - | - | - | - | - | - | - | - | - |
| TOTAL LIABILITY AND SHAREHOLDERS' EQUITY | 3,910.27 | 100% | 4,352.12 | 111% | 4,931.17 | 126% | 4,912.20 | 126% | 5,590.76 | 143% |

HORIZONTAL ANALYSIS

For the last 5 years
Profit and Loss Account

| Particulars | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
|---|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
| | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) |
| Operating income | 103.03 | 100% | 125.08 | 121% | 92.49 | 90% | 113.92 | 111% | 163.37 | 159% |
| Net interest | 112.06 | 100% | 137.04 | 122% | 112.43 | 100% | 140.58 | 125% | 199.37 | 178% |
| Less: Interest expenses on deposits & borrowings | 9.03 | 100% | 11.95 | 132% | 19.93 | 221% | 26.66 | 295% | 36.01 | 399% |
| Income from investment | 32.59 | 100% | 29.09 | 89% | 24.29 | 75% | 56.87 | 174% | 173.28 | 532% |
| Other operational income | 45.40 | 100% | 69.00 | 152% | 93.96 | 207% | 109.53 | 241% | 38.62 | 85% |
| Total operating income | 181.02 | 100% | 223.17 | 123% | 210.74 | 116% | 280.32 | 155% | 375.26 | 207% |
| Salary and allowances | 6.14 | 100% | 6.53 | 106% | 7.76 | 126% | 7.53 | 123% | 7.57 | 123% |
| Rent, taxes, insurance, electricity etc. | 0.17 | 100% | 0.21 | 123% | 0.26 | 154% | 0.29 | 168% | 0.25 | 143% |
| Legal and professional fees | 0.02 | 100% | 0.04 | 180% | 0.17 | 854% | 0.19 | 979% | 0.06 | 288% |
| Postage, stamp, telecommunication etc. | 0.17 | 100% | 0.23 | 139% | 0.45 | 269% | 0.39 | 234% | 0.41 | 244% |
| Stationary, printing, advertisement | 0.19 | 100% | 0.18 | 99% | 0.16 | 84% | 0.17 | 92% | 0.19 | 100% |
| Managing director's salary and allowances | 0.70 | 100% | 0.92 | 132% | 0.96 | 138% | 1.01 | 144% | 1.05 | 150% |
| Directors' fees and expenses | 0.09 | 100% | 0.10 | 105% | 0.11 | 125% | 0.13 | 145% | 0.13 | 147% |
| Audit fees | 0.04 | 100% | 0.04 | 102% | 0.02 | 61% | 0.03 | 62% | 0.06 | 139% |
| Repairs, maintenance and depreciation | 4.55 | 100% | 2.06 | 45% | 1.49 | 33% | 1.67 | 37% | 1.08 | 24% |
| Other expenses | 1.70 | 100% | 1.90 | 112% | 2.42 | 142% | 9.09 | 533% | 7.67 | 451% |
| Total operating expenses | 13.77 | 100% | 12.22 | 89% | 13.80 | 100% | 20.50 | 149% | 18.45 | 134% |
| Net operating income | 167.25 | 100% | 210.95 | 126% | 196.93 | 118% | 259.82 | 155% | 356.80 | 213% |
| Provision for loans, investment and others | 50.00 | 100% | 68.60 | 137% | 53.60 | 107% | 76.58 | 153% | 114.08 | 228% |
| Provision for loans, investment and other assets | 50.00 | 100% | 68.60 | 137% | 53.60 | 107% | 76.58 | 153% | 114.08 | 228% |
| Profit before tax and reserve | 117.25 | 100% | 142.35 | 121% | 143.34 | 122% | 183.24 | 156% | 242.72 | 207% |
| Provision for tax made during the year | 63.09 | 100% | 81.11 | 129% | 67.20 | 107% | 99.93 | 158% | 141.59 | 224% |
| Net profit after tax | 54.16 | 100% | 61.24 | 113% | 76.14 | 141% | 83.31 | 154% | 101.13 | 187% |
| Earning per share (EPS) | 2.35 | 100% | 2.65 | 113% | 3.30 | 141% | 3.61 | 154% | 4.38 | 187% |

VERTICAL ANALYSIS

For the last 5 years
Balance Sheet

| Particulars | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
|--|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) |
| PROPERTY AND ASSETS | | | | | | | | | | |
| Cash | 0.17 | 0.00% | 1.53 | 0.04% | 0.11 | 0.00% | 0.03 | 0.00% | 0.17 | 0.00% |
| Cash in hand | 0.01 | 0.00% | 0.01 | 0.00% | 0.01 | 0.00% | 0.00 | 0.00% | 0.02 | 0.00% |
| Balance with Bangladesh Bank | 0.16 | 0.00% | 1.52 | 0.03% | 0.10 | 0.00% | 0.03 | 0.00% | 0.15 | 0.00% |
| Balance with other Banks and Financial Institutions | 1,251.21 | 32.00% | 1,883.66 | 43.28% | 1,801.22 | 36.53% | 1,081.64 | 22.02% | 1,011.30 | 18.09% |
| Inside Bangladesh | 1,251.21 | 32.00% | 1,883.66 | 43.28% | 1,801.22 | 36.53% | 1,081.64 | 22.02% | 1,011.30 | 18.09% |
| Outside Bangladesh | - | - | - | - | - | - | - | - | - | - |
| Money at call and short notice | 2.69 | 0.07% | 2.69 | 0.06% | 2.69 | 0.05% | 2.69 | 0.05% | 2.69 | 0.05% |
| Investments | 316.90 | 8.10% | 259.12 | 5.95% | 654.44 | 13.27% | 1,389.68 | 28.29% | 1,509.57 | 27.00% |
| Government Securities | - | - | - | - | 484.84 | 9.83% | 1,256.48 | 25.58% | 1,407.07 | 25.17% |
| Others Investments | 316.90 | 8.10% | 259.12 | 5.95% | 169.60 | 3.44% | 133.20 | 2.71% | 102.50 | 1.83% |
| Lease, Loans and Advances | 1,836.11 | 46.96% | 1,639.44 | 37.67% | 1,885.70 | 38.24% | 2,276.55 | 46.34% | 2,964.58 | 53.03% |
| Fixed assets including Land, Building, Furniture and Fixtures | 22.31 | 0.57% | 20.36 | 0.47% | 19.08 | 0.39% | 17.72 | 0.36% | 16.96 | 0.30% |
| Other assets | 480.88 | 12.30% | 545.32 | 12.53% | 567.93 | 11.52% | 143.90 | 2.93% | 85.50 | 1.53% |
| TOTAL PROPERTY AND ASSETS | 3,910.27 | 100.00% | 4,352.12 | 100.00% | 4,931.17 | 100.00% | 4,912.20 | 100.00% | 5,590.76 | 100.00% |
| LIABILITY AND SHAREHOLDERS' EQUITY | | | | | | | | | | |
| Liabilities | | | | | | | | | | |
| Borrowings from Bangladesh Bank, Other Banks and Financial Institutions | 484.43 | 12.39% | 713.33 | 16.39% | 1,178.20 | 23.89% | 1,406.85 | 28.64% | 1,873.00 | 33.50% |
| Term Deposits | - | - | - | - | - | - | - | - | - | - |
| Other Liabilities | 787.26 | 20.13% | 985.63 | 22.65% | 1,048.15 | 21.26% | 745.17 | 15.17% | 893.43 | 15.98% |
| TOTAL LIABILITIES | 1,271.69 | 32.52% | 1,698.96 | 39.04% | 2,226.35 | 45.15% | 2,152.02 | 43.81% | 2,766.43 | 49.48% |
| Shareholders' Equity | 2,638.58 | 67.48% | 2,653.16 | 60.96% | 2,704.82 | 54.85% | 2,760.18 | 56.19% | 2,824.33 | 50.52% |
| Paid up capital | 2,308.00 | 59.02% | 2,308.00 | 53.03% | 2,308.00 | 46.80% | 2,308.00 | 46.99% | 2,308.00 | 41.28% |
| Share premium | - | - | - | - | - | - | - | - | - | - |
| Statutory reserve | 181.74 | 4.65% | 188.99 | 4.34% | 204.22 | 4.14% | 220.88 | 4.50% | 241.10 | 4.31% |
| General reserve | 10.00 | 0.26% | 15.00 | 0.34% | 20.00 | 0.41% | 25.00 | 0.51% | 30.00 | 0.54% |
| Fair value measurement reserve | - | - | - | - | - | - | - | - | - | - |
| Retained earnings | 138.84 | 3.55% | 141.17 | 3.24% | 172.60 | 3.50% | 206.31 | 4.20% | 245.23 | 4.39% |
| Non controlling interest | - | - | - | - | - | - | - | - | - | - |
| TOTAL LIABILITY AND SHAREHOLDERS' EQUITY | 3,910.27 | 100.00% | 4,352.12 | 100.00% | 4,931.17 | 100.00% | 4,912.20 | 100.00% | 5,590.76 | 100.00% |

VERTICAL ANALYSIS

For the last 5 years
Profit and Loss Account

| Particulars | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
|--|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|
| | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) | In BDT Crore | In (%) |
| Operating income | | | | | | | | | | |
| Net interest | 103.03 | 54% | 125.08 | 53% | 92.49 | 40% | 113.92 | 37% | 163.37 | 40% |
| Interest income | 112.06 | 59% | 137.04 | 58% | 112.43 | 49% | 140.58 | 46% | 199.37 | 48% |
| Less: Interest expenses on borrowings | 9.03 | 5% | 11.95 | 5% | 19.93 | 9% | 26.66 | 9% | 36.01 | 9% |
| Income from investment | 32.59 | 17% | 29.09 | 12% | 24.29 | 11% | 56.87 | 19% | 173.28 | 42% |
| Other operational income | 45.40 | 24% | 69.00 | 29% | 93.96 | 41% | 109.53 | 36% | 38.62 | 9% |
| Total operating income | 181.02 | 95% | 223.17 | 95% | 210.74 | 91% | 280.32 | 91% | 375.26 | 91% |
| Operating expenses | | | | | | | | | | |
| Salary and allowances | 6.14 | 3% | 6.53 | 3% | 7.76 | 3% | 7.53 | 2% | 7.57 | 2% |
| Rent, taxes, insurance, electricity etc. | 0.17 | 0% | 0.21 | 0% | 0.26 | 0% | 0.29 | 0% | 0.25 | 0% |
| Legal and professional fees | 0.02 | 0% | 0.04 | 0% | 0.17 | 0% | 0.19 | 0% | 0.06 | 0% |
| Postage, stamp, telecommunication etc. | 0.17 | 0% | 0.23 | 0% | 0.45 | 0% | 0.39 | 0% | 0.41 | 0% |
| Stationary, printing, advertisement | 0.19 | 0% | 0.18 | 0% | 0.16 | 0% | 0.17 | 0% | 0.19 | 0% |
| Managing director's salary and allowances | 0.70 | 0% | 0.92 | 0% | 0.96 | 0% | 1.01 | 0% | 1.05 | 0% |
| Directors' fees and expenses | 0.09 | 0% | 0.10 | 0% | 0.11 | 0% | 0.13 | 0% | 0.13 | 0% |
| Audit fees | 0.04 | 0% | 0.04 | 0% | 0.02 | 0% | 0.03 | 0% | 0.06 | 0% |
| Repairs, maintenance and depreciation | 4.55 | 2% | 2.06 | 1% | 1.49 | 1% | 1.67 | 1% | 1.08 | 0% |
| Other expenses | 1.70 | 1% | 1.90 | 1% | 2.42 | 1% | 9.09 | 3% | 7.67 | 2% |
| Total operating expenses | 13.77 | 7% | 12.22 | 5% | 13.80 | 6% | 20.50 | 7% | 18.45 | 4% |
| Net operating income | 167.25 | 88% | 210.95 | 90% | 196.93 | 85% | 259.82 | 85% | 356.80 | 87% |
| Provision for loans, investments and others | 50.00 | 26% | 68.60 | 29% | 53.60 | 23% | 76.58 | 25% | 114.08 | 28% |
| Provision for loans, investments and others | 50.00 | 26% | 68.60 | 29% | 53.60 | 23% | 76.58 | 25% | 114.08 | 28% |
| Profit before tax | 117.25 | 62% | 142.35 | 61% | 143.34 | 62% | 183.24 | 60% | 242.72 | 59% |
| Provision for tax made during the year | 63.09 | 33% | 81.11 | 34% | 67.20 | 29% | 99.93 | 33% | 141.59 | 34% |
| Provision for tax made during the year | 63.09 | 33% | 81.11 | 34% | 67.20 | 29% | 99.93 | 33% | 141.59 | 34% |
| Net profit after tax | 54.16 | 28% | 61.24 | 26% | 76.14 | 33% | 83.31 | 27% | 101.13 | 25% |

VALUE ADDED STATEMENT

The value added statement appended below is the details of total value addition by Bangladesh Infrastructure Finance Fund Limited 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.

Figure: BDT in Crore

| Value addition | 2024 | | 2023 | | 2022 | | 2021 | | 2020 | |
|---|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | Taka | % | Taka | % | Taka | % | Taka | % | Taka | % |
| Total income | 411.26 | | 306.97 | | 230.67 | | 235.13 | | 190.04 | |
| Cost of borrowing | (36.01) | | (26.66) | | (19.93) | | (11.95) | | (9.03) | |
| Provisions | (114.08) | | (76.58) | | (53.60) | | (68.60) | | (50.00) | |
| Operating expenses excluding salary expenses and depreciation | (8.93) | | (10.44) | | (3.65) | | (2.80) | | (2.47) | |
| | 252.25 | | 193.29 | | 153.49 | | 151.77 | | 128.54 | |
| Distribution of Value Addition | | | | | | | | | | |
| To Employees as salaries and allowances | 8.62 | 3.42% | 8.54 | 4.42% | 8.72 | 5.68% | 7.46 | 4.91% | 6.84 | 5.32% |
| To Government as Income Tax | 141.54 | 56.11% | 100.16 | 51.82% | 67.54 | 44.01% | 81.19 | 53.49% | 63.86 | 49.68% |
| To Shareholders (Government) as Dividend | 46.00 | 18.24% | 36.99 | 19.14% | 27.96 | 18.21% | 24.50 | 16.14% | 21.66 | 16.85% |
| Value retained for expansion and future growth | | | | | | | | | | |
| Value retained in business | 55.13 | 21.86% | 45.86 | 23.73% | 47.49 | 30.94% | 36.74 | 24.21% | 32.49 | 25.28% |
| Deferred Tax | 0.04 | 0.02% | 0.23 | 0.12% | 0.34 | 0.22% | (0.07) | -0.05% | (0.77) | -0.60% |
| Depreciation | 0.91 | 0.36% | 1.51 | 0.78% | 1.43 | 0.93% | 1.96 | 1.29% | 4.46 | 3.47% |
| Amount Distributed | 252.25 | 100.00% | 193.29 | 100.00% | 153.49 | 100.00% | 151.77 | 100.00% | 128.54 | 100.00% |
| Number of employees at the end of the year | 65 | | 65 | | 66 | | 67 | | 69 | |
| Value created per employee | 3.88 | | 2.97 | | 2.33 | | 2.27 | | 1.86 | |
| Number of shares | 23.08 | | 23.08 | | 23.08 | | 23 | | 23 | |
| Value created per share | 10.93 | | 8.37 | | 6.65 | | 6.58 | | 5.57 | |

STATEMENT ON CONTRIBUTION TO GOVERNMENT EXCHEQUER

For the year ended on 31 Decemeber 2024

Government is one of the most important stakeholders and also play a critical role in economic and technological advancement of the country. As a concious and ethical government owned entity Bangladesh Infrastructure Finance Fund Limited makes consistent contribution to the Government Exchequer. For the year ended 31 December 2024, BIFFL contributed to the Government Exchequer an amount of BDT 145.25 crore composed of income tax, dividend, withholding tax and withholding VAT.

Figure: BDT in Crore

| Forms of Contribution | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|---------------|---------------|---------------|--------------|--------------|
| Income Tax: | 106.16 | 89.48 | 96.98 | 69.01 | 78.57 |
| Payroll tax | 0.42 | 0.31 | 0.49 | 0.40 | 0.26 |
| Advance corporate tax | 103.53 | 85.12 | 96.43 | 68.56 | 78.17 |
| Tax on payment to suppliers, vendors, service providers etc. | 2.21 | 4.05 | 0.06 | 0.05 | 0.13 |
| Value Added Tax (VAT): | 2.09 | 3.61 | 0.21 | 0.14 | 0.24 |
| VAT on payment to suppliers, vendors, service providers etc. | 2.09 | 3.61 | 0.21 | 0.14 | 0.24 |
| Dividend: | 36.99 | 27.96 | 24.50 | 21.66 | 18.12 |
| Cash dividend | 36.99 | 27.96 | 24.50 | 21.66 | 18.12 |
| Total contribution to Government Exchequer | 145.25 | 121.05 | 121.68 | 90.81 | 96.93 |

BIFFL'S CONTRIBUTION TO ACHIEVING SDGs



On 25 September 2015, the United Nations General Assembly adopted the resolution titled “Transforming our World: The 2030 Agenda for Sustainable Development”, which marked the beginning of a new global development era following the conclusion of the Millennium Development Goals (MDGs) that spanned from 2000 to 2015. The 2030 Agenda sets forth an ambitious and comprehensive framework consisting of 17 Sustainable Development Goals (SDGs) and 169 targets, designed to address the most pressing challenges facing humanity, including poverty, inequality, climate change, environmental degradation, peace, and justice. The SDGs aim to foster a holistic and inclusive model of development that promotes economic growth, safeguards the environment, and ensures social inclusion—leaving no one behind.

For Bangladesh, the 2030 Agenda arrives at a critical juncture in its development trajectory. The country has embarked on a transformative journey to attain upper-middle-income status by 2030. Recognizing the strategic importance of the SDGs, the Government of Bangladesh has fully integrated the goals and targets into national planning instruments, including the Perspective Plan 2020 and sectoral development strategies. The government’s commitment to inclusive development is evident in its policies that prioritize the welfare of the most marginalized and vulnerable populations through equitable access to resources, social protection, and opportunities for economic participation. However, challenges related

to financing, institutional capacity, and data-driven monitoring persist and require sustained efforts from all sectors of society.

Bangladesh Infrastructure Finance Fund Limited (BIFFL), as a government-owned financial institution, plays a significant role in supporting the national agenda for sustainable development. By channeling long-term financing into strategic infrastructure, women-led enterprises, green and climate-resilient projects, BIFFL actively contributes to achieving multiple SDGs. Its interventions in renewable energy, energy efficiency, industrial modernization, and sustainable urban development help to build resilient infrastructure and promote inclusive and sustainable economic growth. Furthermore, through the Women Entrepreneurship Development Unit (WEDU), BIFFL empowers women entrepreneurs, thereby addressing gender inequality and contributing to the social and economic upliftment of disadvantaged groups.

BIFFL also fosters multi-stakeholder partnerships through collaboration with multilateral development partners such as JICA, AFD, KfW, ADB, and the World Bank. These partnerships not only enhance the institution’s capacity but also bring the best global practices and concessional financing to priority sectors. Through its integrated approach to finance and development, BIFFL stands as a model institution supporting the realization of the SDGs in Bangladesh—bridging the gap between public policy and private investment for a more inclusive, equitable, and sustainable future.



Sustainability Financing

BIFFL is firmly committed to the principles of sustainable development that prioritize environmental protection and the conservation of natural resources. In pursuit of this vision, the organization actively promotes the use of eco-friendly and green construction materials in development initiatives. To foster greater awareness, BIFFL regularly organizes seminars and workshops targeting a diverse range of stakeholders, including the general population, entrepreneurs, media representatives, and policymakers—focusing on green technologies and energy efficiency.

Furthermore, BIFFL is playing a proactive role in expanding access to renewable energy and improving energy efficiency by offering concessional financing for relevant projects. The organization also supports agro-based food processing industries through concessional loans and technical assistance, contributing to food safety and sustainability in the sector.

In sustainability-themed projects, BIFFL has financed about BDT 1,669.24 crore in sustainable finance including green finance, sustainable linked finance and other sustainable linked finance as of the end of 2024. Such green initiatives of BIFFL contribute to 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.



Partnership for Capacity Development Program

BIFFL has been collaborating with several multilateral and bilateral development partners—including JICA, the World Bank, ADB, KfW, and AFD—under Technical Assistance programs aimed at capacity development. These initiatives focus on promoting energy efficiency and conservation, advancing infrastructure development, and improving the food value chain. Such strategic partnerships contribute directly to the achievement of SDG-17 (Partnerships for the Goals).



Women Empowerment

BIFFL remains committed to promoting women's empowerment and addressing gender disparities as part of its inclusive development strategy. In 2017, the organization established the Women Entrepreneurship Development Unit (WEDU) to support women entrepreneurs through dedicated financing, thereby fostering inclusive economic growth and enhancing social equity. Notable initiatives include cluster financing for women-led enterprises in Jamdani Palli, Rupganj, Narayanganj, and support for women crab farmers in Rampal, Bagerhat.

Through WEDU, BIFFL has played a vital role in improving the economic status of underserved women entrepreneurs, enabling their participation in productive sectors, and contributing to broader social empowerment. These efforts directly align with and contribute to the achievement of SDG-1 (No Poverty), SDG-2 (Zero Hunger), SDG-5 (Gender Equality), and SDG-10 (Reduced Inequality).

Aligned with national targets and the 8th Five-Year Plan (July 2020 – June 2025), BIFFL remains committed to working in collaboration with all stakeholders to achieve the Sustainable Development Goals by 2030.

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5. Global Sustainable Development Report, 2015 edition. UN, 2016,
6. Article on SDG, Bangladesh by Dr. Helal Uddin Ahmed, retired Additional Secretary and former Editor of Bangladesh Quarterly.
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BIFFL'S CONTRIBUTION TO ACHIEVING NDCs

The Paris Agreement (PA), adopted at the 21st Conference of the Parties (COP21) in 2015, represents a global commitment to combat climate change by limiting the rise in global average temperature to well below 2°C above pre-industrial levels, while pursuing efforts to restrict the increase to 1.5°C. A central component of the Agreement is the implementation of Nationally Determined Contributions (NDCs)—national climate action plans submitted by each country, initially known as Intended Nationally Determined Contributions (INDCs) prior to the ratification of the Agreement.

Bangladesh, as a signatory to the Paris Agreement, initially committed to a 5% unconditional reduction in greenhouse gas (GHG) emissions by 2030 from the Business-as-Usual (BAU) scenario, and a further 10% conditional reduction, subject to international support. In 2020, the country revised its NDC targets, enhancing its ambition to a 6.73% reduction under the unconditional scenario and an additional 15.12% reduction under the conditional scenario.

While the original focus of Bangladesh's NDCs was on the power, industry, and transport sectors, the scope has since been expanded to include energy, Industrial Processes and Product Use (IPPU), Agriculture, Forestry and Other Land Use (AFOLU), and waste management. Among these, the energy sector—including sub-sectors such as power generation, transport, industry, brick kilns, and residential and commercial energy use—remains critical for achieving emission reduction targets under both unconditional and conditional pathways.

In support of the national climate agenda, BIFFL has made significant contributions to GHG reduction efforts through targeted investments across various energy-intensive and infrastructure sectors. The following sections detail BIFFL's contributions to emission mitigation in alignment with Bangladesh's NDC commitments.

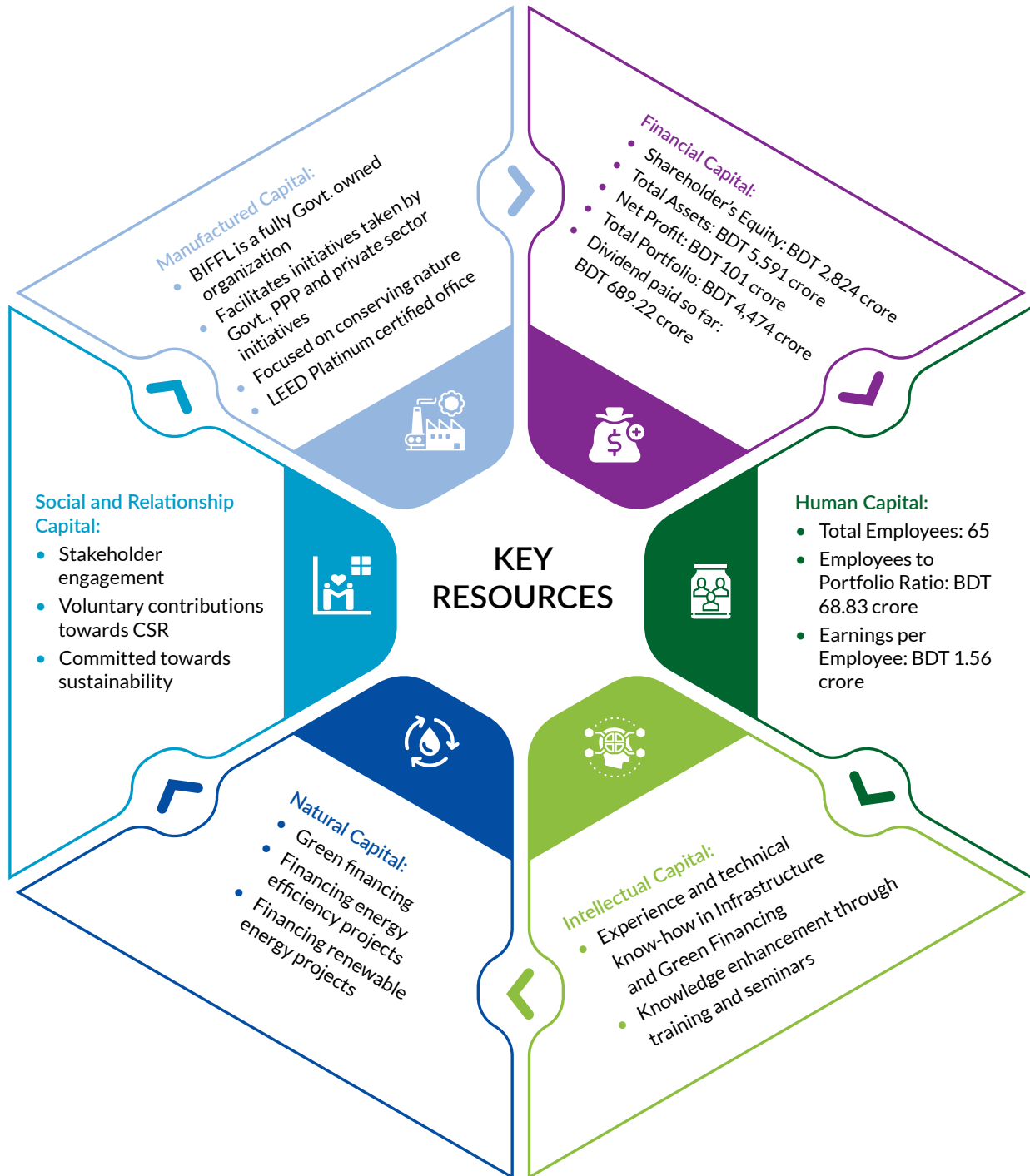
| NDC's Targets for Power Sub-Sector by 2030 | | BIFFL's Contributions |
|--|---|---|
| Unconditional Contributions | Conditional Contributions | |
| Implementation of renewable energy projects of 911.8 MW | Implementation of renewable energy projects of 4,114.3 MW | BIFFL has provided financing of BDT 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 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 Bypass 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 2024, BIFFL has financed BDT 1,088 crore through EECPPF (JICA fund) and EEREWEF (AFD fund) project. |
| | Green Building Development | BIFFL has financed for Green Building to Shanta Holdings Ltd. which is a high-rise commercial building (LEED Certified) in Dhaka. The project is name as "Shanta Pinnacle". Facility has four basement, 1 st floor and forty above grade floors. BIFFL financed the green component like Elevator, Façade and HVAC system parts of this iconic building. |
| | 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 financed of BDT 183.8 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. |

KEY RESOURCES OF BIFFL



FINANCIAL CAPITAL

BIFFL, owned by the Government of Bangladesh, is the largest finance company 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, KfW 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 Increase by BDT 807.92 crore
- Net Profit of BDT 101.13 crore
- NPL Ratio 17.22%
- Cost to Income Ratio 4.92%

Highlights

- Portfolio growth of 22.04%
- Net Profit Margin (NPM) of 24.59%
- Return on Asset (ROA) of 1.93%

Strengths and Opportunities

- Access to concessional loan facilities
- Talented and adept workforce
- Increasing exposure to the markets
- Increasing exposure to the foreign funds

Challenges

- 35 finance companies, greater competition
- Low barrier to entry in the market
- Marketing excellence needed to create market position

| Particulars | 2024 | 2023 | Growth |
|--|----------------|----------------|--------|
| Financial Performance (BDT): | | | |
| Investment | 15,095,668,496 | 13,896,791,233 | 8.63% |
| Leases, Loans & Advances | 29,645,829,523 | 22,765,465,839 | 30.22% |
| Total Assets | 55,907,629,920 | 49,122,031,774 | 13.81% |
| Total Liabilities | 27,664,322,972 | 21,520,197,407 | 28.55% |
| Total Equity | 28,243,306,948 | 27,601,834,367 | 2.32% |
| Operational Performance (BDT): | | | |
| Total Revenue | 4,112,649,153 | 3,069,732,026 | 33.97% |
| Operating Income | 3,752,588,324 | 2,803,178,363 | 33.87% |
| Operating Expenses | 184,542,565 | 204,989,478 | -9.97% |
| Financial Expenses | 360,060,830 | 266,553,663 | 35.08% |
| Provision for Loans, Leases and Advances | 985,706,320 | 565,794,368 | 74.22% |
| Profit before Provision & Tax | 3,568,045,758 | 2,598,188,885 | 37.33% |
| Net Profit before Tax | 2,427,206,226 | 1,832,394,517 | 32.46% |
| Net Profit after Tax | 1,011,318,572 | 833,078,883 | 21.40% |

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 projects 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 term loans preference shares, bonds, and commercial papers to ensure projects' ability to raise the required financing. Such risks are taken based on the 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 projects financial viability and 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

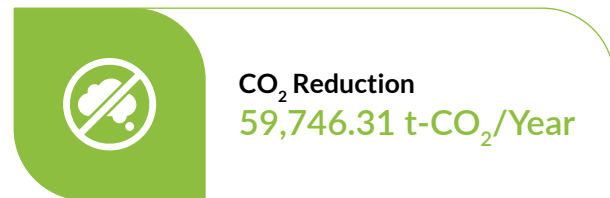
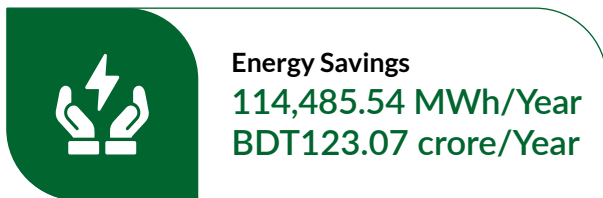
BIFFL promotes a befitting environment for sustainable investment and upholds the true essence of green financing in every possible aspect. Alongside its commendable efforts towards environment-friendly investment policy, BIFFL is committed to contrive such a workspace for its employees which would be 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 Finance: A better solution for nature

BIFFL has several credit lines to promote energy efficiency, especially in the industrial sector. The purpose of the credit lines is to provide financing

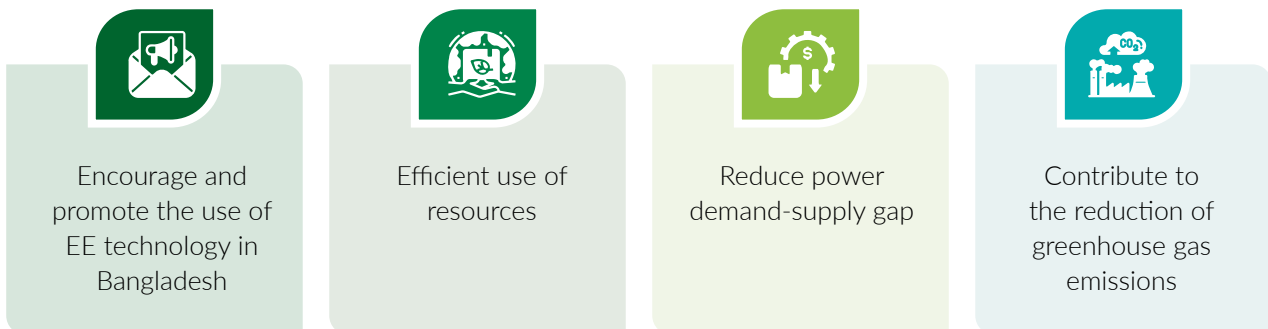
to encourage businesses in Bangladesh to upgrade their equipment, machinery, production systems and processes with more energy efficient substitute which are expected to reduce energy consumption and the associated CO₂ emissions and contribute to a more sustainable usage of energy in Bangladesh.



Note: 1 Unit = BDT 10.75

The calculation shows that a total of 114,485.54 MWh will be saved by the EE projects funded by BIFFL in a year. In monetary terms, the value of the energy conservation will be BDT 123.07 crore. Total CO₂ reduction per year will be 59,746.31 tons.

Objectives of EE Finance

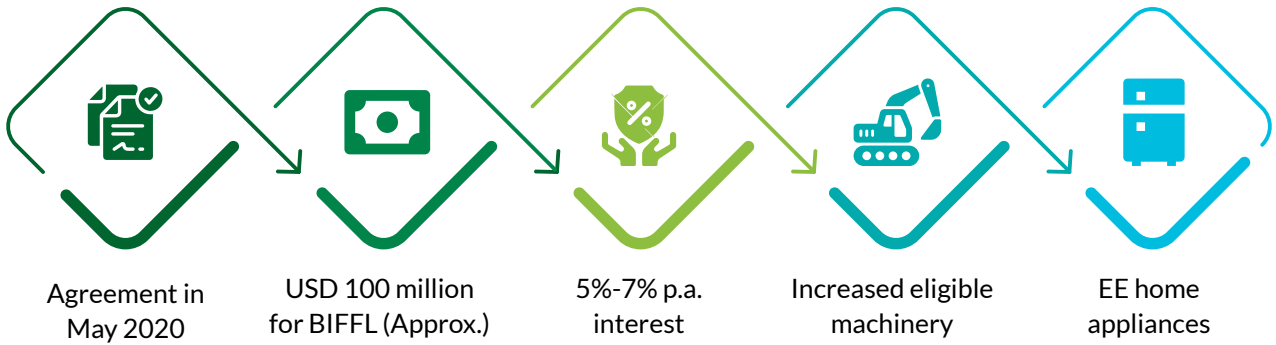


Energy Efficiency & Conservation Financing Promotion Project (EECFP Phase II)

The Subsidiary Loan Agreement (SLA) for EECFP Phase II has been signed in January 2020. The major features of the fund are:

Features of the Loan

| | |
|----------------------|--|
| Total Available Fund | JPY 9,500 million (Approx.) |
| Amount Threshold | Maximum BDT 150 crore Minimum BDT 0.5 crore |
| 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 |

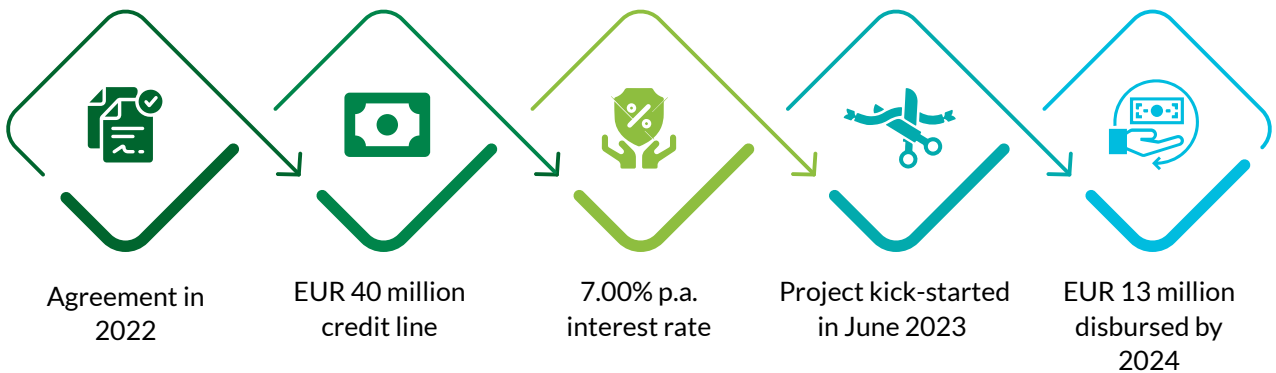


Energy Efficiency in the Industry (EEI):

The Loan Agreement between People’s Republic of Bangladesh (GoB) and Kreditanstalt für Wiederaufbau (KfW), the German state-owned development bank was signed in December 2022, followed by the signing of the Subsidiary Loan Agreement between GoB and BIFFL in May 2023. The major features of the loan are:

Features of the Loan:

| | |
|-------------------------|---|
| Total Available Fund | EUR 40 million (in equivalent BDT) |
| Amount Threshold | EUR 8 million |
| Interest Rate | Not exceeding 7.00% p.a. |
| Loan Tenor & Collateral | To be determined based on discussions between the borrower and BIFFL in compliance with the rules regulations of Bangladesh |



Lack of technical knowledge/ professional people



Tendency of profitable businesses with least concern to Environment



Arranging fund for remaining project cost

EE finance implementation challenges for BIFFL

BIFFL was initially at a formative stage



Inadequate market awareness



High price of EE machinery



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 Contributes in Carbon Reduction

Brick making is one of the largest sources of greenhouse gas emissions in Bangladesh estimated to produce 6 million tons of CO₂ 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 CO₂, 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 CO₂ in a year.

HUMAN CAPITAL

Human capital refers to the economic value of a worker's experience and skills. It also includes assets like education, training, intelligence, skills, health, and other things employers value such as loyalty and punctuality. BIFFL considers human capital as a key element in improving the assets since it is a sustainable competitive advantage and increases the employee's efficiency to accelerate the achievement of the organization's goal. Focus on human capital enables our human resource to utilize their skills, capabilities, insights, knowledge and experiences to improve and develop our products and services that continually meet the evolving needs of our customers and clients across the diverse regions of the country in which we operate. As such, the competencies, motivation and ethical work practices of our employees and service providers enable us to create commercial and sustainable developmental value in the short, medium and long term.

Approaches optimizing human capital outcomes



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 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 workplace Safety

(Achieved LEED green building certification from USGBC)



Succession Planning

(Focus on talent sourcing and succession planning to ensure sustainability)

BIFFL adheres to rigorous recruitment processes to select the right resources for the company and offers competitive packages to attract the best talent. Besides, the company also runs multiple need-based training programs with a view to reviving its human capital. Moreover, the company will continue to implement all best HR practices to keep our employees engaged.

INTELLECTUAL CAPITAL

BIFFL understands that employees are not just staff, but invaluable human capital with diverse talents. Over recent years, BIFFL has significantly enhanced leadership capabilities and overall awareness through comprehensive training. BIFFL has seen firsthand how these training efforts directly improve efficiency and boost profitability. This commitment means continuous growth for all employees, helping them acquire new expertise and sharpen existing ones. Thanks to the HR team for providing numerous learning opportunities annually, BIFFL has consistently achieved highest profitability per employee in the industry.



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 finance companies 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

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 enables 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 finance company in the country.

| Key Stakeholders Targeted | How we Engage | BIFFL's Sustainable Business Objectives |
|--|--|--|
|  <p>Customers</p> | <ul style="list-style-type: none"> • Website • Print media • Annual General Meeting • Faster service • Dedicated departments • Customer relationship teams | <ul style="list-style-type: none"> • Provide quality product/ service that meets absolute needs of customers • Careful management of operations so as to protect customer interest especially borrowers and development partners |
|  <p>Regulators</p> | <ul style="list-style-type: none"> • Statutory reporting • Meetings as and when required • Emails • Letters • Verbal communication | <ul style="list-style-type: none"> • Ensure compliance with all regulatory guidelines and directives |
|  <p>Employees</p> | <ul style="list-style-type: none"> • Training programs • Employee days • Sports and recreational activities • Celebration of Women's Day • Annual retreat | <ul style="list-style-type: none"> • Continuously encouraging employees and working towards creating a healthy, ethical and supportive work environment • Nurturing human capital to ensure sustained collaboration with the company |
|  <p>Local Communities</p> | <ul style="list-style-type: none"> • CSR initiatives • Website • Social media page • Marketing events • Seminars and workshops | <ul style="list-style-type: none"> • Adding value to the society • Conducting business without causing disruptions in the society |
|  <p>Environmentally interested groups/ Non- Government Organizations</p> | <ul style="list-style-type: none"> • Green project financing • CSR initiatives • Training programs, seminars and workshops to involve more in environment friendly initiatives | <ul style="list-style-type: none"> • 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 and long-term infrastructure and Public Private Partnership (PPP) projects.

Since inception, BIFFL has been working to narrow down the infrastructure financing gap by catalyzing private investments. BIFFL has been focusing on mega infrastructure projects specially through Public-Private Partnership (PPP) investments, as well as large scale infrastructure projects in Power and Energy, Transportation and Communication, Economic Zones, Tourism, and Healthcare sectors. 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. BIFFL is currently providing longer term financing addressing

this gap based on the cash flow generated by the projects.

BIFFL 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

- At 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



Approval Stage

- Credit Committee recommendations
- Executive Committee recommendations/approval
- Board approval



Documentation and Disbursement Stage

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



Monitoring Stage

- Monitoring of regular repayment
- Monitoring of compliance

Investments in large infrastructure projects

In 2024, investment in large infrastructure projects was BDT 340 crore which was 44% of total disbursement. Most of the investment was made to Dhaka Bypass Expressway Development Company Limited which is the SPV (special purpose vehicle) for implementation of PPP project named 'Upgrading of Joydevpur-Debogam-Bhulta- Madanpur (Dhaka By-pass) Road (N-105) into 4 lanes'.



Dhaka Bypass Expressway

The Dhaka Bypass 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 Chattogram 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 disbursed BDT 337 crore as of December 2023.

Patenga Container Terminal

BIFFL also approved financing of a landmark PPP project in 2023 named 'Equip, Operate and Maintain Patenga Container Terminal (PCT)'. PCT is the first FDI-involved Port PPP project in Bangladesh with an estimated throughput of 450,000 twenty-foot equivalent unit (TEU) expandable to 600,000 twenty-foot equivalent unit (TEU). The civil work of PCT has already been completed by Chattogram Port Authority. RSGT Bangladesh Limited received a 22-year Equip-Operate-Transfer concession with complete operational and management control.



Red Sea Gateway Terminal International (RSGTI) serves as the global investment arm of RSGT, playing a key role as the investment vehicle for international projects. RSGT, an international terminal operator formed through a partnership between the Red Sea Gateway Terminal of Saudi Arabia and the Malaysian Mining Company (MMC), stands as a major player in the industry.

With significant assets, handling capacity, and expertise, the terminal operations rank among the top ten largest container terminal operators worldwide, boasting an annual handling capacity of 20 million TEUs and an equity-weighted throughput exceeding 10 million TEUs. BIFFL has approved a term loan facility of USD 50 million to RSGTB for the O&M project under ADB funding.

Contribution of Large Infrastructure in Economic Development

BIFFL's investment in large infrastructure consists of financing for development of economic zones, transport & connectivity, power & energy, tourism and social infrastructure etc. Some of them are in operation while the rest are under construction. Once completed, these infrastructure projects will help improve the standard of living of people significantly, improving connectivity, reducing poverty and ensuring employment generation.

Transport and Connectivity

As of 2024, BIFFL invested BDT 1,755 crore in 4 mega infrastructure projects focused on improving transport & connectivity out of which 2 of them were PPP projects namely First Dhaka Elevated Expressway and Dhaka Bypass Expressway. The other two projects were Dohazari-Cox's Bazar Railway Project for construction of new dual gauge single railway line and Bangladesh Auto Industries Limited for

establishing an electric vehicle manufacturing facility located at Bangabandhu Shilpa Nagar Economic Zone in Mirsarai, Chattogram.

Economic Zones

BIFFL invested BDT 537 crore in 3 economic zones developed by Bangladesh Economic Zones Authority (BEZA) namely Srihatta Economic Zone located in Moulvibazar, Sylhet, Bangabandhu Sheikh Mujib Shilpa Nagar located in Mirsharai, Chattogram and Sabrang Tourism Park located in Teknaf, Chattogram. The purpose of the financing facility was land acquisition, onsite and offsite development of the economic zones. Once completed, these economic zones will help generate employment significantly by attracting foreign direct investment (FDI) as well as boost industrialization and exports.

Power & Energy

BIFFL financed a total number of 17 projects in power sector of Bangladesh amounting BDT 1,038 crore till December 2024. All power projects financed by BIFFL are currently generating and providing approximately 1,820 MW power to the national grid of the country. Out of the total of 17 power projects BIFFL has approved a solar project having 20 MW namely Technaf Solartech Energy Limited. In 2024, BIFFL's focus started to shift toward financing renewable energy projects including rooftop solar to align with government's strategy to diversify energy mix.

Notable projects financed



First Dhaka Elevated Expressway



Dhaka Bypass Expressway (under construction)



Dohazari-Cox's Bazar Railway Project



Bangladesh Auto Industries Limited (under construction)



National Special Economic Zone (under construction)



Sabrang Tourism Park (under construction)



Technaf Solartech Energy Limited (20MW Solar)



Ashuganj Power Station Company Limited



Desh Energy Chandpur Power Company Limited



Anlima Energy Limited



JMI Industrial Gas Limited



Le Meridien Dhaka

SUSTAINABLE FINANCE AND GREEN BANKING

- 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. Concessional Financing Schemes

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

A. Energy Efficiency and Conservation Promotion Financing Project (Phase I&II)

- a. Source of Fund: JICA; Amount: USD 150 million; Interest Rate: 5%-7% p.a.
- b. Featured Areas: Fertilizer, Paper, RMG, Glass, Cement, Steel, Food, Telco Industry, Green Building and Home Appliance.

B. Energy Efficiency Renewable Energy & Women Entrepreneurship Financing Project

- a. Source of Fund: Agence Française de Développement (AFD); Amount: EUR 50 million; Interest Rate: 6% p.a.
- b. Featured Areas: 1) Energy Efficiency, 2) Renewable Energy, 3) Women Entrepreneurship.

C. Energy Efficiency in the Industry Project

- a. Source of Fund: KfW Development Bank; Amount: EUR 40 million; Interest Rate: 7%-8% p.a.
- b. Featured Areas: i) Energy Efficient Machinery, Equipment, Production Facilities and Processes, ii) Renewable Energy Combined with other Energy Efficiency Measures.

D. 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. Environmental and Social Framework (ESF) of BIFFL
3. Relevant International Conventions and Treaties
4. Other International E&S Standards and Guidelines
 - World Bank's Environmental and Social Standards

- IFC's Performance Standards
- ADB's Safeguard Policy Statement
- JICA's Guidelines for Environmental and Social Considerations
- Environmental and Social Framework of AFD
- Sustainability Guideline Assessment and management of Environmental, Social, and Climate Aspects: Principles and Procedures of KfW Development Bank

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

Investments in Sustainable Finance

BIFFL has been actively promoting green finance through investing in energy efficiency machineries, renewable energy, green building, waste recycling, and sustainable linked finance in women entrepreneurs for reducing environmental impacts, mitigating climate changes effects and promoting sustainable growth in the past decade. Supported by concessional financing from development partners, BIFFL has financed industrial energy efficiency with major sectors being Textile & Garments, Cement, Iron & Steel, Green Building etc.

As of 2024, BIFFL invested BDT 1,107 crore in energy efficient projects. These energy-efficient technologies are helping industries save energy, reduce costs, increase production capacity while contributing to reduce CO₂ emission at the same time. So far, the projects financed by BIFFL have the potential of energy savings of 114,485.54 MWh/Year and 59,746.31 t-CO₂/Year.

BIFFL also invested in sustainable finance projects including environmentally friendly green bricks and waste management technologies. To replace air polluting traditional brick kilns, BIFFL has so far invested in 10 green brick projects that use environmentally friendly tunnel-kiln technologies.

Going forward, BIFFL will continue to focus on the sustainable and green financing opportunities supported by the existing credit line from JICA, AFD, KfW and IPFF II. BIFFL will also strive to onboard new credit lines from existing and other development partners and to obtain access to Green Climate Fund (GCF) to further promote energy efficiency

technology in Bangladesh. BIFFL will also focus on financing green building to its investment portfolio given the considerable interest of industry to achieve LEED certification.

In 2024, BIFFL's investment in energy efficiency linked projects stood at BDT 411.45 crore which was 52.87% of the total investment. The investment was majorly in textile and cement industry while the notable projects were M M Ispahani Limited, Paramount Textile PLC, Shanta Holdings Limited, U. K Bangla Cement Limited.

Paramount Textile PLC (PTPLC)

Embarking on its journey in 2006, PTPLC quickly ramped up commercial production within two years. Since then, the company has successfully produced and exported nearly a billion yards of fabrics worldwide. Leveraging the latest machinery, a skilled workforce, and over 39 years of industry expertise, Paramount Textile PLC has evolved into one of Bangladesh's premier manufacturers. In the last FY alone, its exports amounted to USD 60 million.



Recognized as an Oeko-Tex Standard 100-compliant export-oriented manufacturer from Bangladesh, Paramount Textile PLC specializes in a wide range of

yarn and solid dyed woven fabrics. In a remarkably short span of eight years, it has solidified its position as a trusted name for international clients seeking excellence. The company's stellar performance has been acknowledged through multiple "National Export Trophy" awards since its inception.

Confidence Cement Dhaka Limited (CCDL)

CCDL, a concern of Confidence Group, is implementing a new cement manufacturing plant on a plot of 1,000 decimal land located in Danga, Ghorashal, Palash, Narshingdi. This project will be equipped with energy efficient machinery from LOESCHE, one of the leading energy efficient Vertical Roller Mill (VRM) manufacturers for cement industry.



VRM is considered as one of the most advanced technologies for cement production which ensures fineness, better particle size distribution (PSD), faster setting time and most importantly less energy consumption. This technology enables the cement manufacturer to produce slag cement as well as use

of higher amount of slag in PCC (Portland composite cement). As such, the project is expected to cut production cost of cement manufacturing compared to traditional cement manufacturer.

Shanta Holdings Limited (SHL)

Shanta Holdings Ltd. is developing a high-rise commercial building in Dhaka. The project is name as "Shanta Pinnacle". Facility has four basement, 1st floor and forty above grade floors. Floors from first to forty are office floors. Basements shall mainly be use for parking purpose. Pinnacle is the first LEED Platinum Pre-Certified 40-storied Commercial Complex destined to change the city's skyline forever located at 190/A, Bir Uttam Mir Shawkat Sarak, Tejgaon, Dhaka-1208. BIFFL financed the green component parts of this iconic building. The construction is undergoing. The proposed loan will be used for procurement of energy efficient equipment or building accessories such as Elevator, Façade and HVAC system. This building is certified by LEED CS v4 from US Green Building Council (USGBC)



Notable projects financed



M M Ispahani Limited
(Pahartali Textile & Hosiery Mills)



Asia Composite Mills Limited



U. K Bangla Cement Limited.



Mehmud Industries (Pvt.) Limited



Pahartali Textile & Hosiery Mills
1.32MW Rooftop Solar



Hossain Dyeing & Printing Mills
Limited

FOOD VALUE CHAIN IMPROVEMENT

BIFFL is currently implementing Food Value Chain Improvement Project (FVCIP) funded by JICA. The purpose of this project is to improve credit access for agribusiness and food processing industries and to enhance the quality of processed food products as well as the efficiency of the business operation by financing and supporting capacity building of financial institutions and agribusiness industries in Bangladesh. This project is exclusively available in BIFFL.

Features of FVCIP

- a) Amount: JPY 11,218 million; Interest Rate: up to 6% p.a.
- 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).

In addition to extending concessional financing, this project also provides technical and operational

support on financial management in agribusiness and food processing industries to help build capacity within the food processing industries.

BIFFL is the implementing agency of the project while the executing partners are Bangladesh Food Safety Authority (BFSA); Small and Medium Enterprise Foundation (SMEF); Bangladesh Small and Cottage Industries Corporation (BSCIC); and Bangladesh Agro-processors' Association (BAPA). The Ministry of Industries (MoInd) supervises the project as the sponsoring ministry. MoInd also ensures the coordination among BIFFL and the executing partners such as SMEF and BSCIC for the implementation of the capacity building of agribusiness and food processing industries.

In 2024, BIFFL disbursed BDT 25.04 crore to 3 projects, involved with seed processing, research & development laboratory for food processing and retail industry. The investments comprise of Shetu Pesticides Limited (seed processing), Banga Flavour & Fragrance (Pvt) Limited (food ingredient producer) and ACI Logistics (Shwapno) (retail industry).

Notable projects financed



ACI Pure Flour Limited



ACI Logistics Limited (Shwapno)



Banga Flavour & Fragrance Limited

WOMEN ENTREPRENEURSHIP DEVELOPMENT

With the goal of supporting, financing and developing women entrepreneurs in Bangladesh BIFFL started its Women Entrepreneurship Development Unit (WEDU) in 2017. The unit started financing with a product named "Shoilee". The first disbursement under this unit was made in January 2018.

| 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 | 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 SME projects in total and a total number of 187 projects of WEDU SME and WEDU cluster financing had paid off their debt obligation till the year 2024.

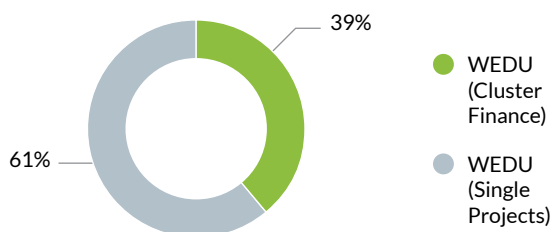
Sector-wise Lending Status

In the loan portfolio of WEDU, the highest share of 61% of the total investment is held by WEDU SME 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 0.82 crore | 61 |
| 2. | WEDU Cluster Finance | 242 | BDT 2.32 crore | BDT 0.21 crore | 39 |
| Total | | | BDT 6.00 crore | BDT 1.04 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 OPERATIONS

In 2024, BIFFL demonstrated resilience and expertise in managing treasury activities amid evolving market conditions in Bangladesh. Building on previous successes, the treasury team remained dynamic and profit-focused, leveraging best industry practices to optimize fund management while maintaining a prudent risk posture.

The treasury team focused on maximizing returns while minimizing risks through strategic management, proactive market analysis, and careful investment decisions. This approach ensured optimal returns for BIFFL while navigating liquidity and interest rate challenges within the financial market.

A significant highlight in 2024 was BIFFL's continued strategic investments in Treasury Bills, with a total investment of BDT 1,404.03 crore in Treasury Bills, supporting liquidity management while enhancing returns. This approach effectively mitigated market risks and strengthened BIFFL's overall financial performance.

Throughout the year, the treasury team maintained active monitoring of liquidity, capital adequacy, and market rates, making timely adjustments to ensure financial stability despite uncertainties in the operating environment. These initiatives reflect BIFFL's commitment to robust and sound financial management practices.

Overall, BIFFL's treasury operations continued to play a pivotal role in positioning the organization as a leading financial institution in Bangladesh, underscoring expertise in efficient fund utilization and risk management.

Money Market

Upon meticulous examination of the Call Money Volume and Rates data in Bangladesh's financial market throughout 2024, the following insights emerge:

First Quarter:

The call money volume decreased notably during the first quarter, dropping from BDT 76,613 crore

in January to BDT 57,627 crore in March. The Weighted Average Call Money Rate declined initially from 9.37% in January to 8.74% in March, indicating relatively ample market liquidity and reduced short-term borrowing costs as financial institutions adjusted their funding positions after year-end closures.

Second Quarter:

The call money volume recovered steadily, increasing from BDT 62,187 crore in April to BDT 82,564 crore in June, reflecting increased fund demand and active market participation before mid-year reporting and festival disbursements. During the same period, the Weighted Average Call Money Rate rose from 8.81% in April to 9.08% in both May and June, indicating a gradual tightening of liquidity conditions and increased short-term borrowing costs.

Third Quarter:

The call money volume remained elevated, ranging from BDT 78,949 crore in July to BDT 60,638 crore in August, then slightly rebounding to BDT 72,051 crore in September. The Weighted Average Call Money Rate initially decreased to 8.86% in July and 8.78% in August, reflecting temporary liquidity improvement, before increasing to 9.14% in September as market liquidity tightened due to quarter-end regulatory compliance and advance tax outflows.

Fourth Quarter:

Liquidity demand intensified in the fourth quarter, with call money volume increasing steadily from BDT 72,056 crore in October to BDT 88,454 crore in December, indicating active year-end portfolio adjustments and seasonal liquidity demand by banks and NBFIs. Correspondingly, the Weighted Average Call Money Rate rose consistently from 9.66% in October to 9.99% in November, peaking at 10.07% in December, reflecting a notable tightening in liquidity and higher funding costs driven by cautious market behavior and regulatory positioning.

Call Money Market Rate (%) and Volume (BDT in Crore)



Throughout 2024, the average call money rate hovered between 8.7% and 10.0%, reflecting an upward trend in short-term borrowing costs due to tighter liquidity, higher inflationary pressures, and moderated deposit growth in the financial sector.

BIFFL's Prudent Fund Management

- Optimized the allocation of funds across assets and liabilities, maintaining a balance between risk, return, and liquidity needs.
- Carefully matched the maturity profiles of assets and liabilities to minimize liquidity mismatches during periods of tightening liquidity.
- Actively monitored market liquidity trends and interest rate movements to adjust placements and borrowings, ensuring efficient fund utilization while minimizing funding costs.
- Supported liquidity management for operational and disbursement obligations while

ensuring return optimization aligned with the organization's ALM strategy.

Government Treasury Bills and Bonds

T-Bill & T-Bond rate trend 2024:

| T-Bill/ T-Bond | High rate | Low rate |
|-----------------|-----------|----------|
| 91 Days T-Bill | 11.75% | 10.96% |
| 182 Days T-Bill | 11.90% | 11.20% |
| 364 Days T-Bill | 12.00 % | 11.30 % |
| 2 Year T-Bond | 12.30% | 10.49% |
| 5 Year T-Bond | 12.45% | 10.40% |
| 10 Year T-Bond | 12.60% | 11.50% |
| 15 Year T-Bond | 12.70% | 11.10% |
| 20 Year T-Bond | 12.80% | 11.00% |

In 2024, the treasury department at BIFFL strategically allocated funds towards investments mostly in 91-day Treasury Bills, aligning with its overarching goal of achieving optimal fund management.

Govt. T-Bill Investment Status as on 31 December 2024

| Auction Date | Maturity Date | Type of T-Bill | Yield | Face Value (BDT) |
|--------------|---------------|----------------|----------|--------------------------|
| 9-Dec-24 | 10-Mar-25 | 91 Days T-Bill | 11.6401% | 5,701,500,000.00 |
| 26-Nov-24 | 24-Feb-25 | 91 Days T-Bill | 11.7299% | 2,382,000,000.00 |
| 5-Nov-24 | 3-Feb-25 | 91 Days T-Bill | 11.7299% | 1,860,200,000.00 |
| 28-Oct-24 | 27-Jan-25 | 91 Days T-Bill | 11.7000% | 1,914,300,000.00 |
| 7-Oct-24 | 6-Jan-25 | 91 Days T-Bill | 11.4499% | 2,182,300,000.00 |
| Total | | | | 14,040,300,000.00 |

Asset Liability Management

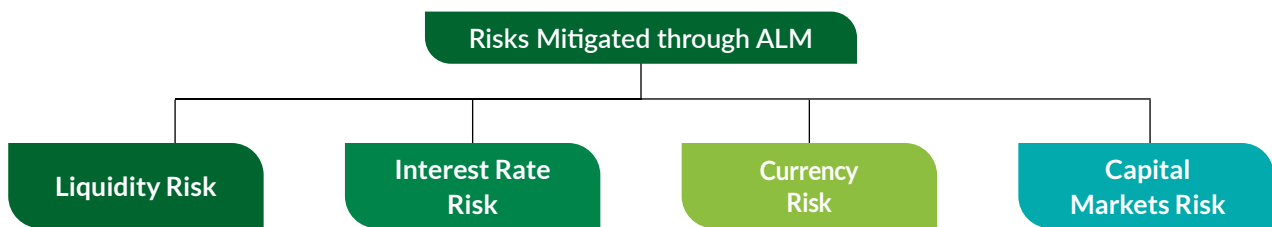
In 2024, Bangladesh’s financial landscape faced continued challenges, including persistent inflationary pressures, foreign currency volatility, a weakening BDT, moderated export growth, and subdued remittance inflows. These were further compounded by global economic slowdowns and geopolitical uncertainties. In this environment, Asset Liability Management (ALM) remained critical for BIFFL to ensure financial stability while supporting growth objectives.

The Treasury prioritized closing balance sheet mismatches efficiently, maximizing Net Interest Income (NII), and maintaining compliance with Basel III liquidity standards, including Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and leverage requirements.

Throughout the year, the Treasury actively supported the Asset Liability Committee (ALCO) in:

- Managing the balance between assets and liabilities
- Ensuring timely funding for commitments
- Monitoring market liquidity and interest rate movements
- Aligning transfer pricing rates for profit centers
- Managing market and liquidity risks with scenario analysis

ALCO focused on ensuring adequate liquidity, safeguarding asset quality, managing interest rate and credit risks, maintaining capital adequacy, and maintaining clear communication with stakeholders. These measures helped mitigate risks and reinforced BIFFL’s financial resilience. As a result, BIFFL’s balance sheet emerged strong and well-positioned to support continued, sustainable growth.



Key Strengths



Market Stability:

BIFFL’s position as the NBF with the highest paid-up capital enhances its credibility and market confidence.



Strategic Management Focus:

Continuous support from management for treasury operations ensures opportunities for revenue growth and diversification.



Disciplined Risk Management:

A strong compliance culture and disciplined trading practices minimize financial and reputational risks.



Regulatory Agility:

BIFFL remains agile in adapting to evolving regulatory and compliance requirements, mitigating risks while maintaining operational flexibility.



Trusted Relationships:

Strong engagement with regulators and clients helps BIFFL cultivate trust and expand business opportunities.

Through strong ties with both customers and regulators, BIFFL cultivates trust, paving the way for increased business opportunities.

Key Operational Milestones in 2024

In 2024, BIFFL's treasury team achieved significant milestones that further strengthened its role within Bangladesh's financial market:



Continued Strategic Investments:

BIFFL sustained investments in government securities, maintaining liquidity while optimizing returns post-disbursement obligations.



Progress on RTGS Implementation:

The implementation of the RTGS Payment System is nearing completion, enhancing operational efficiency and compliance with regulatory frameworks.



Cheque Management Solution:

BIFFL is implementing cheque manager facility, ensuring precise and efficient service delivery to stakeholders.



Enhanced Risk and Liquidity Management:

Treasury operations were aligned with evolving market conditions to ensure liquidity for operational and disbursement obligations while protecting profitability.

These achievements reflect BIFFL's commitment to operational excellence and stakeholder value while contributing to the broader stability and growth of Bangladesh's financial system.

Treasury Priorities for 2025

Amid a tightening liquidity environment and evolving market conditions, BIFFL's treasury department is focused on expanding and strengthening its operations through a clear, actionable strategy:



Diversification:

Continue diversifying treasury investments across money markets and government securities to sustain growth and resilience.



Investment Opportunities:

Identify and leverage opportunities within the money market and government securities aligned with risk-return objectives.



Investment Recovery:

Execute targeted actions to recover investments placed across various banks and NBFIs, supporting the organization's broader financial objectives.



RTGS Integration:

Complete the RTGS Payment System implementation for faster and more secure payment settlements.



Robust Risk Management:

Strengthen monitoring frameworks to proactively identify, assess, and manage liquidity, interest rate, and operational risks.



Collaboration:

Enhance synergy between the treasury function and other business units to ensure effective fund utilization.

This approach reflects BIFFL's commitment to maintaining financial discipline while proactively capturing market opportunities, supporting sustainable growth and long-term value creation for stakeholders.

EMPOWERING BUSINESS THROUGH IT

In today's rapidly evolving technological landscape, harnessing Information Technology (IT) is vital for maintaining competitive advantage and enhancing organizational effectiveness. Bangladesh Infrastructure Finance Fund Limited (BIFFL), an essential entity promoting critical infrastructure projects in Bangladesh, recognizes the strategic

importance of IT. By effectively leveraging advanced IT capabilities, BIFFL can significantly improve operational performance, strategic decision-making, and stakeholder relations, thereby achieving sustained growth and tangible results. In this context, embracing IT empowers BIFFL in several key aspects:

Enhanced Operational Efficiency

Advanced IT systems enable BIFFL to optimize processes such as project evaluation, financial management, and administrative operations. Automation of routine tasks significantly reduces errors and increases efficiency, allowing employees to focus on strategic, high-value activities.



Data-Driven Strategic Decisions

Sophisticated data management systems enhance BIFFL's ability to collect, analyze, and utilize extensive data sets. Integrated analytics tools provide comprehensive insights into market dynamics, project feasibility, and financial indicators, enabling proactive and informed strategic decisions.



Strengthened Stakeholder Engagement

Upgraded IT platforms facilitate improved communication and transparency with stakeholders, including investors, clients, and regulators. Digital systems for loan processing, real-time project monitoring, and reporting build trust, accountability, and positive stakeholder relationships.



Effective Risk Management and Compliance

Implementing advanced IT solutions enhances BIFFL's capacity to monitor, evaluate, and manage risks associated with infrastructure investments continuously. Robust risk management frameworks provide real-time oversight of operational, financial, and regulatory compliance risks, ensuring long-term sustainability and organizational integrity.



Innovation and Agility

Embracing emerging technologies such as cloud services and artificial intelligence enables BIFFL to swiftly respond to market changes. This flexibility drives innovation, supporting the rapid development of new financial products and competitive services.



Strategic Approaches to IT Empowerment:



Continuous Infrastructure Enhancement:

Regular updates and proactive management of IT systems ensure ongoing adaptability, improved system reliability, and enhanced performance to support evolving business needs.



Talent Development:

Ongoing efforts to retain and further develop skilled IT professionals through structured career paths, and continuous professional education reinforce BIFFL's internal technological expertise.



Collaborative Innovation with Partners:

Continual engagement with stakeholders and industry partners fosters joint innovation, knowledge sharing, and ensures alignment with industry standards and regulatory requirements.



Iterative and Adaptive Project Execution:

Continuous application and refinement of agile methodologies in managing IT projects have allowed BIFFL to maintain responsiveness to changing business conditions, ensuring effective and timely project delivery.



Proactive Security Enhancements:

Ongoing advancements and proactive updates to cybersecurity practices maintain the security of IT assets against evolving threats, thus preserving BIFFL's credibility and stakeholder confidence.

In summary, BIFFL's proactive strategic IT initiatives have been crucial in driving its capabilities to effectively support infrastructure development, essential for Bangladesh's economic growth. By continually strengthening its IT infrastructure, fostering skilled talent, encouraging collaboration, maintaining agile processes, and enhancing cybersecurity, BIFFL ensures sustainable operational excellence and long-term contributions to Bangladesh's ongoing prosperity.

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 2024, BIFFL successfully completed a number of milestone transactions in ADB, AFD, JICA, KfW 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 currently 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 5,441 million was made available to BIFFL for on-lending to the eligible energy efficient projects. Besides, BIFFL received JPY 122 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.

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 has been 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.

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 received refinance for on-site development of a hi- tech city and for a dry dock project to the extent loan disbursed. The project has been extended up to April 2024.

Asian Development Bank (ADB)

Strengthening BIFFL (SBIFFL) Project

In 2020, Government of Bangladesh signed an agreement with the Asian Development Bank (ADB), which provided a 25-year long credit line worth USD 50 million to BIFFL for re-lending to eligible sub-projects structured through PPP modality. BIFFL also received technical assistance of USD 650,000 as per the agreement. The project supports the Government of Bangladesh's efforts in strengthening BIFFL's institutional capacity to develop PPP infrastructure projects.

The support helped to restart infrastructure development, spur economic growth, and generate jobs during the recovery from the Covid-19. It helps 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 extended a credit facility of BDT 430 (out of BDT 1,075 crore) crore loan to Dhaka By-pass Expressway development PPP project. Additionally, BIFFL also extended a foreign currency loan Of USD 5 million

to RSGT Bangladesh Limited to the operation & management project of Patenga Container Terminal.

Strengthening BIFFL- Additional Financing Project

Upon successful implementation of SBIFFL project, ADB has extended an additional financing of USD 100 million to BIFFL. Government of Bangladesh and ADB has signed a Loan Agreement on 12 December 2024 amounting USD 100 million (US Dollar One Hundred Million) equivalents to BDT 1,200 crore approx. for implementation of the 'Strengthening Bangladesh Infrastructure Finance Fund Limited Project – Additional Financing' project'. The objective of the Project is to provide financing for infrastructure subprojects, PPP subprojects more particularly. This credit facility is accompanied with Technical Assistance (TA) of USD 300,000 for institutional capacity development of BIFFL.

Loan proceed will be used to provide financing to two PPP projects namely Dhaka Bypass Expressway Development Project and RSGT Bangladesh Limited (Patenga Container Terminal O&M Project) to meet the gap of financing.

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)'. Subsequently, GoB channeled 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 CO₂ 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.

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 | Up to BDT 95.00 crore (equivalent of EUR 8.00 million) |
| 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 | 7.00% - 8.00 % p.a. |
| Sectors | Energy Efficiency (industrial use) |
| 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:



TECHNICAL UNIT

Driving Sustainable, Technical, and Innovative Development across Bangladesh

Strategic Role

As a leading financial institution, BIFFL is deeply involved in financing projects across critical sectors like infrastructure, energy efficiency, and sustainable development.

These projects often incorporate advanced technologies and require comprehensive technical assessments aligned with standards set by JICA, AFD, KfW, and ADB.

Core Responsibilities of the Technical Unit



Project Appraisal & Due Diligence

On-site inspections, technical evaluations, and international compliance.



Technical Documentation

Preparation of technical documentation required for regulatory and investment approval.



Ongoing Monitoring

Regular project reviews to ensure compliance with technical and financial benchmarks.

Stakeholder Engagement & Credit Lines

The Technical Unit collaborates closely with consultancy and technical assistance programs, supporting project onboarding, aligning with strategic goals, and coordinating with stakeholders.

Capacity Building & Training

Recognizing the critical role of the Technical Unit, BIFFL prioritizes ongoing professional development to ensure technical excellence and alignment with global standards. This includes regular participation in training sessions, such as:

- Energy Audit Training–Conducted by JICA
- Solid Waste Management Rules–Organized by JICA
- Energy Efficiency in Industry–Conducted by KfW

Additionally, team members frequently attend industry expos and exhibitions to stay updated on the latest technologies across diverse industrial sectors.

Contribution to National Renewable Energy Goals

The Technical Unit actively contributes to national renewable energy initiatives like BEP-2050 and SREDA programs, reinforcing BIFFL's commitment to green finance and sustainable growth.

Internal Operations & Infrastructure Support

Beyond external projects, the Unit also supports IT troubleshooting and internal infrastructure management.

With its diverse technical expertise and commitment to innovation and sustainability, the Technical Unit remains a cornerstone of BIFFL's mission to drive sustainable development across Bangladesh.

HUMAN RESOURCES

At BIFFL, our people are at the core of everything we do. We recognize human capital not just as an enabler of performance but as a strategic pillar that drives sustainable infrastructure development in Bangladesh. Throughout 2024, our Human Resources (HR) team remained focused on developing an inclusive, skilled, and future-ready workforce that is aligned with our national and organizational goals, including the Sustainable Development Goals (SDG) 2030.

Our HR policies prioritize merit-based recruitment, ethical compliance, career progression, gender equity, and employee wellness—anchoring BIFFL as a high-performance and people-first organization.

Workforce Composition

As of 31 December 2024, BIFFL employed 65 individuals, comprising 58 permanent and 7 contractual employees, reflecting a lean, agile, and high-performing team well-suited for executing complex infrastructure mandates.

| Employee Type | Permanent | Contractual | Total |
|---------------|------------------|------------------|------------------|
| | 2024 58 | 2024 7 | 2024 65 |
| | 2023 55 | 2023 10 | 2023 65 |

Employee Turnover and Retention

BIFFL experienced a moderate employee turnover rate of 13.85% in 2024. While the rate remains within the industry average, efforts are underway to further improve employee retention through continuous development, career growth initiatives, and a more engaging work environment.

Gender Diversity

BIFFL believes that diversity drives innovation and resilience. In 2024, 16 of our 65 employees were female, maintaining a 25% female representation, consistent with the previous year.

| Total Employees | Female Employees | Female Percentage |
|------------------|------------------|-------------------|
| 2024 65 | 2024 16 | 2024 25% |
| 2023 65 | 2023 15 | 2023 23% |

Looking forward, BIFFL is committed to increasing female participation in leadership and technical roles.

Age Distribution

Our workforce reflects a healthy balance of experience and fresh talent. The age mix as of 2024 is as follows:

| Age Group | Employees | % of Workforce |
|--------------|-----------|----------------|
| <30 years | 12 | 18.46% |
| 30–50 years | 50 | 76.92% |
| >50 years | 3 | 4.62% |
| Total | 65 | 100% |

This composition supports BIFFL’s long-term succession planning while cultivating a multigenerational learning culture.

Capacity Development of Employees

BIFFL views learning as a continuous process and an investment in long-term organizational performance. In 2024, our Learning & Development efforts focused on equipping employees with technical, leadership, and digital competencies relevant to our evolving operational landscape.

Training Metric**2024****Number of Training Programs****29****Total Participants****46****Training Hours (Outside)****1,217**

Hours

Training Hours (In-House)**204**

Hours

Total Training Hours**1,421**

Hours

Key Training Themes in 2024:

- Risk Management & Credit Risk
- Project & Financial Management
- Climate Finance & ESG
- Public-Private Partnership (PPP)
- Audit & Compliance
- Governance & Ethics
- Banking & Financial Services
- Procurement & Regulatory Compliance
- IT & Data Reporting
- Soft Skills & Gender Awareness

We combine real-time job experience, mentoring, and formal education, to ensure holistic development.

Employee Welfare and Work-Life Integration

BIFFL offers a nurturing work environment that balances performance expectations with personal well-being.

Employee-Centric Facilities and Benefits in 2024:

- LEED Platinum-certified office, ensuring a sustainable and healthy workspace

- Maternity and paternity leave in line with global standards
- Hospitalization and life insurance, covering employees and dependents
- Home, car, and provident fund loans at privileged rates
- Festival and performance bonuses, annual increments, and end-service benefits

BIFFL actively fosters a culture where employees feel safe, empowered, and engaged through open communication, value-based leadership, and health-focused programs.

Ethics, Conduct, and Performance Management

All BIFFL employees adhere to the Employee Service Rules, approved by the Board and aligned with Bangladesh Bank's directives. The Code of Conduct outlines our zero-tolerance stance on corruption, harassment, and non-compliance.

Our performance appraisal system is based on clearly defined KPIs, competency assessments, and multi-stage review processes. Bonuses, promotions, and development plans are linked directly to performance outcomes.

ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

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 and later on developed Environmental and Social Framework (ESF) in 2024 integrating all national E&S policies, guidelines, and procedures which:

- Integrates E&S risk management into all credit and investment decision-making;
- Promoting climate resilience, energy efficiency, and pollution prevention;
- Safeguarding biodiversity, cultural heritage, and natural resources;
- Ensuring social inclusion, gender equity, labor rights, and occupational health and safety;
- BIFFL finances projects only when they are expected to be designed, implemented, and operated in alignment with national regulations and international standards, including: Applicable national laws related to environment, health, safety, and social welfare; IFC Performance Standards;
- Environmental and Social Safeguard Requirements of multilateral development partners (e.g., ADB, JICA, AFD, KfW, World Bank);
- Disclosing E&S policies, reports, and compliance status publicly.

The ESF establishes a mechanism to determine and assess future potential environmental and social impacts of different projects. It also sets out the tools of environmental and social due diligence procedure

for the projects financed by BIFFL. It will also guide to monitor the project activities during construction or implementation for avoiding, minimizing or offsetting the residual impacts.

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, Environmental and Social Framework of AFD and Sustainability Guideline Assessment and management of Environmental, Social, and Climate Aspects: Principles and Procedures of KfW.

BIFFL recognizes the significance of the 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



Climate change

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 ESF.

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 & climate 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:



In 2024 BIFFL prepared and approved the ESF in the lines of the national and international E&S Standards



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 over 800 blankets for the cold suffered poor people in 5 social organisations in the country as a part of its CSR activities



Participated in 17th National Renewable Energy & Green Expo 2017

BIFFL's Environmental and Social Due Diligence (ESDD) Process



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.



Risk Management



STATEMENT OF RISK MANAGEMENT

Bangladesh's economic progress remains constrained by infrastructure gaps that raise transaction costs and limit competitiveness. Recognizing this, the government established BIFFL to catalyze private investment through PPPs. These partnerships transfer key risks- including construction delays, cost overruns, demand volatility, and operational challenges- to private partners while linking payments to performance.

Despite global headwinds, Bangladesh maintained 5.82% GDP growth in FY2023-24.

Mega-projects like the Padma Bridge and Metro Rail demonstrate progress, but sustaining growth requires addressing BIFFL's own risks: financing constraints, project implementation bottlenecks, and potential defaults in a high-interest rate environment.

Going forward, Bangladesh must prioritize infrastructure investment (targeting 8-10% of GDP), enhance PPP frameworks, and develop mitigation strategies for BIFFL's financial exposures. Success in these areas will determine whether the country can maintain its growth momentum while transitioning to renewable energy and digital industrialization- critical steps toward achieving SDG 2030. The synergy between public policy and private sector efficiency remains key to unlocking Bangladesh's full economic potential.

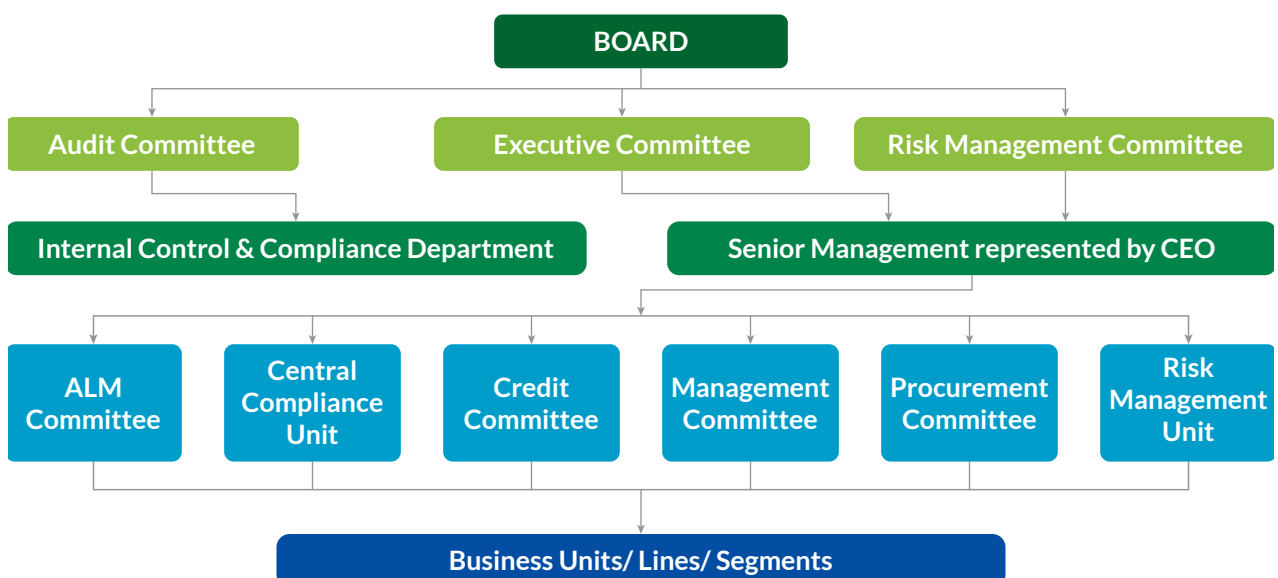
Risk Management of BIFFL

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 internal control and audit processes and systems and the follow up

procedures and risk management process to ensure that they are effective, efficient and robust in tackling different types of risks. The risk based supervision of AC helps to identify emerging risks and design preventives action plan accordingly.

Risk Management Committee (RMC) of the Board

Giving utmost importance on sound risk management, a board level risk management committee has been formed at BIFFL. The committee is responsible for taking every possible initiative to keep various risks (credit, market, liquidity, operational risks etc.) within a tolerable level.

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

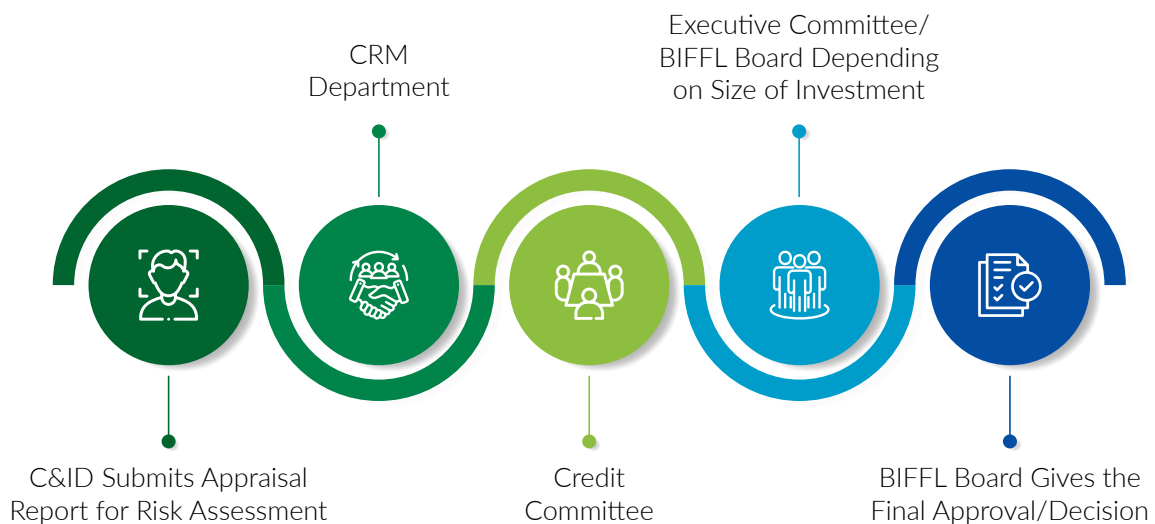
- a) Any entity who is duly registered in Bangladesh and fit into the eligible sector mentioned in Credit Policy of BIFFL.
- b) Any entity who is duly registered in Bangladesh and match the eligibility criteria of donor funded projects.
- c) Debt: equity ratio of the entity or project should be 80:20.
- 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)

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

- 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.

- 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, NBFIs and Insurance.
- 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.
- The CRM team will be responsible for the accuracy and integrity of the rating as the second line of defense.
- The executive summary report of the ICRR of the borrower shall be approved and signed by the Chief Risk Officer (CRO).
- Latest audited financial statements of the borrower will be used for generating the quantitative rating under ICRR.
- 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.
- The RM shall pass the approved ICRR report to the related department for updating their MIS/ record.
- Conduct routine internal audit to check whether the ICRRS is functioning as per the instructions laid down in the guidelines.
- ICRR shall be conducted for all credit proposals including new, renewal and enhancement of the existing proposal;
- 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. |
| Good | Very good management skill & expertise. |
| | 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. |
| Marginal | Borrower is well established and has strong market share. |
| | Very good management skill & expertise. |
| | Aggregate score of 60 or greater but less than 70 and the quantitative score of at least 30. |
| Unacceptable | 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. |
| | Aggregate score of less than 60 |
| | Financial condition is weak and no capacity or inclination to repay. |
| Unacceptable | 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 | Monthly |
| Director's Loan/Lease | Quarterly |
| Interest Rate for deposit & Lending | Quarterly |
| Loan/Lease Write off Statement | Quarterly |
| Sector Wise Loan/Lease | 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 one of the main condition 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. The government also recapitalized banks, introduced new loan classification systems, and made interest rates more flexible to strengthen money and capital markets. 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 rather have to maintain provisions for NPL.

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 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 Non-Bank Financial Institutions (NBFIs) operating in Bangladesh. Of these, three are government-owned, thirteen are joint ventures with foreign participation, and the remaining nineteen are privately owned.

According to data published by The Daily Prothom Alo on 27 May 2025, the non-performing loan (NPL) ratio in the NBFIs sector stood at approximately 33.25% of total loans as of December 2024. The year-wise NPL trend is presented in the table below:

| Particulars | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------------------|------|-------|-------|-------|-------|--------|
| % of Classified Loan/ Lease NBFIs | 9.53 | 15.03 | 19.33 | 23.88 | 27.65 | 33.25* |

*As of December 2024. (Source: The Prothom Alo, 27 May 2025).

NPL at BIFFL

Managing Non-Performing Loans (NPLs) has become increasingly complex and critically important in the face of ongoing economic challenges. The prolonged aftermath of the COVID-19 pandemic, coupled with rising inflationary pressures, has significantly weakened borrowers' repayment capacities across multiple sectors.

As of the end of FY 2024, Bangladesh Infrastructure Finance Fund Limited (BIFFL) reported a classified loan ratio of 17.22%, with BDT 510.48 crore in classified loans out of a total loan and lease portfolio of BDT 2,964.58 crore.

Although early signs of economic recovery have begun to emerge, many businesses continue to struggle under the combined weight of macroeconomic instability and sector-specific challenges. Key contributing factors—such as rising costs of raw materials, increased civil construction expenses, and prolonged business closures—have led to project delays and stagnation in several industries. These operational disruptions were the primary drivers behind the elevated NPL ratio observed at BIFFL in 2024.

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 demonstrated commendable success in managing Non-Performing Loans (NPLs), owing to the concerted efforts of its cross-functional teams, strong leadership, and effective oversight by the Board of Directors. The close supervision by BIFFL's top management has also played a key role in containing and mitigating credit risks. The institution's NPL management strategy is anchored in a multi-pronged approach focused on risk prevention, early detection, and structured resolution. Key elements of this strategy include:

1. Sound Corporate Governance

BIFFL upholds strong corporate governance principles to prevent loans from becoming non-performing at the outset. Comprehensive due diligence is conducted on prospective borrowers and their businesses prior to loan disbursement. Loan facilities are extended strictly based on commercial viability and credit merit. This ensures objectivity and risk-based lending decisions.

2. Robust Credit Monitoring Policies and Procedures

BIFFL's credit risk management is governed by a detailed Credit Policy, aligned with the regulatory guidelines of Bangladesh Bank. The policy provides a structured framework for evaluating borrower eligibility, risk exposure, and loan structuring. Strict adherence to these policies during borrower selection and post-disbursement monitoring has been instrumental in minimizing NPL formation.

3. Prudent Collateral Management

Collateral adequacy remains a cornerstone of BIFFL's credit risk management strategy. The institution places strong emphasis on ensuring that the securities pledged against loans are sufficient to cover outstanding obligations in the event of default. As part of its rigorous loan appraisal process, BIFFL conducts detailed inspections of project sites and thoroughly evaluates proposed collaterals—such as land, buildings, and machinery. In addition, any bank guarantees submitted as security are carefully verified for authenticity, enforceability, and financial soundness. These measures help to accurately determine the recoverable value of collaterals and significantly reduce the institution's exposure to credit risk.

4. Establishment of a Dedicated NPL Management Unit

To further strengthen its NPL management framework, BIFFL has established a Special Asset Management Department (SAMD). This dedicated unit continuously monitors the performance of borrowers, identifies signs of financial distress, and implements corrective action plans. SAMD plays a vital role in minimizing loan defaults and developing borrower-specific recovery strategies.

5. Implementation of an Early Alert System

BIFFL employs an Early Alert System to identify potentially problematic loans before they deteriorate. This proactive approach enables timely intervention and remediation, helping to prevent accounts from slipping into non-performing status. Through close tracking and early engagement with borrowers, BIFFL enhances the likelihood of loan recovery and sustained portfolio health.

Special Asset Management Department

The Special Asset Management Department (SAMD) is dedicated to managing classified loans and reducing existing Non-Performing Loans (NPLs) by employing advanced tools and specialized mechanisms. SAMD conducts in-depth analyses of classified loan portfolios, ensures continuous follow-up, and closely monitors these accounts. It formulates strategic action plans for the recovery or regularization of classified loans by engaging officials from all relevant departments.

SAMD initiates legal proceedings in collaboration with BIFFL's Legal Unit and panel lawyers when necessary. It also takes proactive steps to bring mortgaged assets or properties under BIFFL's control and undertakes measures to sell these assets in order to recover outstanding dues.

The department provides regular reports to the management on the overall asset quality of the organization and recommends appropriate actions—such as loan rescheduling—to minimize NPL levels. Monthly recovery meetings are held to monitor progress, set action plans, and accelerate the recovery process.

Strategic Outlook in 2025

At BIFFL, effective Non-Performing Loan (NPL) management begins at the earliest stages of the credit lifecycle, starting with thorough due diligence and robust screening of loan applicants. In 2025, BIFFL continues to strengthen its commitment to proactive risk management and strategic recovery initiatives.

The lingering impact of the COVID-19 pandemic continues to challenge various sectors, particularly environment-friendly auto bricks, recycling industries, and Small and Medium Enterprises (SMEs). SMEs, being among the most adversely affected, will remain a central focus in our strategic initiatives.

As several projects experienced implementation delays and operational hurdles due to macroeconomic instability and industry-specific disruptions, BIFFL is placing heightened emphasis on accelerating project implementation and regularizing early-stage irregular accounts.

Key strategic priorities for 2025 include:

- **Close monitoring of pandemic-affected projects** to ensure their timely revival and sustainability.
- **Expedited implementation and operationalization** of projects delayed due to economic or sectoral challenges.
- **Dedicated support to SMEs**, recognizing their vital role in economic recovery and job creation.
- **Reinforced due diligence procedures**, ensuring quality credit origination and risk minimization.
- **Ongoing recovery campaigns**, led by the Special Asset Management Department, to enhance loan recovery performance.
- **Strengthening of the Special Asset Management Department** through capacity-building and technological support.
- **Focused efforts on regularizing early-stage irregular loans**, thereby preventing long-term delinquency.
- **Continued pursuit of legal remedies**, with close collaboration between the Special Asset Management and Legal Units, to expedite recovery from classified loan accounts.

Corporate Governance & Compliance



DIRECTORS' REPORT

The Board of Directors' Stewardship

The Board of Directors of Bangladesh Infrastructure Finance Fund Limited (BIFFL) takes immense pleasure in presenting the Annual Report for the year 2024, accompanied by the Audited Financial Statements. Despite navigating a year marked by global economic turbulence, geopolitical strife, and domestic macroeconomic pressures, BIFFL has demonstrated resilience, strategic foresight, and an unwavering commitment to its mandate, achieving steady growth and operational excellence.

Global Economic Landscape: A Year of Resilience Amidst Uncertainty

The year 2024 unfolded against a backdrop of profound economic complexity, where the world grappled with multifaceted challenges- protracted geopolitical conflicts, supply chain realignments, inflationary pressures, and tightening financial conditions. The persistent Russia-Ukraine war, coupled with escalating tensions in the Middle East, has exacerbated energy and commodity market volatility, reshaping global trade and investment paradigms.

The global economy expanded by 3.2% in 2024, however, the growth remained asymmetric. Advanced economies constrained by monetary policy tightening, declining consumer confidence, and fiscal consolidation, registered a 1.4% growth. The Eurozone and the UK faced near-stagnation, weighed down by energy shocks and inflation-induced demand compression. Conversely, emerging and developing economies exhibited greater resilience, growing at 3.7%, propelled by robust domestic demand, commodity exports, and digital transformation. Asia emerged as a key growth engine, with India, Indonesia, and Vietnam leading the charge, while select Latin American and African economies benefited from remittance inflows and favorable commodity prices¹.

The IMF projects a lower economic growth for 2025, attributed to weaker trade momentum, investor caution, and persistent inflation. Food and energy inflation remain elevated despite signs of moderation

in prices, necessitating continued monetary vigilance. Structural challenges, including climate disruptions, geopolitical fragmentation, and high debt, cloud the global outlook, yet opportunities remain in green energy, digital infrastructure, and AI-driven industries for nations prioritizing innovation and sustainability¹.

Bangladesh's Economic Journey: Resilience in the Face of Adversity

Bangladesh's economy exhibited commendable resilience in 2024, achieving a GDP growth rate of 5.82% (FY 2023-24) despite domestic as well as external challenges. This growth was anchored by strong performances in manufacturing, construction, and services, alongside steady contributions from agriculture despite climate-related adversities.

Key Economic Highlights:

Bangladesh's economy has shown resilience amid global and domestic challenges. The Ready-Made Garments (RMG) sector remained the cornerstone of export earnings, supporting foreign exchange inflows despite softer global demand. Remittance inflows continued to provide a vital cushion, stabilizing household consumption and strengthening the external account. Additionally, progress in major infrastructure projects, including the Padma Bridge, metro rail expansion, and new economic zones, has laid a strong foundation for long-term industrial growth.

However, the economy has faced persistent macroeconomic pressures. Inflation remained elevated at 9.17% (as per Bangladesh Bureau of Statistics), driven by rising global commodity prices, exchange rate depreciation, and domestic supply constraints. Foreign exchange reserves came under stress due to increased import payments and debt servicing needs, prompting careful interventions by Bangladesh Bank. At the same time, high borrowing costs and tight liquidity conditions have constrained private sector investment and credit growth. However, inflation in the upcoming FY is expected to come under control as reform initiatives are undertaken while FX reserves are also expected to rise with a more market-oriented exchange rate regime.

¹ IMF, WEO, January 2025

2025 Outlook: A Gradual Stabilization Phase

Bangladesh is poised for a gradual economic rebound in FY 2025–26, with GDP growth projected to recover to around 5.5% (as per Bangladesh Bureau of Statistics), supported by improving liquidity conditions, ongoing infrastructure development, and steady remittance inflows. Per capita income is expected to rise further, reflecting gradual improvements in productivity and living standards, while infrastructure progress will continue to enhance connectivity across regions.

Reform Imperatives: Paving the Path to Recovery

In response to prevailing macroeconomic challenges and to fostering a pathway toward sustainable, inclusive growth, the government has embarked on a series of critical reform initiatives:

Energy Sector Reforms

A phased adjustment of electricity tariffs is underway to ease fiscal burdens while ensuring the financial sustainability of the power sector. Concurrently, the government is prioritizing the expansion of renewable energy investments to build a cleaner, resilient energy infrastructure for the future.

Monetary and Fiscal Coordination

Enhanced coordination between Bangladesh Bank and the Ministry of Finance aims to anchor inflation expectations and allow for greater market-based interest rate flexibility, thereby strengthening the effectiveness of monetary policy in managing liquidity and supporting growth.

Digital Governance and Transparency

The government is expanding electronic government procurement (e-GP) systems and integrating digital financial management platforms to enhance public sector efficiency, accountability, and fiscal transparency.

Trade and Investment Facilitation:

Efforts are underway to simplify foreign investment procedures, rationalize regulatory frameworks, and modernize port and logistics infrastructure to improve the ease of doing business, thereby boosting export competitiveness and attracting quality investments.

Social Protection Measures:

Targeted food assistance programs and cash transfer schemes are being scaled up to protect vulnerable populations, cushioning the impact of elevated living costs while supporting household consumption.

Supported by the IMF's Extended Credit Facility, these reform measures are designed to stabilize Bangladesh's macroeconomic environment, enhance fiscal and external buffers, and lay the groundwork for a more competitive, resilient, and inclusive economy in the years ahead.

BIFFL's Performance in 2024

BIFFL has been offering long-term financing to numerous infrastructure projects of the country including Public Private Partnership (PPP) projects since its inception in 2011. It has also been channeling funds to projects to promote energy efficiency, food value chain improvement as well as women entrepreneurship in the country.

As of 31 December 2024, the institution approved financing proposals for BDT 10,638.57 crore in various sectors, disbursed BDT 5,690.36 crore and the outstanding balance is BDT 3,072.11 crore.

| Sector | as of 31 Dec 2024 (in BDT crore) | | |
|------------------------------|----------------------------------|-----------|-------------|
| | Approved | Disbursed | Outstanding |
| Energy Efficient Project | 3,298.29 | 1,107.29 | 1,032.27 |
| Transport & Communication | 2,795.00 | 2,019.21 | 832.91 |
| Power & Energy | 1,687.48 | 1,035.87 | 375.33 |
| Environment-Friendly Project | 323.25 | 183.80 | 258.60 |
| Food Value Chain | 406.20 | 138.75 | 134.33 |
| Renewable Energy | 141.47 | 91.00 | 104.29 |
| Iron & Steel | 240.00 | 166.00 | 74.17 |
| Economic Zone | 660.00 | 537.06 | 73.71 |

| Sector | as of 31 Dec 2024 (in BDT crore) | | |
|--|----------------------------------|-----------------|-----------------|
| | Approved | Disbursed | Outstanding |
| Tourism & Hospitality | 150.00 | 150.00 | 62.78 |
| Healthcare | 80.00 | 20.00 | 34.28 |
| Waste Recycling & Management | 72.50 | 72.34 | 31.29 |
| Information and Communication Technology | 75.00 | 50.00 | 29.21 |
| Port Development | 603.00 | 22.97 | 27.90 |
| Women Entrepreneurship Financing | 6.38 | 6.06 | 1.04 |
| Others | 100.00 | 90.00 | -- |
| Total | 10,638.57 | 5,690.36 | 3,072.11 |

BIFFL & SDGs

Bangladesh has incorporated the priorities of Sustainable Development Goals (SDGs) in all its development policies. BIFFL is supporting these goals by investment in infrastructure, environment and women empowerment. To widen the scope and strength of BIFFL's participation in this endeavor, it has been working with various bilateral and

multilateral development partners such as the World Bank, JICA, ADB, KfW and AFD.

Financial Outcome

The company finalized its annual financial statements for the year ended on 31 December 2024 and Kazi Zahir Khan & Co., Chartered Accountants, audited the financial statements accordingly. The key financial indicators are as follows:

Balance Sheet and Profit & Loss Account Highlights

| Particulars | Figure in BDT crore | | | % |
|---------------------------------|---------------------|----------|---------|---------|
| | 2024 | 2023 | Changes | Changes |
| Balance Sheet Highlights | | | | |
| Leases, Loans and Advances | 2,964.58 | 2,276.55 | 688.04 | 30.22% |
| Investment | 1,509.57 | 1,389.68 | 119.89 | 8.63% |
| Loans and Investment | 4,474.15 | 3,666.23 | 807.92 | 22.04% |
| Assets | 5,590.76 | 4,912.20 | 678.56 | 13.81% |
| Liabilities | 2,766.43 | 2,152.02 | 614.41 | 28.55% |
| Equity | 2,824.33 | 2,760.18 | 64.15 | 2.32% |
| Operational Performance | | | | |
| Revenue | 411.26 | 306.97 | 104.29 | 33.97% |
| Interest Expenses | 36.01 | 26.66 | 9.35 | 35.08% |
| Operating Income | 375.26 | 280.32 | 94.94 | 33.87% |
| Operating Expenses | 18.45 | 20.50 | (2.04) | -9.97% |
| Profit Before Provision | 356.80 | 259.82 | 96.99 | 37.33% |
| Provision | 114.08 | 76.58 | 37.50 | 48.97% |
| Profit Before Tax | 242.72 | 183.24 | 59.48 | 32.46% |
| Provision for Income Tax | 141.59 | 99.93 | 41.66 | 41.69% |
| Profit after Tax and Provision | 101.13 | 83.31 | 17.82 | 21.40% |
| Key Ratios (BDT) | | | | |
| Earnings Per Share (EPS) | 4.38 | 3.61 | 0.77 | 21.40% |
| Net Asset Value (NAV) Per Share | 122.37 | 119.59 | 2.78 | 2.32% |

Sources of Fund

Other than equity, i.e., paid-up capital, BIFFL channels funds from several sources such as JICA, ADB, WB, KfW and AFD, 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 development partners and the GoB to promote financing in infrastructure, energy efficiency and conservation, renewable energy, food value chain improvement etc. Besides, BIFFL has also secured soft loans from the WB and ADB to leverage some mega projects where financing from traditional bank loans would not have been possible.

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 5,441 million has been availed by BIFFL. In addition, BIFFL has also received JPY 122 million as technical assistance. This project has already been successfully implemented.

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 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 enhance the quality and productivity of end products by providing concessional loans (total loan amount JPY 10,800 million). Like other projects of JICA, this project also includes technical assistance of JPY 418 million for the capacity development of BIFFL as well as the food processing and value chain sector.

SBIFFLP

In 2020, the GoB signed an agreement with ADB for a 25-year 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. The entire loan proceeds have been relented to two PPP subprojects.

SBIFFLP- Additional Financing

Following the successful implementation of the SBIFFLP project, ADB has extended additional financing of USD 100 million to BIFFL-twice the amount of the original loan. This additional funding will support the financing of eligible PPP subprojects, two of which have already been approved by BIFFL under this initiative. Moreover, ADB has also provided a technical assistance grant of USD 0.30 million to strengthen BIFFL’s institutional capacity.

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.

EEl

In 2022, the GoB and 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 encourage the use of more energy-efficient substitutes.

Classification Status of Loans and Advances

The classification status of loans and advances of BIFFL (as of 31.12.2024) is as follows:

| Classification Status | BDT in crore |
|-------------------------------|-----------------|
| Standard (STD) | 2,428.33 |
| Special Mention Account (SMA) | 25.77 |
| Sub-Standard (SS) | - |
| Doubtful (DF) | - |
| Bad and Loss (BL) | 510.48 |
| Total | 2,964.58 |

Proposal of Dividend for 2024

As per the audited financial statements for the FY 2024 of BIFFL, the 'Total Operating Income' is BDT 375.26 crore and the 'Net Profit after Tax and Provision' (NPAT&P) is BDT 101.13 crore. The BIFFL Board in its 135th meeting recommended a dividend of BDT 46 crore for the FY 2024 in favor of the Government (Finance Division, Ministry of Finance) as the shareholder of the company. Until 2024, BIFFL paid a total of BDT 689.22 crore to GoB as dividends.

Figure in BDT Crore

| 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 |

Shareholding Structures

| Shareholders | Shareholding position during the last 5 (five) years | | | | |
|--|--|--------------------|--------------------|--------------------|--------------------|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Finance Division, MoF | 210,799,984 | 230,799,984 | 230,799,984 | 230,799,984 | 230,799,984 |
| Secretary, Finance Division, MoF | 9 | 9 | 9 | 9 | 9 |
| Secretary, The Chief Adviser'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 | 230,800,000 | 230,800,000 | 230,800,000 | 230,800,000 |

| Year | Dividend | | Total |
|-----------------|---------------|---------------|---------------|
| | Stock | Cash | |
| 2022 | -- | 27.96 | 27.96 |
| 2023 | -- | 36.99 | 36.99 |
| Subtotal | 508.00 | 181.22 | 689.22 |
| 2024 (Proposed) | -- | 46.00 | 46.00 |
| Total | 508.00 | 227.22 | 735.22 |

Total Contribution to the National Exchequer

BDT in Crore

| Up to 30 June 2025 since the inception of BIFFL | |
|---|-----------------|
| Income Tax and VAT | 998.28 |
| Dividend | 181.22 |
| Total | 1,179.50 |

Corporate Governance

BIFFL remains committed to strong corporate governance and regulatory compliance as it supports Bangladesh's infrastructure development and promotes energy-efficient and eco-friendly projects in collaboration with international partners.

The Board of Directors continues to play a central role to ensure a well-balanced corporate environment, with proper checks and balances in place, to maximize benefits to the country. The management reports to the Board in line with ethical and legal requirements and actively works to standardize the Management Information System (MIS) and periodic reporting mechanisms, as required by both the Board and relevant regulatory authorities. A separate section detailing BIFFL's corporate governance practices is included in this report.

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 of BIFFL 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 and approves 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 [not in order of seniority]

| Sl. | Name | Designation | 1 st Appointment | Re- appointment |
|-----|---|-------------|--------------------------------|--------------------------------------|
| 1 | Dr. Md. Khairuzzaman Mozumder Secretary, Finance Division, MoF | Chairman | 15-Feb-23 | -- |
| 2 | Mr. Md. Ehsanul Hoque Senior Secretary, Road Transport & Highways Division, MoRT&B | Director | 25-Sep-24 | -- |
| 3 | Mr. Md. Shahriar Kader Siddiky Secretary, Economic Relations Division, MoF | Director | 23-Nov-23 | -- |
| 4 | Mr. M. Saifullah Panna Secretary, Chief Adviser's Office | Director | 25-Sep-24 | -- |
| 5 | Ms. Farzana Mamtaz Secretary, Power Division, MoPE&MR | Director | 13-Nov-24 | -- |
| 6 | Mr. Mohammad Saiful Islam Secretary, Energy and Mineral Resources Division, MoPE&MR | Director | 13-Nov-24 | -- |
| 7 | Mr. Mohammad Abdur Rouf Secretary, Bridges Division, MoRT&B | Director | 24-Mar-25 | -- |
| 8 | Mr. Hasan Khaled Foisal Additional Secretary, Finance Division, MoF | Director | 18-Nov-21 | 24-June-23 (12 th AGM) |

Change of Directors in 2024 and up to June 2025 [not in order of seniority]

| Sl. | Name | Designation | Appointment | Continuation/ Cessation |
|-----|--------------------------------|-------------|-------------|----------------------------|
| 1 | Dr. Md. Khairuzzaman Mozumder | Chairman | 15-Feb-23 | Continuing |
| 2 | Mr. Md. Ehsanul Hoque | Director | 25-Sep-24 | Continuing |
| 3 | Mr. Md. Shahriar Kader Siddiky | Director | 23-Nov-23 | Continuing |
| 4 | Mr. M. Saifullah Panna | Director | 25-Sep-24 | Continuing |
| 5 | Ms. Farzana Mamtaz | Director | 13-Nov-24 | Continuing |
| 6 | Mr. Mohammad Saiful Islam | Director | 13-Nov-24 | Continuing |
| 7 | Mr. Mohammad Abdur Rouf | Director | 24-Mar-25 | Continuing |
| 8 | Mr. Hasan Khaled Foisal | Director | 18-Nov-21 | Continuing |
| 9 | Mr. Md. Fahimul Islam | Director | 13-Nov-24 | 24-Mar-25 |
| 10 | Mr. Md. Habibur Rahman, BPAA | Director | 31-Dec-20 | 13-Nov-24 |
| 11 | Mr. Md. Monjur Hossain | Director | 20-Feb-22 | 25-Sep-24 |
| 12 | Mr. A B M Amin Ullah Nuri | Director | 26-Jun-22 | 25-Sep-24 |
| 13 | Mr. Mohammad Salahuddin | Director | 4-Jan-23 | 25-Sep-24 |
| 14 | Mr. Md. Nurul Alam | Director | 30-Sep-23 | 13-Nov-24 |

Board Meeting and Attendance

In 2024, ten (10) Board meetings were held. 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 2024 is as follows:

| Sl. | Directors | No. of Meeting held in his tenor | No. of attendance |
|-----|--------------------------------|----------------------------------|-------------------|
| 1 | Dr. Md. Khairuzzaman Mozumder | 10 | 10 |
| 2 | Mr. Md. Ehsanul Hoque | 03 | 03 |
| 3 | Mr. Md. Shahriar Kader Siddiky | 10 | 10 |
| 4 | Mr. M. Saifullah Panna | 03 | 03 |
| 5 | Ms. Farzana Mamtaz | 02 | 02 |
| 6 | Mr. Mohammad Saiful Islam | 02 | 01 |
| 7 | Mr. Md. Fahimul Islam | 02 | 01 |
| 8 | Mr. Hasan Khaled Foisal | 10 | 10 |
| 9 | Mr. Md. Habibur Rahman, BPAA | 08 | 06 |
| 10 | Mr. Md. Monjur Hossain | 07 | 06 |
| 11 | Mr. A B M Amin Ullah Nuri | 07 | 07 |
| 12 | Mr. Mohammad Salahuddin | 07 | 04 |
| 13 | Mr. Md. Nurul Alam | 08 | 08 |

Note: Directors who were absent from the meeting were granted leave of absence by the Board.

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 14th AGM. The retiring Directors are eligible for re-election (regulation-81). The retiring Directors are as follows:

| Name | Designation | First Appointment | Reappointment |
|--------------------------------|-------------|-------------------|-------------------------------------|
| Dr. Md. Khairuzzaman Mozumder | Chairman | 15-Feb-23 | -- |
| Mr. Md. Shahriar Kader Siddiky | Director | 23-Nov-23 | -- |
| Mr. Hasan Khaled Foisal | Director | 18-Nov-21 | 24-Jun-23 (12 th AGM) |

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 Board Committees named the 'Executive Committee, Audit Committee and Risk Management Committee' consisting of Directors in compliance with respective directives of Bangladesh Bank. These committees are reconstituted from time-to-time following changes in the Board. In 2024, a total of five (05) meetings of the Executive Committee (EC), four (04) meetings of the Audit

Committee (AC), and three (03) meetings of the Risk Management Committee (RMC) were held.

Going Concern

The Board of 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 about the company's ability to continue as a going concern. A separate report on the going concern assessment is included in this report.

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 have been 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 achieve its mission. As of 31 December 2024, the number of employees is 65, as follows:

| Organizational Affairs | No. of Employee |
|--|-----------------|
| Chief Executive Officer | 1 |
| CEO's Secretariat | 1 |
| Company Secretariat | 1 |
| Credit and Investment Department | 5 |
| Credit Risk Management Department | 5 |
| Credit Administration Department | 5 |
| Treasury Department | 3 |
| Special Assets Management Department | 7 |
| Internal Control and Compliance Department | 2 |
| Accounts and Finance Department | 3 |
| Technical and IT Departments | 4 |
| HR and Administration | 7 |
| Support staffs | 21 |
| Total | 65 |

Currently, the gender ratio of male to female employees in BIFFL is approximately 3:1. The employee turnover is about 13.85%. As of 31 December 2024, the net income per employee is BDT 1.56 crore. The company has a plan to increase its employee strength to match its objective and investment plan. BIFFL's 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 FY2024

The shareholders in the 13th AGM approved the appointment of Kazi Zahir Khan & Co., Chartered Accountants for the FY2024. The auditor, Kazi

Zahir Khan & Co., Chartered Accountants audited the financial statements for FY 2024 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 2024, and its financial performance and cash flows for the year then ended as per International Financial Reporting Standards (IFRSs) and comply with the Finance Company Act, 2023, 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, Finance Company Act, 2023 and other rules and regulations of the Registrar of Joint Stock Companies and Firms, Bangladesh Bank, Bangladesh Securities and Exchange Commission etc. during the FY2024. 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 to continue 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 2024.

7. In 2024, ten (10) Board meetings were held, and Directors served the Board in their position.
8. BIFFL is fully Government-owned as on 31 December 2024.

Acknowledgement

The Board takes this 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 Kazi Zahir Khan & Co., Chartered Accountants - the auditors of the company- for their efforts.

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 continually through infrastructure financing and eco-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,



Dr. Md. Khairuzzaman Mozumder
Chairman

STATEMENT OF CORPORATE GOVERNANCE

Corporate governance is essential for promoting transparency, accountability, and sustainable stability in financial institutions. Considering the changing regulatory environment and financial markets' growing intricacies, institutions must implement strong governance frameworks. The Corporate Governance framework for BIFFL delineates the principles, structures, and practices that inform the institution's governance approach. This declaration aims to reassure stakeholders of the institution's dedication to transparency, accountability, and ethical behavior.

In persuasion of corporate objectives, BIFFL is committed to establish its corporate governance framework by adopting, reviewing, and complying with all the policies and practices in preserving stakeholder trust and fostering long-term value creation within the organization with maximum accountability and transparency. The company's corporate governance standards are founded on the following principles:

- Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties;
- Transparency and independence in the functioning of the Board and sub committees;
- Independent verification and integrity assurance of financial reporting;
- Adequate risk management and internal control;
- Protection of shareholders' rights and placing priority on investor relations;
- Regulatory compliance and reporting;
- Timely and accurate disclosure of all matters concerning operations and performance of the company.

BIFFL has incorporated the guidelines of corporate governance issued by the Bangladesh Securities and Exchange Commission (BSEC) and the Bangladesh Bank. The extent of compliance by BIFFL for the year ended 31 December 2024 with the above rules and directive principles and best practices are given in:

Annexure-I

Status of compliance with the conditions imposed by the Bangladesh 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 listed yet 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 structure is founded on the principles of accountability, transparency, ethical management, and fairness. The perspective of effective governance is deeply embedded throughout the organization. BIFFL operates within a thorough governance framework, which is detailed below:

- Board comprises of 9 (nine) members including 8 senior govt. officers from different ministries of the state and the CEO as an ex-officio member of Board and regular meetings of the Board of Directors;
- Formation of Board Committee i.e. Audit Committee, Executive Committee and Risk Management Committee working as per term of reference prescribed by Bangladesh Bank;
- Rotation and retirement of Directors;
- Independence of Chairman and Directors;
- The separate roles and responsibilities of the Chairman, Board and CEO;
- Preparation and approval of various policies;
- Declaration of CEO and Chief Financial Officer (CFO);

- Formation of different committees/units at management level to strengthen the process of business operation through segregation of duties;
- Code of Conduct for all employees;
- Formation of separate Internal Control and Compliance Department (ICCD) and Credit Risk Management Department (CRMD);
- Appointment of External auditors and professional for the certification and opinion;
- Vision, mission, and strategy approved by the Board;
- Ethics & compliance environment;
- Key policies regarding remuneration of Directors and employees;
- Communication to shareholders/stakeholders for participation in the Annual General Meeting;
- Redress of investor complaints;
- Environmental and social obligations under CSR;
- Sustainable financing;
- Independent credit rating;
- Compliance of Bangladesh Bank and others regulatory requirements;
- 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 | Executive Committee (EC) | Audit Committee (AC) | Risk Management Committee (RMC) |
|--------------------------|--------------------------|-------------------------|---------------------------------|
| 10 meetings held in 2024 | 5 meetings held in 2024 | 4 meetings held in 2024 | 3 meetings held in 2024 |

Board of Directors

The Board of Directors is the supreme governing body of BIFFL, responsible for overseeing the company's management, setting strategic direction, ensuring accountability, and protecting the interests of shareholders. The Board serves as a bridge between the company's shareholders and its executive management, providing independent oversight to ensure the company operates in a transparent, accountable, and responsible manner. The Board is also responsible to shareholders for the company's overall management and performance. In 2024, 10 Board meetings were held.

Executive Committee (EC)

The EC consists of 5 (five) members. The EC serves to support the Board of Directors and the management team by making high-level decisions, overseeing day-to-day operations, and executing the strategic objectives set by the Board. The committee plays a pivotal role in executing corporate strategies, managing operational challenges, and coordinating decision-making across departments. Matters related to ordinary business operations of the company and those the Board authorizes from time to time are vested in the EC. The committee ensures proper and timely implementation of policies and guidelines through the management. Company Secretary acts as the secretary of EC. In 2024, 5 EC meetings were held.

Audit Committee (AC)

The AC consists of 3 (three) members and is one of the most important sub-committees of the Board of Directors, primarily tasked with overseeing the company's financial reporting process, internal controls, audit activities, and compliance with applicable regulations and standards. The AC plays a crucial role in ensuring the accuracy, transparency, and integrity of the company's financial statements, as well as safeguarding the interests of shareholders and other stakeholders. The committee also performs an annual assessment of the effectiveness of the company's internal audit functions and ensures that the internal audit has adequate resources to fulfill its mandate. Company Secretary acts as the secretary of AC. In 2024, 4 AC meetings were held.

Risk Management Committee (RMC)

As per DFIM Circular no.1 dated 29 February 2024, 4 (four) members RMC was formed with members of the Board. The RMC is primarily responsible for overseeing the company's risk management framework, ensuring that risks are identified, assessed, and mitigated effectively. The committee ensures that the company's risk exposure is aligned with its strategic goals and that appropriate processes are in place to manage both internal and external risks. The RMC is also responsible for identifying and measuring credit risk, transaction risk, internal control & compliance risk, money laundering risk, ICT risk, interest rate risk, liquidity risk and other relevant risks. Besides, RMC monitors whether the management has taken adequate strategies/measures to manage those risks or not and maintain sufficient capital and provision against those risks. In 2024, 3 RMC meetings were held.

(ii) Management Committees

Management Committee (MANCOM)

MANCOM oversees all facets of daily operations in accordance with the policies and guidelines established by the Board. Additionally, the committee is tasked with executing the decisions made by the Board. At present, the committee consists of:

| | | |
|----|---|------------------|
| 01 | Mr. S. M. Anisuzzaman Chief Executive 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. Monis Mortuza Chowdhury Chief Risk Officer | Member |
| 06 | Mr. Md. Atikul Islam, FCS Company Secretary | Member |
| 07 | Mr. Sujit Basak Head, Internal Control & Compliance Department | Member |
| 08 | Mr. Salah Uddin Kader Chy Chief Financial Officer (Acting) | Member Secretary |
| 09 | Mr. Muhammed Shahjahan Head, HR & Administration Department | Member |
| 10 | Mr. Md. Afzal Hossain, CFA Head, Treasury Department | Member |
| 11 | Ms. Mehnaz Hossain Head, Risk Analysis Unit | Member |
| 12 | Ms. Tashfiya Tasnim Tisha In-Charge, Legal Unit | 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)

In order to uphold appropriate discipline within the loan and investment approval process, as well as to facilitate a more thorough evaluation of the quality of the credit and investment portfolio of BIFFL, a Credit Committee (CC) has been established, consisting of the following officials:

| | | |
|----|---|----------|
| 01 | Mr. Md. Tanvir Warsi Head, Credit Risk Management Department | Chairman |
| 02 | Mr. Sheikh Anower Sadat Head, Credit & Investment Department | Member |
| 03 | Mr. Md. Arifur Rahman Head, Special Asset Management Department | Member |
| 04 | Mr. Monis Mortuza Chowdhury Chief Risk Officer | Member |
| 05 | Mr. Salah Uddin Kader Chy Chief Financial Officer (Acting) | Member |

| | | |
|----|---|------------------|
| | | |
| 06 | Mr. Md. Afzal Hossain, CFA Head, Treasury Department | Member |
| 07 | Mr. Amir Hossain Nadim Sr. Principal Officer, Credit Risk Management Department | Member Secretary |

The Credit Committee:

- Evaluates the potential risks and forthcoming challenges (technical, economic, social & environmental, and/or legislative) that could negatively impact the proposed project.
- Assesses the adherence to relevant policies (both internal and external) as well as the rules & regulations/circulars/directives/guidelines set forth by the regulators during the project appraisal process.
- Takes into account the observations and recommendations provided by the Credit Risk Management Department regarding the proposal and review the mitigation strategies for the identified observations.
- Offers specific recommendations based on the data, analysis, and appraisal report submitted by the Credit & Investment Department, along with the viability, risks & challenges of the project identified by the Credit Risk Management Department, including the strategies to mitigate these risks and challenges.

Asset Liability Management Committee (ALCO)

In order to effectively manage balance sheet risk, particularly in mitigating liquidity and interest rate risks, and to support MANCOM in the decision-making process, the management of BIFFL established an ALCO. This committee is tasked with developing an optimal structure for the company's balance sheet to ensure maximum profitability while limiting potential risk levels, overseeing capital adequacy, and facilitating risk diversification. The ALCO holds regular meetings and consistently evaluates the outcomes of these meetings. The members of the ALCO include:

| | | |
|----|---|------------------|
| | | |
| 01 | Mr. S. M. Anisuzzaman Chief Executive Officer | Chairman |
| 02 | Mr. Sheikh Anower Sadat Head, Credit & Investment Department | Member |
| 03 | Mr. Md. Arifur Rahman Head, Special Asset Management Department | Member |
| 04 | Mr. Monis Mortuza Chowdhury Chief Risk Officer | Member |
| 05 | Mr. Sujit Basak Head, Internal Control & Compliance Department | Member |
| 06 | Mr. Salah Uddin Kader Chy Chief Financial Officer (Acting) | Member |
| 07 | Mr. Md. Afzal Hossain, CFA Head, Treasury Department | Member Secretary |

Risk Management Forum (RMF)

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

- Evaluates management's strategies for mitigating the significant risks encountered by BIFFL, assessing their potential effects and executing suitable measures to address those risks;
- Fosters an understanding of a risk-oriented culture and strives to achieve a balance between minimizing risks and the rewards associated with risk mitigation;
- Assesses the adequacy of personnel, systems, procedures, and other aspects related to risk management;
- Analyzes and evaluates the effectiveness and sufficiency of the risk management function, encompassing both processes and organizational structure.

The forum consists of the following members:

| 01 | Mr. Monis Mortuza Chowdhury Chief Risk 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. Md. Atikul Islam, FCS Company Secretary | Member |
| 06 | Mr. Sujit Basak Head, Internal Control & Compliance Department | Member |
| 07 | Mr. Salah Uddin Kader Chy Chief Financial Officer (Acting) | Member |
| 08 | Mr. Muhammed Shahjahan Head, HR & Administration Department | Member |
| 09 | Mr. Md. Afzal Hossain, CFA Head, Treasury Department | Member |
| 10 | Ms. Mehnaz Hossain Head, Risk Analysis Unit | Member Secretary |
| 11 | Mr. Azmol Huda Sarker In-charge, IT & MISD | 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 | Ms. Mehnaz Hossain Sr. Principal Officer, Credit & Investment Department | Unit Head |
|----|--|-----------|
| 02 | Mr. Salah Uddin Kader Chy Chief Financial Officer (Acting) | Member |
| 03 | Mr. Muhammed Shahjahan Head, HR & Administration Department | Member |
| 04 | Mr. Md. Afzal Hossain, CFA Head, Treasury Management Department | Member |
| 05 | Mr. Amir Hossain Nadim Sr. Principal Officer, Credit Risk Management Department | Member |
| 06 | Mr. Khandokar Riazul Hoque Sr. Principal Officer, Credit & Investment Department | Member |
| 07 | Mr. Azmol Huda Sarker In-charge, IT & MISD | Member |

Central Compliance Unit (CCU)

In accordance with the instructions and guidelines set forth in the "Guidance Notes on Prevention of Money Laundering and Terrorist Financing" released by the Bangladesh Financial Intelligence Unit, Bangladesh Bank, BIFFL established the Central Compliance Unit (CCU). This unit is tasked with monitoring, supervising, and

addressing all compliance matters of the organizations, including adherence to Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) policies as sanctioned by the Board. The CCU consists of:

| 01 | Mr. Md. Atikul Islam, FCS Company Secretary | Head of CCU & CAMLCO |
|----|---|-------------------------------|
| 02 | Mr. Salah Uddin Kader Chy Chief Financial Officer (Acting) | DCAMLCO & Member Secretary |
| 03 | Mr. Misbahul Islam Saad MTO, Credit Administration Department | Member |
| 04 | Ms. Nusrat Jahan Chowdhury Junior Officer, Credit Administration Department | Member |

Integrity and Ethics Committee

BIFFL has established an Integrity and Ethics Committee in accordance with the directives and guidelines set forth by Bangladesh Bank, aiming to adhere to the principles of integrity and good governance as outlined in the National Integrity Strategy of Bangladesh. This committee is tasked with fostering integrity and ethical standards among the organization's employees. The committee consists of:

| 01 | Mr. S. M. Anisuzzaman Chief Executive Officer | Chairman |
|----|--|------------------|
| 02 | Mr. Sheikh Anower Sadat Head, Credit & Investment Department | Member |
| 03 | Mr. Md. Atikul Islam, FCS Company Secretary | Focal Point |
| 04 | Mr. Sujit Basak Head, Internal Control & Compliance Department | Member Secretary |
| 05 | Mr. Salah Uddin Kader Chy Chief Financial Officer (Acting) | Member |
| 06 | Mr. Muhammed Shahjahan Head, HR & Administration Department | Member |
| 07 | Mr. Pronab Kumar Halder Principal Officer, Credit Risk Management Department | Member |

Sustainable Finance Committee

In accordance with the instructions outlined in SFD Circular no. 02, dated 01 December 2016, issued by Bangladesh Bank, BIFFL established the Sustainable Finance Committee. This committee is tasked with overseeing the operations of the Sustainable Finance Unit of BIFFL. The committee was constituted as follows:

| 01 | Mr. Md. Tanvir Warsi Head, Credit Risk Management Department | Chairman |
|----|---|------------------|
| 02 | Mr. Md. Arifur Rahman Head, Special Asset Management Department | Member |
| 03 | Mr. Salah Uddin Kader Chy Chief Financial Officer (Acting) | Member |
| 04 | Mr. Md. Amir Hossain Nadim Sr. Principal Officer, Credit Risk Management Department | Member |
| 05 | Mr. Pronab Kumar Halder Principal Officer, Credit Risk Management Department | Member Secretary |

ICT Steering Committee

The ICT Steering Committee is comprised as follows:

| 01 | Mr. Md. Tanvir Warsi Head, Credit Risk Management Department | Chairman |
|----|--|------------------|
| 02 | Mr. Muhammed Shahjahan Head, HR & Administration Department | Member |
| 03 | Ms. Tashfiya Tasnim Tisha In-Charge, Legal Unit | Member |
| 04 | Mr. Azmol Huda Sarker In-Charge, IT & MISD | Member Secretary |
| 05 | Mr. Mohammad Minhaz Uddin MTO, Technical Department | Member |

The committee is responsible for-

- monitoring management methods to determine and achieve strategic goals;
- recommending 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

In order to enhance the corporate governance framework and improve the quality of customer services, BIFFL established a Customer Service & Complaints Management Cell comprising the following officials:

| 01 | Mr. Md. Arifur Rahman Head, Special Asset Management Department | Head |
|----|---|-------------|
| 02 | Mr. Salah Uddin Kader Chy Chief Financial Officer (Acting) | Member |
| 03 | Mr. Muhammed Shahjahan Head, HR & Administration Department | Deputy Head |
| 04 | Ms. Tashfiya Tasnim Tisha In-Charge, Legal Unit | 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: | | | No Independent Director in the Board yet |
| 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 NBF | - | - | " |
| 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 | - | - | " |

| Condition No. | Title | Compliance status | | Remarks (if any) |
|---------------|--|-------------------|--------------|--|
| | | Complied | Not complied | |
| 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 | - | - | " |
| 1.3(b)(iii) | Former official of govt. or statutory or autonomous or regulatory body in the position not below 5 th 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 | ✓ | | |

| Condition No. | Title | Compliance status | | Remarks (if any) |
|---------------|--|-------------------|--------------|---|
| | | Complied | Not complied | |
| 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 | ✓ | | |
| 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) | - | - | Not applicable |
| 1.5(xxi) | Statement that no bonus share or stock dividend declared as interim dividend | - | - | Not applicable |
| 1.5(xxii) | Total number of board meeting held & attendance reporting | ✓ | | |
| 1.5(xxiii)(a) | Parent/Subsidiary/Associated Companies and other related parties | - | - | Not applicable |
| 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 | - | - | " |

| Condition No. | Title | Compliance status | | Remarks (if any) |
|---------------|--|-------------------|--------------|--|
| | | Complied | Not complied | |
| 2(e) | Review of Financial Statement by the holding company | - | - | " |
| 3 | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS) | | | |
| 3.1 | Appointment: | | | |
| 3.1(a) | 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: | | | |

| Condition No. | Title | Compliance status | | Remarks (if any) |
|---------------|---|-------------------|--------------|--|
| | | Complied | Not complied | |
| 5.3(a) | Board shall select the Chairperson of the AC, who shall be an Independent Director | - | - | No Independent Director |
| 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 | ✓ | | |
| 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 | - | - | " |

| Condition No. | Title | Compliance status | | Remarks (if any) |
|---------------|--|-------------------|--------------|------------------|
| | | Complied | Not complied | |
| 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 | - | - | " |
| 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 auditors to perform the following services of the company, namely: | | | |
| 7.1(i) | Appraisal or valuation services or fairness opinions | ✓ | | |
| 7.1(ii) | Financial information systems design and implementation | ✓ | | |
| 7.1(iii) | Book-keeping | ✓ | | |
| 7.1(iv) | Broker-dealer services | ✓ | | |

| Condition No. | Title | Compliance status | | Remarks (if any) |
|---------------|---|-------------------|--------------|------------------|
| | | Complied | Not complied | |
| 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) | ✓ | | |
| 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 with 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, Audit Committee and Risk Management 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 | |

| Sl. no. | Particulars | Status of Compliance | Remarks (if any) |
|-----------|--|----------------------|------------------|
| | 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 | | |
| | 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 Finance Companies Act 2023 and other relevant circulars of Bangladesh Bank and other regulatory authorities. | Complied | |
| | iii. All recruitment /promotion /training, except recruitment/promotion/ training of DMG & 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 STATEMENT

BIFFL is committed to upholding the highest standards of ethics and compliance by its employees while doing Business. It emphasizes the importance of upholding moral principles and legal obligations in all aspects of business operations. Acts of every employee are governed by “Code of Conduct” which is an integral part of the service rule. Our employees comply with the code of conduct and requirements of ethical principles. Moreover, we are a value driven organization which separates us from others while displaying ethics in our activities.

The Board has always been deeply committed to establishing the highest levels of ethics and compliance among all employees of the institution. It has always encouraged management to ensure that everyone maintains high ethical standards within the institution. The Board guides the management on policies 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:



Their relationship with and responsibilities to BIFFL;



Their relationship with and responsibilities to customers;



Compliance with laws and regulations;



Acting in a professional and ethical manner;



Protection of business assets;



Disclosure of conflicts of interest; and



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 long-term sustainable business relationships.
- 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 antidiscrimination and harassment policy whereby

the wrongdoer may be subjected to the full range of disciplinary actions up to and including termination of his/her employment as well as may be 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 commissions from suppliers and clients.
- Training and communication: This section details ongoing training and communication strategies to ensure all employees are aware of the code of conduct and its purpose.
- 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.

Compliance and Monitoring

- Compliance with the Code of Conduct and Ethics is embedded in the employment terms and conditions of all employees.
- All employees are trained every year on "Code of Conduct" by rotation, and they acknowledge that they have read, understood and will abide by the code.
- We show zero tolerance for noncompliance with the "Code of Conduct" and disciplinary actions are taken immediately based on the merit of the incident.

- Every year external and internal audits take place within the organization and corrected measures are taken for any identified deviations.

Communication of the Statement of Ethics and Business Practices

Every employee must sign an annual declaration at the time of hiring attesting to their understanding and familiarity with the Code of Conduct. The Human Resources department oversees distributing the necessary declarations and making sure the employee acknowledges them. All employees are encouraged to convey the Code of Conduct and remain cooperative with each other.

Board's Commitment

The Board of Directors of BIFFL are committed and ensure that the company's business activities are conducted in accordance with the highest standards of ethics and compliance through all the employees of BIFFL. As part of this, Board of Directors has instituted several approaches to underline its commitment to the highest standards of ethical behavior.

- The Board of Directors set standards of expected ethical behavior through the formulation and communication of Code of Conduct. Ethical foundations are integrated in day-to-day decision-making, activities, and processes.
- Established a clearly defined organizational structure that assigns responsibility and authority for the conduct of organizational functions.
- Installed a system of internal controls, which is reviewed, evaluated, and updated on an ongoing basis.
- The Board members shall not engage in insider trading in respect of approving loan and other activities.
- All must remain vigilant about any kind of fraud or illegal activities and must not engage at any cost. Any such activity should be immediately reported, and appropriate actions are taken accordingly.
- All employees are trained every year on AML&CFT by rotation.
- All personnel working for BIFFL act as whistleblowers and report on any activity that is not in accordance with our code of conduct.
- Established a variety of monitoring mechanisms including the formation and empowerment of an operationally independent internal audit team.

REPORT OF THE AUDIT COMMITTEE

Scope of work of Audit Committee

The scope of the Audit Committee of BIFFL (hereinafter referred to as 'the Committee') is authorized to monitor and review the effectiveness of the company's Internal Control and Compliance function in the context of the company's overall risk management system. The committee performed its activities in accordance with its Terms of Reference (ToR) as determined by the Board of Directors (Board) under the guidance of DFIM circular no. 01 dated 29/02/2024 and responsible to the Board. The committee presented a summary of these activities to Board, shareholders and other interested parties through this report.

Composition of the committee:

The Board Audit Committee consists of 3 (three) 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:

Mr. Md. Shahriar Kader Siddiky (Secretary, Economic Relations Division, Ministry of Finance) is the Chairman of the AC posing of vast experience in different fields. Two other members are Mr. M. Saifullah Panna (Secretary, Chief Adviser's Office) and Ms. Farzana Mamtaz (Secretary, Power Division, Ministry of Power, Energy and Mineral Resources). They also possess significant experience in finance, accounting, legal affairs, compliance, and audit.

Company Secretary of the company is also the Secretary of the Board Audit Committee. Head of ICCD being an administrative part of ICC, reports directly and is accountable to the Board Audit Committee. On any matter within the committee's scope, the Head of ICCD has direct access to the Audit Committee.

The responsibility and duties of the committee:

(I) Internal Control:

- The AC evaluates whether the management had built a suitable compliance culture and whether the employees of the organization are aware of their duties;
- The AC reviews all the measures taken by the management to create an appropriate management information system (MIS) on finance activities, including the creation and usage of the ICT platform of the finance company;
- The AC reviews and provides necessary instructions as to whether the management is properly complying with the internal and external auditor of the finance company on the internal control strategy.
- The committee notify the board of any irregularities, fraud, internal control weaknesses or correctional measures taken by them identified by the internal and external auditors and controlling authority. If any inconsistencies are observed, the AC instructs the management to take correctional action and notifies it properly to the Board of Directors.

(II) Publication of Financial Report:

- The AC verifies whether the full and appropriate information has been revealed in the annual financial statements and the current rules and regulations of the country in preparation of financial statements and the standard set by the Bangladesh Bank have been prescribed for such purpose;
- Before finalizing the financial statements, the audit committee exchanges views with the inspection team, the external auditor and the management authority.

(III) Internal Audit:

- The AC of BIFFL ensures that internal audit activities being operated independently from the management;
- The AC reviews the internal audit functions and organizational structure. The committee also ensures that no unfair barriers or constraints are created in the audit program;
- The AC verifies internal audit skills and effectiveness and recommends taking necessary measures accordingly;
- The AC also checks whether the management complying the recommendations of internal audit in the functioning of the finance company.

(IV) External Audit:

- The AC of BIFFL reviews monitoring activities and audit reports edited by the external auditor;
- The AC verifies whether the management authorities have properly considered observations/irregularities revealed by the external auditor;
- The committee submits the recommendation for the appointment of external auditor from the list of external auditors published by Bangladesh Bank to the Board of Directors of BIFFL.

(V) Compliance with existing Laws and Regulations:

The AC reviews the laws and regulations related to BIFFL, the policies and guidelines made by the regulatory authority (Bangladesh Bank and other agencies) and the internal policies approved by BIFFL are being properly complied.

(VI) Miscellaneous:

- The AC of BIFFL submits report to the Board of Directors regarding the regularization of the instructions described in the reports revealed

by internal auditor, external auditor and Bangladesh Bank;

- The committee evaluates any of the legitimate issues verified by the Board of Directors and submits report regarding that.

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 2024.

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 2024, profit & loss account, statement of changes in equity, statement of cash flows for the year ended 31 December 2024 and a summary of significant accounting policies and other 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) as applicable in Bangladesh and any departure there from has been adequately disclosed;
2. Bangladesh Bank guidelines;
3. Companies Act 1994;
4. Income Tax Act 2023;
5. The Finance Company Act 2023;
6. Bangladesh Securities and Exchange Rules 1987; and
7. Other applicable laws and regulations.

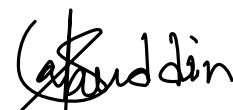
The company has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The internal control and compliance unit conducts periodic audits to provide reasonable assurance that the established policies and procedures of 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.



S. M. Anisuzzaman
Chief Executive Officer



Salah Uddin Kader Chy
Chief Financial Officer (Acting)

CREDIT RATING OF BIFFL

Bangladesh Infrastructure Finance Fund Limited (BIFFL) has been rated as AAA (pronounced as triple A) for the long term, and ST-1 for the short term as a Government Supported Entity (GSE). As a Stand-alone Financial Institution (SFI), BIFFL has been rated AA in the long term and ST-1 in the short term by both Credit Rating Information and Services Limited (CRISL) and Emerging Credit Rating Limited (ECRL), based on the financial data and other relevant information available at the time of the rating announcement. The outlook of the rating has remained 'Stable' for the past five consecutive years.

| Date of Issue | Long-Term Rating | | Short-Term Rating | | Outlook | Date of Validity | Rating Agency |
|---------------|------------------|-----|-------------------|------|---------|------------------|---------------|
| | GSE | SFI | GSE | SFI | | | |
| 24-Dec-2024 | AAA | AA | ST-1 | ST-1 | Stable | 23-Dec-2025 | CRISL |
| 31-Oct- 2024 | AAA | AA | ST-1 | ST-1 | Stable | 30-Oct- 2025 | ECRL |
| 27-Dec-2023 | AAA | AA | ST-1 | ST-1 | Stable | 26-Dec-2024 | CRISL |
| 31-Oct- 2023 | AAA | AA | ST-1 | ST-1 | Stable | 30-Oct- 2024 | ECRL |
| 29-Dec-2022 | AAA | AA | ST-1 | ST-1 | Stable | 28-Dec-2023 | CRISL |
| 31-Oct- 2022 | AAA | AA | ST-1 | ST-1 | Stable | 30-Oct- 2023 | ECRL |
| 26-Nov-2021 | AAA | AA | ST-1 | ST-1 | Stable | 25-Nov-2022 | CRISL |
| 31-Oct- 2021 | AAA | AA | ST-1 | ST-1 | Stable | 30-Oct- 2022 | ECRL |
| 26-Nov-2020 | AAA | AA- | ST-1 | ST-1 | Stable | 25-Nov-2021 | CRISL |

Normally rating company considers financial performance, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position, sound growth in loan portfolio, significant increase in net interest income and non-interest income, low cost of fund with diversified sources, management experience, risk management practice, portfolio management, strategic partnership with development partners, compliance and governance practice, prospect of the industry and other parameters.

CRISL rating scales:

Long-Term: AAA (Triple A)

Financial 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: AA (Double A)

Financial 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.

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.

Outlook: Stable

Indicates that a rating is likely to remain unchanged.

ECRL rating scales:

Long-Term: AAA (Triple A)

Financial 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)

Financial 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

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.

REPORT ON THE GOING CONCERN ASSESSMENT

Going concern concept

Going concern is one of the fundamental assumptions in the preparation of financial statements. As per the requirements of International Accounting Standards, management and directors should satisfy themselves about the appropriateness of using going concern assumption in the preparation of the financial statements. The management of an entity therefore has a responsibility to assess the entity's ability to continue as a going concern in the foreseeable future. Under the going concern assumption, an entity is normally viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. The management and directors of the company have made annual assessment for the year ended 31 December 2024 of whether the company is a going concern involves making appropriate inquiries including-

- Long-term business and strategic plans
- Future projections of profitability
- Results of internal and regulatory stress tests and rating
- Liquidity and funding profile
- Wider political, economic and regulatory environment, including an uncertain geopolitical outlook.

The management and directors of the company are satisfied from the following factors that the preparation of financial statement for the year ended 31 December 2024, based on the going concern assumption is appropriate.

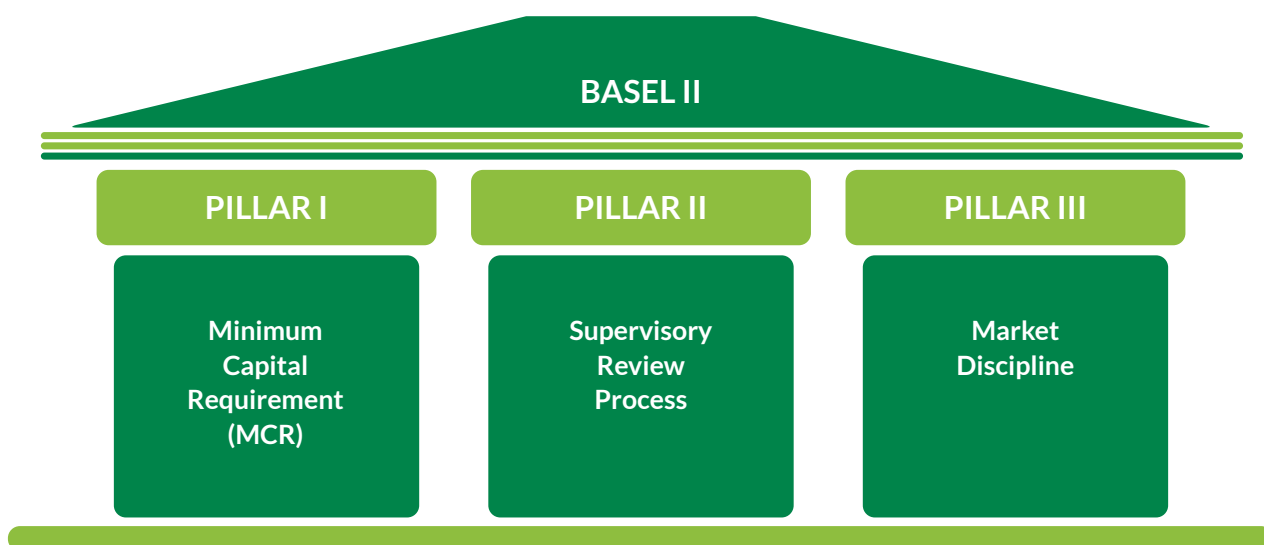
The following indicators underline the company's ability to continue as a going concern:

| | |
|---|---|
| Cash flow forecasting | Cash flow forecasting is a critical procedure that we use to assess the going concern approach. It indicates whether the company will have any cash flow challenges over the next 12 months. Positive operating cash flows indicate that the company does not have any cash flow challenges, which is evident in the Statement of Cash Flows. |
| Stable financial performance | The company has been making operating profit consistently from the beginning of its operation, which is the primary basis of the conclusion of our going concern status. |
| Soft borrowing facilities from multilateral agencies | The solidity of financial position and reputation allows the company to enjoy borrowing facilities at favorable rates with flexible terms and conditions from different development partners, i.e. JICA, ADB, the World Bank, KfW and others. |
| High interest coverage ratio | During the year 2024, the interest coverage ratio stood at 7.74 times, which means the company has strong debt servicing capacity. |
| Solid growth in quality portfolio | In 2024, the company's loans and investments in diversified sectors increased by 22.04% compared to the year 2023, whereas classified loan ratio stands below the industry average. This represents a positive indication of sustainable business for the company. |
| Favorable key financial ratios | The company's financial ratios (please see the Key Operating and Financial Highlights at page-70) reveals the sound financial strength and prospects. |
| Consistent payment of dividend | BIFFL has been paying dividend consistently on a regular basis over the years which reflect company's long-term viability in operational existence. |
| Maintenance of Capital Adequacy Ratio (CAR) | As per Bangladesh Bank guidelines regarding Capital Adequacy and Market Discipline for Financial Institutions, FIs are required to maintain Capital Adequacy Ratio (CAR) of at least 10.00% of the total risk weighted assets. As on 31 December 2024, CAR of BIFFL was 112.80%. |

| | |
|--|---|
| Strong equity base | BIFFL is one of the highest equity-based companies among the FIs. As on 31 December 2024, total equity of BIFFL stands at BDT 28,243.31 million (BDT 27,601.83 million on 31 December 2023), representing an increase of 2.32% over last year. |
| Commitment in settling of obligations | The company has strong credibility in terms of settlement of obligations to creditors and relevant authorities. It has no default payment history for settlement of its obligations. |
| Employee satisfaction and working environment | BIFFL is an employee-friendly organization with a 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. |
| Robust governance standards and ethical conduct | Our board continues to demonstrate a deep commitment to strong and effective oversight and governance. It remains instructive in facilitating the strengthening of the company's governance structures, with the experience of the board and the management committee helping maintain the highest standards of corporate oversight and control safeguards to always protect the interests of all our stakeholders. |
| Strong Credit Rating | During 2024, 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 in off-balance sheet liabilities, and the company has sufficient financial strength to pay the obligations should these materialize. |
| Major legal proceedings | Currently, there are no major legal proceedings against BIFFL, which includes any pending liabilities and penalties related to the violation of environmental or other laws. This also helps build its status as a going concern. |
| Ability to pay day-to-day operational expenses | The company has not faced any difficulties in meeting its day-to-day operational expenses and has continued its reputation of paying suppliers on time. The company generates sufficient operating cash to meet the daily operational expenses. |
| Changes in government policy | BIFFL's management anticipates no significant changes in legislation or government policy, which may materially or adversely impact the overall industry in general and the finance company in particular. |

DISCLOSURES ON CAPITAL ADEQUACY AND MARKET DISCIPLINE (CAMD)-PILLAR III

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 2024. Financial statements are prepared under relevant International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the ICAB and related circulars/instructions issued by Bangladesh Bank (BB) 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 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;
- Non-repayable 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 limit + 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:

- The amount of Tier-2 Capital will be limited to 100% of the amount of Tier-1 capital.
- 50% of revaluation reserves for fixed assets, 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 | 241.10 |
| General reserve | 30.00 |
| Retained earnings | 245.23 |
| Minority interest in subsidiaries | - |
| Non-cumulative irredeemable preference shares | - |
| Dividend equalization account | - |
| a. Total Tier 1 capital | 2,824.33 |
| b. The total amount of Tier 2 capital | 25.53 |
| c. Other deductions from capital | - |
| d. Total eligible capital (a+b+c) | 2,849.86 |

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

| Sl | Particulars | Amount in BDT crore |
|----|---|---------------------|
| A | Tier-1 Capital | 2,824.33 |
| B | Tier-2 Capital | 25.53 |
| C | Total eligible capital (A+B) | 2,849.86 |
| D | Total Risk-(Weighted Assets) RWA | 2,526.55 |
| E | Capital to Risk-Weighted Asset Ratio/ CAR | 112.80% |
| F | Core capital to RWA/CAR on Tier-1 | 111.79% |
| G | Supplementary capital to RWA/CAR on Tier-2 | 1.01% |
| H | Capital requirement for Credit Risk | 2,052.09 |
| I | Capital requirement for Market Risk | - |
| J | Capital requirement for Operational Risk | 474.46 |
| K | Minimum capital requirement (MCR) (H+I+J) | 252.66 |
| L | Capital Conservation Buffer (1.25% of RWA) | 31.58 |

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 Directors (BoD). However, the Board delegated authority to the management of the company, CEO or other officers of the CRMD.

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 CC provides its observations and recommendations. After complying with the specific recommendations based on the information, analysis and appraisal report placed by the C&ID 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 31-12-24:

Geographical distribution of credit exposures:

| Inside Bangladesh | Amount in BDT Crore |
|---------------------------|---------------------|
| Urban | |
| Dhaka Division | 1,012.17 |
| Chattogram Division | 34.28 |
| Khulna Division | - |
| Rajshahi Division | - |
| Barisal Division | - |
| Rangpur Division | - |
| Mymensingh Division | - |
| Sylhet Division | - |
| Sub-total | 1,046.44 |
| Rural | |
| Dhaka Division | 1,074.49 |
| Chattogram Division | 742.82 |
| Khulna Division | 0.14 |
| Rajshahi Division | 15.75 |
| Barisal Division | 13.33 |
| Sylhet Division | 38.47 |
| Rangpur Division | 2.00 |
| Mymensingh Division | 31.14 |
| Sub-total | 1,918.14 |
| Outside Bangladesh | - |
| Total | 2,964.58 |

Sectoral Allocation of leases, loans, and advances:

| Name of the Sectors | Amount in BDT Crore |
|---|---------------------|
| i) Textiles | 61.11 |
| ii) Garments and accessories | 553.69 |
| iii) Transport (including marine transport) | 860.81 |
| iv) Chemicals and pharmaceuticals | - |
| v) Iron, steel and engineering | 74.17 |

| Name of the Sectors | Amount in BDT Crore |
|--|---------------------|
| vi) Agricultural equipment and agro industries | 0.14 |
| vii) Power and energy | 368.97 |
| viii) Electronics and electrical | - |
| ix) Information technology (IT) | 29.21 |
| x) Paper printing and packaging | - |
| xi) Plastic | 31.14 |
| xii) Real estate and housing | 101.97 |
| xiii) Food and beverage | 97.64 |
| xiv) Glass and ceramics | 259.41 |
| xv) Services | 97.06 |
| xvi) Others | 429.26 |
| Total | 2,964.58 |

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) | -4.63 | -9.27 | -13.90 |
| Net Interest Income (BDT in Crore) | 53.56 | 107.12 | 160.67 |
| Revised Regulatory Capital (BDT in Crore) | 2898.78 | 2947.70 | 2996.63 |
| Risk Weighted Assets (BDT in Crore) | 2526.55 | 2526.55 | 2526.55 |
| Revised CAR (%) | 114.73% | 116.67% | 118.61% |

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 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 | 47.45 |

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

Date: 03 July 2025

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of Bangladesh Infrastructure Finance Fund Limited (BIFFL) will be held on Thursday, 24 July 2025 at 7:00 PM at 'Pan Pacific Sonargaon Dhaka' through physical attendance to transact the following business:

AGENDA:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on 31 December 2024 together with the Directors' Report and the Auditors' Report thereon.
2. To declare Dividend for the year ended on 31 December 2024.
3. To elect/re-elect/approve the appointment of Directors.
4. To appoint Statutory Auditors and fix their remuneration for the financial year 2025.

The Shareholders, Directors and Auditors are requested to attend the meeting.

By order of the Board of Directors,

Md. Atikul Islam, FCS

Company Secretary
Bangladesh Infrastructure Finance Fund Limited
Email: companysecretary@biffl.org.bd



Independent Auditor's Report

To the Shareholders of Bangladesh Infrastructure Finance Fund Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bangladesh Infrastructure Finance Fund Limited (the Company), which comprise the Balance Sheet as at 31 December, 2024 and Profit and Loss Account, Statement of Cash Flows and Statement of Changes in Equity 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 of the Company give a true and fair view of the financial position of the Company as at 31 December, 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in Note No. 2.00 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 Auditor's 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:

- i. The Company paid an advance of Tk. 8,800,000 in 2019 for the implementation of a Core Financial Solution/Core Banking Service. This amount has been presented under Capital Work-in-Progress (CWIP) in the financial statements. However, as the specified module of the software has not been delivered in accordance with the

agreed specifications, the implementation of the system has not been installed. Consequently, the advance has continued to be reported under CWIP since 2019.

2. The Company has transferred the interest accrued on Fixed Deposit Receipts (FDRs) to the interest suspense account, due to uncertainty regarding the realization of such interest within the maturity period. This decision was taken considering the prevailing vulnerable conditions in the money market and the ongoing liquidity crisis.

Furthermore, in accordance with the Bangladesh Bank report dated 25 June 2024, the Company is required to maintain a shortfall provision amounting to Tk. 77.57 crore against FDRs. This provision is to be allocated evenly over a period of five years, commencing from the year 2024.

3. The Company has disclosed the required provision for leases, loans, advances, investments, and other exposures under this note no. 13.04. In light of the current liquidity conditions in the market, there is significant uncertainty regarding the recoverability of the amounts invested in Fixed Deposit Receipts (FDRs). Accordingly, the Company has recognized and maintained a provision against these investments to reflect the potential credit risk.
4. The Company did not make any provision for Workers' Profit Participation Fund (WPPF) as per Bangladesh Labour Act (Amendments), 2013.
5. As disclosed in Note 4.4.1 to the financial statements, the ongoing liquidity crisis faced by certain financial institutions has impaired their ability to settle obligations on or before the respective maturity dates. In view of this, the Company has prepared the liquidity statement based on management's judgement and assessment of recoverability, rather than strictly adhering to the contractual maturity dates of the financial assets.



Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current year. The 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 in these matters.

| Key Audit Matter | How Our Audit Addressed the Key Audit Matter |
|---|--|
| Investments: | |
| <p>As at 31 December, 2024, the Company reported total investments of Tk. 15,095,668,496 (31 December, 2023 Tk. 13,896,791,233), comprising investments in government securities amounting to Tk. 14,070,668,496 (31 December, 2023 Tk. 12,564,791,233) and other investments of Tk. 1,025,000,000 (31 December, 2023 Tk. 1,332,000,000).</p> <p>Investments represent a significant portion of the Company's total assets. The classification and valuation of these instruments require judgment and involve consideration of several factors, including market prices, yield rates, maturity terms, and potential impairment indicators. The decrease in other investments and continued growth in government investment during the year also require attention to ensure compliance with internal investment policy and relevant financial reporting standards.</p> <p>This was identified as a key audit matter due to the financial significance of the balance, management judgment involved in classification and valuation, and the potential impact on the income statement and equity.</p> | <p>Our audit procedures in relation to investments included:</p> <ul style="list-style-type: none"> • Reviewing investment policies and testing controls over investment acquisition, classification, and valuation; • Obtaining and inspecting investment schedules, including supporting documents for significant transactions during the year; • Confirming investment balances with third-party custodians and/or counterparty confirmations; • Verifying classification between held-to-maturity, available-for-sale, or other relevant categories, based on intention and ability; • Assessing whether valuation methods (including use of fair value or amortized cost) were appropriate and consistent with applicable standards; • Testing interest income accruals and reviewing potential impairment indicators for non-government investments; • Evaluating the adequacy and accuracy of investment-related disclosures in the financial statements. |
| See note no 6.00 to the financial statements | |

Key Audit Matter

How Our Audit Addressed the Key Audit Matter

Measurement and Recoverability of Leases, Loans and Advances:

The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. For individually significant exposures, the provision calculation considers various factors including the estimated future business performance and the market value of collateral. For exposures assessed on a collective basis, the calculation of provision requires manual handling of large data sets and incorporates significant assumptions and estimates.

As at 31 December, 2024, the Company reported total gross loans and advances of Tk. 29,645,829,523 (31 December, 2023 Tk. 22,765,465,839) and provision for investment, loans and advances of Tk. 2,589,427,250 for the year 31 December, 2024 (31 December, 2023 Tk. 1,603,720,930).

We focused on this area due to the size of the portfolio and the level of judgment required by management in estimating the provision, including:

- Completeness and timing of recognition of loss events in accordance with 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 individually assessed exposures, the estimation of recoverable amount, including collateral valuation and expected timing of cash flows;
- For collectively assessed exposures, assumptions involving probability of default, ability to repossess collateral, and expected recovery rates.

Our audit procedures to assess the carrying value of inventories included the following:

- Evaluating the design and implementation of key controls over loan origination, monitoring, classification, and provisioning;
- Testing the loan classification process and reviewing whether it is in line with regulatory guidelines and the Company's policy;
- Assessing the methodologies and assumptions used in calculating expected credit losses under IFRS-9;
- Reviewing a sample of loans for evidence of impairment or significant increase in credit risk;
- Inspecting collateral documentation and assessing its valuation and enforceability;
- Engaging internal specialists, where applicable, to evaluate the adequacy of ECL models and assumptions;
- Evaluating the adequacy and appropriateness of related disclosures in the financial statements.

See note no 7.00 to the financial statements

| Key Audit Matter | How Our Audit Addressed the Key Audit Matter |
|--|---|
| Recognition and Measurement of Interest Income from Leases, Loans, Advances and Investments: | |
| <p>As at 31 December, 2024, the Company reported total interest income from leases, loans, advances, and investments of Tk. 3,726,481,338 (31 December, 2023, Tk. 1,974,442,851). This represents a significant increase in interest income compared to the prior year, reflecting both the growth in the loan and investment portfolio and potentially changes in the terms of the relevant financial instruments.</p> <p>The recognition of interest income on loans, leases and investments requires management to exercise judgment in the following areas:</p> <p>The appropriate classification of loans and advances as performing or non-performing, impacting the recognition of interest income;</p> <p>The application of interest rate adjustments, including accruals on leases and loans;</p> <p>The assessment of recoverability of interest income, particularly in light of the significant increase in the loan book and the associated risk of non-recovery in certain cases;</p> <p>Accurate calculation and timely recognition of income, ensuring compliance with applicable accounting standards, including IFRS-9 and other relevant regulations.</p> <p>We identified this as a key audit matter due to the significant increase in interest income, the complexity of income recognition, and the judgment involved in determining whether income is recognized appropriately.</p> | <p>We performed the following procedures in relation to interest income:</p> <ul style="list-style-type: none"> • Reviewed the interest income recognition policy and assessed its compliance with applicable financial reporting standards (e.g., IFRS-9); • Tested the calculation of interest income on a sample basis, verifying that the amounts were correctly accrued and in line with loan, lease, and investment terms; • Assessed the classification of loans and advances and examined whether interest income was suspended for non-performing loans in accordance with regulatory requirements; • Verified the accuracy of interest rate application to a sample of financial instruments; • Evaluated the adequacy of the provision for doubtful debts and impairment, particularly in relation to accrued interest on loans and advances; • Reviewed related disclosures in the financial statements to ensure transparency and compliance with relevant reporting frameworks. |
| See note no. 20.00 & 22.00 to the financial statements | |

| Key Audit Matter | How Our Audit Addressed the Key Audit Matter |
|--|--|
| Measurement of deferred tax assets: | |
| <p>The Company reports net deferred tax assets to totaling Tk. 13,235,400 as at 31 December, 2024.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p> | <p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAS and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS-12 Income Tax.</p> |
| See note no 9.02 to the financial statements | |
| Legal and regulatory matters: | |
| <p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the Company's financial position.</p> | <p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy underlying information.</p> <p>We also assessed the Company's provisions and contingent liabilities disclosure.</p> |
| See note no 2.00 to the financial statements | |



Reporting on Other Information

Management is responsible for the other information. The other information comprises the directors' report, management discussion and analysis, statement of corporate governance, financial highlights, economic value-added statement (EVA), value added statement, certification of corporate governance etc. but other than the financial statements and our auditors' report thereon. The directors' report, management discussion and analysis, statement of corporate governance, financial highlights, economic value-added statement (EVA), value added statement, certification of corporate governance etc. are expected to be made available to us after the date of this auditors' 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 and Internal Controls

Management is responsible for the preparation of the financial statements of the Company in accordance with IFRSs as explained in note 2.00 and for such internal control as management determines in necessary to enable the preparation of the 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 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 omission, misrepresentations, or the override of the control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion, our conclusions are based on the audit evidence obtained up to the date of our auditor's



report. However, future events or conditions may cause the Company to cease to continue as a going concern.;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the the Companies Act, 1994, the Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

- b) In our opinion, proper books of account 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 account and returns;
- d) the expenditures incurred were for the purpose of the Company's business for the year;
- e) the financial statements of the Company have been drawn up in conformity with the Finance Institution Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- f) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- 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) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- i) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- j) 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;
- k) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- l) 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;



- m) 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;
- n) 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;
- o) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around

1,850 person hours for the audit of the books and accounts of the Company;

- p) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- q) the Company has complied with the Schedule 33 of the Finance Company Act, 2023 in preparing these financial statements; and
- r) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

KAZI ZAHIR KHAN & CO.

Chartered Accountants

DVC: 2506020915AS399404

Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA

Engagement Partner (ICAB Enrolment No. 0915)

FRC Enlistment No.- CA-001-225

Dated: Dhaka
02 June, 2025

Bangladesh Infrastructure Finance Fund Limited

Balance Sheet

as at 31 December, 2024

| Particulars | Notes | Amount in Taka | |
|---|-------|-----------------------|-----------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| Property and Assets | | | |
| Cash | 3.00 | 1,681,984 | 286,601 |
| In Hand (Including Foreign Currencies) | | 193,414 | 9,386 |
| Balance with Bangladesh Bank and its Agent Bank(s) (Including Foreign Currencies) | | 1,488,570 | 277,215 |
| Balance with Banks and Other Financial Institutions | 4.00 | 10,112,953,914 | 10,816,356,155 |
| Inside Bangladesh | | 10,112,953,914 | 10,816,356,155 |
| Outside Bangladesh | | - | - |
| Money at Call and on Short Notice | 5.00 | 26,900,000 | 26,900,000 |
| Investments | 6.00 | 15,095,668,496 | 13,896,791,233 |
| Government | | 14,070,668,496 | 12,564,791,233 |
| Others | | 1,025,000,000 | 1,332,000,000 |
| Leases, Loans and Advances | 7.00 | 29,645,829,523 | 22,765,465,839 |
| Loans, Cash Credits, Overdrafts etc. | | 29,645,829,523 | 22,765,465,839 |
| Bills Purchased and Discounted | | - | - |
| Fixed Assets including Premises, Furniture and Fixtures | 8.00 | 169,565,617 | 177,185,698 |
| Other Assets | 9.00 | 855,030,387 | 1,439,046,248 |
| Non-Banking Assets | 10.00 | - | - |
| Total Property and Assets | | 55,907,629,920 | 49,122,031,775 |
| Liabilities and Shareholders' Equity | | | |
| Liabilities | | | |
| Borrowing from Other Banks, Financial Institutions and Agents | 11.00 | 18,729,985,543 | 14,068,510,571 |
| Deposits and Other Accounts | 12.00 | - | - |
| Current Accounts and Other Accounts etc. | | - | - |
| Bills Payable | | - | - |
| Savings Bank Deposits | | - | - |
| Term Deposits | | - | - |
| Bearer Certificate of Deposits | | - | - |
| Other Deposits | | - | - |
| Other liabilities | 13.00 | 8,934,337,429 | 7,451,686,836 |
| Total Liabilities | | 27,664,322,972 | 21,520,197,407 |
| Capital/Shareholders' Equity: | | 28,243,306,948 | 27,601,834,367 |
| Paid-up Capital | 14.00 | 23,080,000,000 | 23,080,000,000 |
| Statutory Reserve | 15.00 | 2,411,036,953 | 2,208,773,239 |
| General Reserve | 16.00 | 300,000,000 | 250,000,000 |
| Retained Earnings | 17.00 | 2,452,269,995 | 2,063,061,129 |
| Total Liabilities and Shareholders' Equity | | 55,907,629,920 | 49,122,031,775 |

| Particulars | Notes | Amount in Taka | |
|---|-------|--------------------|--------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| OFF-BALANCE SHEET ITEMS: | | | |
| Contingent Liabilities | 18.00 | 227,504,935 | 261,748,051 |
| Acceptances and Endorsements | | - | - |
| Letter of Comfort | 18.01 | 227,504,935 | 261,748,051 |
| 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 | | 227,504,935 | 261,748,051 |
| Net Asset Value (NAV) per Share | 38.00 | 122.37 | 119.59 |


Annexed notes form an integral part of these financial statements.



Company Secretary



Chief Executive Officer



Director



Director



Chairman



KAZI ZAHIR KHAN & CO.

Chartered Accountants

DVC: 2506020915AS399404

Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA

Engagement Partner (ICAB Enrolment No. 0915)

FRC Enlishment No. CA-001-225

Dated: Dhaka
02 June, 2025

Bangladesh Infrastructure Finance Fund Limited

Profit and Loss Account

for the year ended 31 December, 2024

| Particulars | Notes | Amount in Taka | |
|---|-------|----------------------|----------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| Operating Income | | | |
| Interest Income from Leases, Loans and Advances | 20.00 | 1,993,725,841 | 1,405,789,045 |
| Less: Interest Expenses on Deposits & Borrowings etc. | 21.00 | 360,060,830 | 266,553,663 |
| Net interest income | | 1,633,665,011 | 1,139,235,383 |
| Investment Income | 22.00 | 1,732,755,497 | 568,653,806 |
| Commission, Exchange and Brokerage | | - | - |
| Other Operating Income | 23.00 | 386,167,816 | 1,095,289,175 |
| Total Operating Income | | 3,752,588,324 | 2,803,178,363 |
| Operating Expenses | | | |
| Salary and Allowances | 24.00 | 75,673,728 | 75,337,959 |
| Rent, Taxes, Insurance, Electricity etc. | 25.00 | 2,452,662 | 2,887,188 |
| Legal Expenses | 26.00 | 561,603 | 1,910,473 |
| Postage, Stamp, Telecommunication etc. | 27.00 | 4,062,638 | 3,901,918 |
| Stationery, Printing, Advertisement etc. | 28.00 | 1,858,282 | 1,718,040 |
| Managing Director's Salary and Allowances | 29.00 | 10,480,000 | 10,074,000 |
| Directors' Fees | 30.00 | 1,332,198 | 1,319,976 |
| Auditors' Fees | 31.00 | 562,695 | 250,000 |
| Charges on Loan Losses | | - | - |
| Depreciation and Repairs of Company's Assets | 32.00 | 10,827,207 | 16,733,830 |
| Other Operating Expenses | 33.00 | 76,731,552 | 90,856,094 |
| Total Operating Expenses | | 184,542,566 | 204,989,478 |
| Profit/(Loss) before Provision | | 3,568,045,758 | 2,598,188,885 |
| Provision for Investment, Leases, Loans and Advances | 34.00 | 985,706,320 | 565,794,368 |
| Provision for Diminution in Value of Investments | | - | - |
| Other Provision | 35.00 | 155,133,212 | 200,000,000 |
| Total Provision | | 1,140,839,533 | 765,794,368 |
| Total Profit/(Loss) before Tax | | 2,427,206,225 | 1,832,394,517 |
| Provision for Tax | 36.00 | 1,415,887,653 | 999,315,634 |
| Net Profit/(loss) after Tax & Provision | | 1,011,318,572 | 833,078,883 |
| Appropriations to: | | 252,263,714 | 216,615,777 |
| Statutory Reserve | 15.00 | 202,263,714 | 166,615,777 |
| General Reserve | 16.00 | 50,000,000 | 50,000,000 |
| Retained Surplus | | 759,054,858 | 616,463,107 |
| Earnings Per Share (EPS) | 37.00 | 4.38 | 3.61 |

Annexed notes form an integral part of these financial statements.



Company Secretary



Chief Executive Officer



Director



Director



Chairman



KAZI ZAHIR KHAN & CO.

Chartered Accountants

DVC: 2506020915AS399404

Abdulla-AI-Mahmud FCA, FCMA, FCS, LL.B, CISA

Engagement Partner (ICAB Enrolment No. 0915)

FRC Enlishment No. CA-001-225

Dated: Dhaka
02 June, 2025

Bangladesh Infrastructure Finance Fund Limited

Statement of Cash Flows

for the year ended 31 December, 2024

| Particulars | Notes | Amount in Taka | |
|--|--------------|------------------------|------------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| A. Cash Flows from Operating Activities: | | | |
| Interest Received | | 1,386,711,440 | 1,334,659,461 |
| Interest Paid | | (142,460,289) | (270,968,243) |
| Dividend Received | | 115,126,913 | 109,662,506 |
| Interest Received from Bond, Govt. Securities and Commercial Paper | | 1,577,919,955 | 420,384,552 |
| Cash Paid to Employees | | (81,961,091) | (73,270,829) |
| Cash Paid to Suppliers | | (14,260,235) | (6,005,910) |
| Income Taxes Paid | | (1,035,345,977) | (851,233,697) |
| Received from Other Operating Activities | | 386,452,319 | 1,095,189,443 |
| Paid for Other Operating Activities | | (56,704,196) | (87,347,487) |
| Cash Generated/(Used) from Operating Activities | | 2,135,478,838 | 1,671,069,795 |
| Increase/(Decrease) in Operating Assets and Liabilities, Statutory Deposits | | | |
| Loans and Advances to Other Banks | | - | - |
| Investments | | - | - |
| Loans and Advances to Other Customers | | (6,409,168,338) | (3,562,702,834) |
| Other Assets | | 39,330,282 | 38,103,575 |
| Borrowings from Banks, Financial Institutions and Agents Net of Re-payments | | 4,377,196,522 | 2,242,820,212 |
| Deposits from Other Banks/Institutions | | - | - |
| Other Liabilities | | 300,193,192 | 47,415,295 |
| | | (1,692,448,342) | (1,234,363,751) |
| Net cash flow from/(used in) operating activities | | 443,030,496 | 436,706,044 |
| B. Cash Flows from Investing Activities: | | | |
| Purchase of Property, Plant and Equipment Net of Disposal Proceeds | | (1,517,228) | (1,511,536) |
| Proceeds from Investment in Securities | | 97,620,922,772 | 10,212,328,667 |
| Investment made during the year | | (98,394,565,034) | (17,564,711,900) |
| Proceeds from Disposal of Fixed Assets | | - | 54,900 |
| Net Cash Generated/(Used) in Investing Activities | | (775,159,490) | (7,353,839,869) |
| C. Cash Flows from Financing Activities: | | | |
| Dividend Paid | | (369,877,864) | (279,556,215) |
| Issuance of Shares | | - | - |
| Net Cash Generated/(Used) in Financing Activities | | (369,877,864) | (279,556,215) |
| D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) | | (702,006,858) | (7,196,690,040) |
| E. Effects of Exchange Rate Changes on Cash and Cash Equivalents | | - | - |
| F. Cash and Cash Equivalents at the Beginning of the Year | | 10,843,542,756 | 18,040,232,797 |
| G. Cash and Cash Equivalents at the End of the Year (D+E+F) | | 10,141,535,898 | 10,843,542,756 |
| Cash and Cash Equivalents at the End of the Year: | | | |
| Cash in Hand | 3.01 | 193,414 | 9,386 |
| Balance with Bangladesh Bank and its Agent Bank(s) | 3.02 | 1,488,570 | 277,215 |
| Balance with Other Banks and Financial Institutions | 4.00 | 10,112,953,914 | 10,816,356,155 |
| Money at Call and Short Notice | 5.00 | 26,900,000 | 26,900,000 |
| Total Cash and Cash Equivalents | | 10,141,535,898 | 10,843,542,756 |
| Net Operating Cash Flow Per Share (NOCFPS) | 39.00 | 1.92 | 1.89 |

Annexed notes form an integral part of these financial statements.



Company Secretary



Chief Executive Officer



Director



Director



Chairman



KAZI ZAHIR KHAN & CO.

Chartered Accountants

DVC: 2506020915AS399404

Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA

Engagement Partner (ICAB Enrolment No. 0915)

FRC Enlishment No. CA-001-225

Dated: Dhaka
02 June, 2025

Bangladesh Infrastructure Finance Fund Limited


Statement of Changes in Equity

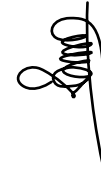
for the year ended 31 December, 2024

| Particulars | Amount in Taka | | | | |
|--|-----------------------|----------------------|--------------------|----------------------|-----------------------|
| | Paid-up Capital | Statutory Reserve | General Reserve | Retained Earnings | Total |
| Balance as on 01 January, 2024 | | | | | |
| Net Gains and Losses not Recognized on Foreign Currency Transactions | 23,080,000,000 | 2,208,773,239 | 250,000,000 | 2,063,061,129 | 27,601,834,367 |
| Net Profit/(Loss) after Tax & Provision for the year | - | - | - | 31,872 | 31,872 |
| Cash Dividend | - | - | - | 1,011,318,572 | 1,011,318,572 |
| Stock Dividend | - | - | - | (369,877,864) | (369,877,864) |
| Appropriations made during the year | - | 202,263,714 | 50,000,000 | (252,263,714) | - |
| Balance as at 31 December, 2024 | 23,080,000,000 | 2,411,036,953 | 300,000,000 | 2,452,269,995 | 28,243,306,948 |
| Balance as on 01 January, 2023 | | | | | |
| Net Gains and Losses not Recognized on Foreign Currency Transactions | 23,080,000,000 | 2,042,157,462 | 200,000,000 | 1,726,046,703 | 27,048,204,165 |
| Net Profit/(Loss) after Tax & Provision for the year | - | - | - | 107,534 | 107,534 |
| Cash Dividend | - | - | - | 833,078,883 | 833,078,883 |
| Stock Dividend | - | - | - | (279,556,215) | (279,556,215) |
| Appropriations made during the year | - | 166,615,777 | 50,000,000 | (216,615,777) | - |
| Balance as at 31 December, 2023 | 23,080,000,000 | 2,208,773,239 | 250,000,000 | 2,063,061,129 | 27,601,834,367 |

Annexed notes form an integral part of these financial statements.


Company Secretary


Chief Executive Officer


Director


Director


Chairman


KAZI ZAHIR KHAN & CO.
Chartered Accountants
DVC: 2506020915AS399404
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA
Engagement Partner (ICAB Enrolment No. 0915)
FRC Enfrishment No. CA-001-225

Dated: Dhaka
02 June, 2025

Bangladesh Infrastructure Finance Fund Limited

Liquidity Statement

Asset and Liability Maturity Analysis

as at 31 December, 2024

| Particulars | Amount in Taka | | | | | |
|--|----------------------------|-----------------------|----------------------|-----------------------|------------------------|-----------------------|
| | 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) | 1,681,984 | - | - | - | - | 1,681,984 |
| Balance with Banks and Other Financial Institutions (note 4.4 and 4.4.1) | 4,949,338,109 | 4,556,525,252 | - | 607,090,552 | - | 10,112,953,914 |
| Money at Call and Short Notice | 26,900,000 | - | - | - | - | 26,900,000 |
| Investments | 4,120,008,318 | 9,718,893,671 | 270,220,890 | 561,310,616 | 425,235,000 | 15,095,668,496 |
| Loans and Advances | 138,418,370 | 1,391,314,100 | 2,984,449,028 | 10,782,422,905 | 14,349,225,120 | 29,645,829,523 |
| Fixed Assets including Land, Buildings, Furniture and Fixtures | - | - | - | - | 169,565,617 | 169,565,617 |
| Other Assets | 114,147,007 | 124,779,584 | 35,978,930 | - | 580,124,866 | 855,030,387 |
| Non-Banking Assets | - | - | - | - | - | - |
| Total Assets (A) | 9,350,493,788 | 15,791,512,607 | 3,290,648,848 | 11,950,824,074 | 15,524,150,603 | 55,907,629,920 |
| Liabilities | | | | | | |
| Borrowing from Other Banks, Financial Institutions and Agents | - | 358,825,999 | 811,387,627 | 7,892,478,663 | 9,667,293,254 | 18,729,985,543 |
| Deposits | - | - | - | - | - | - |
| Other Accounts | - | - | - | - | - | - |
| Provision and Other Liabilities | 2,131,119 | 30,291,062 | 34,779,446 | - | 8,867,135,803 | 8,934,337,429 |
| Total Liabilities (B) | 2,131,119 | 389,117,061 | 846,167,073 | 7,892,478,663 | 18,534,429,057 | 27,664,322,972 |
| Net Liquidity Gap (A-B) | 9,348,362,669 | 15,402,395,546 | 2,444,481,776 | 4,058,345,411 | (3,010,278,454) | 28,243,306,948 |

Annexed notes form an integral part of these financial statements.



Company Secretary



Chief Executive Officer



Director



Director



Chairman

KAZI ZAHIR KHAN & CO.

Chartered Accountants

DVC: 2506020915AS399404

Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA

Engagement Partner (ICAB Enrolment No. 0915)

FRC Enlishment No. CA-001-225

Dated: Dhaka

02 June, 2025

Bangladesh Infrastructure Finance Fund Limited

Notes to the Financial Statements

for the year ended 31 December, 2024

1 Reporting entity

1.01 Company profile

Bangladesh Infrastructure Finance Fund Limited hereinafter also referred to as 'BIFFL' registered under the Companies Act, 1994 (ACT XVIII of 1994) as a Public Limited Company vide Registration No. C-91370/11 dated on 21 March, 2011 by the Registrar of Joint Stock Companies and Firms (RJSC). The authorized share capital of the Company is BDT 100 (one hundred) billion divided into 1 (one) billion shares of BDT 100 each and the subscribed share capital or paid-up capital is BDT 23.08 billion. 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 Finance Company under the Finance Company Act, 2023.

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: Secretary, Finance Division, MoF; Secretary, Power Division, MoPE&MR; Senior Secretary, Road Transport and Highways' Division, MoRT&B; Secretary, Bridges Division, MoRT&B; Secretary, Energy & Mineral Resources Division, MoPEMR; Secretary, Chief Advisor's Office; Secretary, Economic Relations Divisions, MoF; and Additional Secretary, Finance Division, MoF. The 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 Private-Public 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 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) is to be formed and it is empowered to issue financial reporting standards for public interest entities such as Financial Institutions (FIs). The Finance Company Act, 2023 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 motioned 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 Finance Company Act, 2023, 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 Finance Company Act, 2023, and circulars issued by Bangladesh Bank, which differ with those of IFRSs, the requirements of the Finance Company Act, 2023, 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 (NBFI) 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:

2.03.01 Valuation of Investments in Quoted and Un-quoted 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 31 January, 2012 for investments in marketable securities and as per Bangladesh Bank DFIM Circular No. 05 dated 11 May, 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 recognize 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 DFIM Circular no. 04 dated 26 July, 2021, DFIM Circular no. 10 dated 04 September, 2022 and DFIM Circular no. 33 dated 19 December, 2021, a general provision at 0.25% to 5% under different categories of unclassified loans and investments (good/ standard loans) has to be maintained irrespective of objective evidence of impairment on loans and advances. Also provision for sub-standard, doubtful and bad loss has to be maintained at 20%, 50% and 100% respectively for loans/investments depending on the duration of overdue.

2.02.03 Financial Instruments-Presentation and Disclosure:

In several cases Bangladesh Bank guidelines categories, recognize, 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 recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized 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 recognized 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 amortized cost as per IFRS-9 and interest income is recognized 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 amortized cost of these loans and advances.

Bangladesh Bank:

As per DFIM Circular no. 04 dated 26 July, 2021, once a loan is classified as impaired, interest on such loans are not allowed to be recognized 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 at 31 December, 2024;
- b) Profit and Loss Account for the year ended 31 December, 2024;
- c) Statement of Cash Flows for the year ended 31 December, 2024;
- d) Statement of Changes in Equity for the year ended 31 December, 2024;
- e) Liquidity Statement as at 31 December, 2024 and
- f) Notes to the Financial Statements for the year ended 31 December, 2024.

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 recognized 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, 2024 is included in the following notes:

- a) Note 9.2 Deferred Tax Assets;
- b) Note 13.1 Provision for Tax;
- c) Note 13.3 Employee Benefit Liabilities;
- 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.

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 01 January to 31 December and followed consistently. These financial statements cover one year starting from 01 January, 2024 to 31 December, 2024.

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 presented 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 as per the classification report 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 DFIM Circular no. 04 dated 26 July, 2021, DFIM Circular no. 10 dated 04 September, 2022 and DFIM Circular no. 33 dated 19 December, 2021.

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 recognized 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 DFIM Circular no. 04 dated 26 July, 2021, DFIM Circular no. 10 dated 04 September, 2022 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 |
|-----------------------------|----------------------|
| Office Premises | 2.50% |
| Office Equipments | 20.00% |
| Office Furniture & Fittings | 10.00% |
| Office Vehicles | 20.00% |
| IT Equipment | 33.33% |
| Office Intangibles | 50.00% |

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 recognized 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 recognized 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 amortization and accumulated impairment losses, if any.

Subsequent Expenditure on Intangible Assets:

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefit from the assets. All other expenditures are recognized as expense as and when they are incurred.

Amortization of Intangible Assets:

Intangible assets are amortized on straight line basis to the Statement of Profit or Loss and Other Comprehensive Income 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 unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamps. Details are shown in Note No.-9.00 Receivables are recognized 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 Act, 2023 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 recognized 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 recognized for:

- 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;
- Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized 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 realized.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized 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 hospitalization 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 14 February, 2017 and no. 53.00.0000.311.22.002.17-140 dated 25 February, 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 22 July, 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 recognized 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 recognized 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 Financial Institution 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 recognized 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 recognized 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 recognized 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 recognized in the financial statements as this may result in the recognition of income which may never be realized.

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 Statement of Profit or Loss and Other Comprehensive Income 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 Company's 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 2020 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 | Applied |
| 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* |

| Sl. No. | IFRS/ IAS No. | Name of the IFRS/IAS | Status |
|---------|---------------|---|----------------|
| 35 | IAS-33 | Earnings per share | Applied |
| 36 | IAS-34 | Interim financial reporting | Applied |
| 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 01 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:

- Providing forward-looking assessment of risk;
- Overcoming limitations of models and historical data;
- Supporting external and internal communication;
- Feeding into capital and liquidity planning procedures;
- Informing the setting of an FI's risk tolerance; and
- 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 NBF'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 MISD is department 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.

3 Cash

This balance represents:

Cash in Hand (Note No. 3.01)

Balance with Bangladesh Bank and its Agent Bank(s) (Note No. 3.02)

Total

| Amount in Taka | |
|------------------|----------------|
| 31-Dec-24 | 31-Dec-23 |
| 193,414 | 9,386 |
| 1,488,570 | 277,215 |
| 1,681,984 | 286,601 |

3.01 Cash in Hand:

In Local Currency

In Foreign Currency

Total

| | |
|----------------|--------------|
| 193,414 | 9,386 |
| - | - |
| 193,414 | 9,386 |

3.02 Balance with Bangladesh Bank and its Agent Bank(s):

Balance with Bangladesh Bank

In Foreign Currency

Total

| | |
|------------------|----------------|
| 1,488,570 | 277,215 |
| - | - |
| 1,488,570 | 277,215 |

3.03 Balance with Bangladesh Bank:

Balance with Bangladesh Bank is non-interest bearing and maintained to meet the Cash Reserve Requirement (CRR). CRR (Note No. 3.04) and Statutory Liquidity Reserve (SLR) (Note No. 05) which have been calculated and maintained in accordance with Financial Regulations, 1994 and FID Circular No. 06 dated 06 November, 2003 and FID Circular No. 02 dated 10 November, 2004.

3.04 Cash Reserve Requirement (CRR):

CRR is calculated at the rate of 1.50% on Total Term Deposits which is preserved in Current Account maintained with Bangladesh Bank in compliance with FID Circular No. 06 dated 06 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)

Surplus/(Deficit)

| | |
|------------------|----------------|
| - | - |
| 1,488,570 | 277,215 |
| 1,488,570 | 277,215 |

3.05 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

Actual Reserve Held

Surplus/(Deficit)

| | |
|-----------------------|-----------------------|
| 683,250,910 | 527,070,673 |
| 24,183,622,410 | 23,381,147,388 |
| 23,500,371,499 | 22,854,076,716 |

4.00 Balance with Other Banks and Others Financial Institutions:

This is made-up as follows:

Inside Bangladesh

Current Accounts (Note No. 4.01)

Short Noticed Deposit Accounts (Note No. 4.02)

Fixed Deposit Accounts (Note No. 4.03)

Sub-Total

Outside Bangladesh

Total

| | |
|-----------------------|-----------------------|
| 1,327 | 2,084 |
| 3,510,916,758 | 4,469,542,585 |
| 6,602,035,829 | 6,346,811,486 |
| 10,112,953,914 | 10,816,356,155 |
| - | - |
| 10,112,953,914 | 10,816,356,155 |

The Company does not maintain any account outside Bangladesh.

| | | Amount in Taka | |
|-------------|---|----------------------|----------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| 4.01 | Current Accounts: | | |
| | Dutch Bangla Bank PLC. | 1,320 | 2,010 |
| | Uttara Bank PLC. | 7 | 74 |
| | Total | 1,327 | 2,084 |
| 4.02 | Short Noticed Deposit Accounts: | | |
| | United Commercial Bank PLC. | 8,448 | 9,485 |
| | Sonali Bank PLC. | 354,378 | 1,037,527,483 |
| | Agrani Bank PLC. | 3,510,553,932 | 3,432,005,618 |
| | Total | 3,510,916,758 | 4,469,542,585 |
| 4.03 | Fixed Deposit Accounts: | | |
| | Bangladesh Industrial Finance Company (BIFC) PLC. | 810,662,113 | 761,025,397 |
| | Fareast Finance and Investment PLC. | 442,167,206 | 424,667,754 |
| | Padma Bank PLC. | 977,589,000 | 926,725,800 |
| | FAS Finance and Investment PLC. | 842,690,732 | 785,442,493 |
| | First Finance PLC. | 221,023,366 | 215,999,999 |
| | ICB Islamic Bank PLC. | 234,004,611 | 229,365,000 |
| | International Leasing and Financial Services PLC. | 1,037,044,519 | 996,918,640 |
| | Meridian Finance and Investment PLC. | 271,500,000 | 289,000,000 |
| | Peoples Leasing and Financial Services PLC. | 607,090,552 | 607,090,552 |
| | Premier Leasing and Finance PLC. | 350,028,535 | 335,871,808 |
| | Prime Finance and Investment PLC. | 236,590,470 | 234,100,000 |
| | Aviva Finance PLC. (Reliance Finance Ltd.) | 51,789,036 | 50,800,000 |
| | Union Capital PLC. | 519,855,689 | 489,804,045 |
| | Total | 6,602,035,829 | 6,346,811,486 |

BIFFL maintained FDR accounts with different Banks and NBFIs licensed by Bangladesh Bank. However, due to the current market liquidity position and covid pandemic situation, 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 persuasion 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 these 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 decided to build some provision against these FDRs.

In addition, Bangladesh Bank vide letter no. FIID(I-06/02)/2025-520 dated 20 May, 2025 has given their consent to finalize the financial statements of BIFFL with the present provision status against FDR accounts and advised to build-up the provision gradually.

4.04 Maturity Grouping of Balance with Banks and Other Financial Institutions:

| | | |
|---|-----------------------|-----------------------|
| On Demand | 1,327 | 2,084 |
| Up to 1 Month | 4,949,336,783 | 5,155,253,973 |
| Over 1 Month but not more than 3 Months | 4,556,525,252 | 1,717,276,799 |
| Over 3 Months but not more than 1 Year | - | 914,471,802 |
| Over 1 Year but not more than 5 Years | 607,090,552 | 3,029,351,497 |
| Over 5 Years | - | - |
| Total | 10,112,953,914 | 10,816,356,155 |

4.04.01 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 judgment made in the liquidity statement, rather than their actual maturity date.

5.00 Money at Call and Short Notice:

This balance represents:

FAS Finance & Investment PLC.

Total

| | |
|-------------------|-------------------|
| 26,900,000 | 26,900,000 |
| 26,900,000 | 26,900,000 |

| | | Amount in Taka | |
|-------------|---|-----------------------|-----------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| | b) Outside Bangladesh | - | - |
| | Total Leases, Loans and Advances | 29,645,829,523 | 22,765,465,839 |
| 7.01 | Leases: | - | - |
| 7.02 | Sector Wise Leases, Loans and Advances: | | |
| | Public Sector | 737,104,906 | 2,075,976,889 |
| | Co-Operative Sector | - | - |
| | Private Sector | 28,908,724,617 | 20,689,488,950 |
| | Total | 29,645,829,523 | 22,765,465,839 |
| 7.03 | Residual Maturity Grouping of Leases, Loans and Advances: | | |
| | On Demand | - | - |
| | Up to 1 Month | 138,418,370 | 247,519,134 |
| | Over 1 Month but not more than 3 Months | 1,391,314,100 | 832,607,198 |
| | Over 3 Months but not more than 1 Year | 2,984,449,028 | 3,837,995,197 |
| | Over 1 Year but not more than 5 Years | 10,782,422,905 | 11,500,000,000 |
| | Over 5 Years | 14,349,225,120 | 6,347,344,310 |
| | Total | 29,645,829,523 | 22,765,465,839 |
| 7.04 | 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 | 22,524,852 | 8,107,041 |
| | c. Leases, Loans and Advances to Customer Groups | - | - |
| | Large Infrastructure Projects | 14,253,795,037 | 11,517,410,378 |
| | Sustainable and Eco-Friendly Projects | 15,359,139,657 | 11,225,520,737 |
| | SME-Women Entrepreneurs | 10,369,977 | 14,427,684 |
| | Total | 29,645,829,523 | 22,765,465,839 |
| | d. Leases, Loans and Advances on Sector Basis: | | |
| | i) Textiles | 611,115,709 | 1,321,600 |
| | ii) Garments and Accessories | 5,536,894,343 | 5,322,896,374 |
| | iii) Transport (including Marine Transport) | 8,608,105,387 | 5,012,547,234 |
| | iv) Chemicals and Pharmaceuticals | - | - |
| | v) Iron, Steel and Engineering | 741,693,858 | 908,063,159 |
| | vi) Agricultural Equipment and Agro Industries | 1,387,809 | 1,536,829 |
| | vii) Power and Energy | 3,689,713,528 | 3,952,584,908 |
| | viii) Electronics and Electrical | - | - |
| | ix) Information Technology (IT) | 292,103,544 | 302,879,620 |
| | x) Paper Printing and Packaging | - | - |
| | xi) Plastic | 311,412,506 | 287,187,447 |
| | xii) Real Estate and Housing | 1,019,726,464 | - |
| | xiii) Food and Beverage | 976,432,370 | 1,146,751,632 |
| | xiv) Glass and Ceramics | 2,594,057,921 | 2,566,969,635 |
| | xv) Services | 970,566,918 | 1,124,774,592 |
| | xvi) Others | 4,292,619,166 | 2,137,952,810 |
| | Total | 29,645,829,523 | 22,765,465,839 |

7.05 Leases, Loans and Advances on Geographical Basis:**Inside Bangladesh****Urban**

Dhaka Division

Chittagong Division

Khulna Division

Rajshahi Division

Barisal Division

Sylhet Division

Rangpur Division

Mymensingh Division

Sub-Total**Rural**

Dhaka Division

Chittagong Division

Khulna Division

Rajshahi Division

Barisal Division

Sylhet Division

Rangpur Division

Mymensingh Division

Sub-Total**Outside Bangladesh****Total**

| Amount in Taka | |
|-----------------------|-----------------------|
| 31-Dec-24 | 31-Dec-23 |
| | |
| 10,121,664,622 | 6,542,176,596 |
| 342,759,325 | 325,243,842 |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| 10,464,423,947 | 6,867,420,438 |
| | |
| 10,744,854,492 | 8,144,977,260 |
| 7,428,202,878 | 6,764,672,389 |
| 1,387,809 | 1,536,829 |
| 157,458,122 | 157,458,122 |
| 133,341,274 | 133,341,274 |
| 384,705,437 | 384,705,438 |
| 20,043,058 | 24,166,643 |
| 311,412,506 | 287,187,447 |
| 19,181,405,576 | 15,898,045,401 |
| - | - |
| 29,645,829,523 | 22,765,465,839 |

7.06 Classification of Leases, Loans and Advances:**Unclassified**

Standard (STD)

Special Mention Account (SMA)

Sub-Total**Classified**

Sub-Standard (SS)

Doubtful (DF)

Bad/Loss (BL)

Sub-Total**Total**

| | |
|-----------------------|-----------------------|
| 24,283,250,484 | 19,346,677,907 |
| 257,743,596 | 328,394,497 |
| 24,540,994,080 | 19,675,072,404 |
| - | 92,422,589 |
| - | 334,917 |
| 5,104,835,443 | 2,997,635,929 |
| 5,104,835,443 | 3,090,393,435 |
| 29,645,829,523 | 22,765,465,839 |

7.07 Particulars of Leases, Loans and Advances:

i) Loan Considered Good in Respect of Which the FI is Fully Secured

ii) Loan Considered Good for Which the FI Holds no Other Security than the Debtor's Personal Security

iii) Loan Considered Good and Secured by the Personal Security of One or More Parties in Addition to the Personal Security of the Debtors

iv) Loan Adversely Classified; for Which no Provision is Created

Total

| | |
|-----------------------|-----------------------|
| 11,735,266,455 | 11,735,266,455 |
| 305,930,897 | 305,930,897 |
| 17,604,632,171 | 10,724,268,487 |
| - | - |
| 29,645,829,523 | 22,765,465,839 |

v) Loan due by Directors or Officers of the FI or any of them Either Jointly or Separately with any Other Persons

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

| | |
|------------|-----------|
| 22,524,852 | 8,107,041 |
| - | - |

| | | Amount in Taka | |
|-------------|---|--------------------|--------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| 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 | - | - |
| x) | Information in Respect of Classified Loans and Advances: | | |
| a) | Classified Loans for Which Interest/Profit not Credited to Income | 5,103,307,328 | 3,090,393,435 |
| b) | Amount of Provision Kept against Loans Classified as Bad/Loss as at the Balance Sheet Date | 2,324,475,640 | 1,181,687,097 |
| c) | Amount of Interest Credited to the Interest Suspense Account | 1,373,870,060 | 1,152,765,346 |
| 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 | - | - |
| | Total | - | - |
| 7.08 | Bills Purchased and Discounted: | | |
| | Payable Inside Bangladesh | - | - |
| | Payable Outside Bangladesh | - | - |
| | Total | - | - |
| | BIFFL has no Bills Purchased and Discounted. | | |
| 7.09 | 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 100% of loans and advances disbursed to public interest entity on or after 01 January, 2024 to 31 December, 2024. | | |
| 8.00 | Fixed Assets: | | |
| | This balance represents: | | |
| | Fixed Assets including Premises, Furniture and Fixtures (Note No. 8.01) | 160,765,617 | 168,385,698 |
| | Capital Work-in-Progress (Note No. 8.02) | 8,800,000 | 8,800,000 |
| | Total | 169,565,617 | 177,185,698 |
| 8.01 | Fixed Assets including Premises, Furniture and Fixtures: | | |
| | Cost: | | |
| | Opening Balance | 402,150,892 | 401,585,356 |
| | Add: Addition during the year (Annexure-A) | 1,517,228 | 1,511,536 |
| | | 403,668,120 | 403,096,892 |
| | Less: Disposal/Adjustment during the year | - | (946,000) |
| | Closing Balance (A) | 403,668,120 | 402,150,892 |
| | Accumulated Depreciation: | | |
| | Opening Balance | 233,765,194 | 219,570,967 |
| | Add: Charged during the year | 9,137,309 | 15,140,226 |
| | | 242,902,503 | 234,711,192 |
| | Less: Adjustment for Disposal during the year | - | (945,999) |
| | Closing Balance (B) | 242,902,503 | 233,765,194 |
| | Written Down Value (A-B) | 160,765,617 | 168,385,698 |
| | A detailed Fixed Assets including Premises, Furniture and Fixtures has been given in (Annexure-A). | | |
| 8.02 | Capital Work-in-Progress: | | |
| | Opening Balance | 8,800,000 | 8,800,000 |
| | Add: Addition during the year | - | - |
| | Closing Balance | 8,800,000 | 8,800,000 |

| | | Amount in Taka | |
|----------------|--|--------------------|----------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| 9.00 | Other Assets: | | |
| | Advance Income Tax (Note No. 9.01) | 549,467,746 | 1,181,107,766 |
| | Interest Receivables on FDR | 46,380,494 | 39,285,448 |
| | Interest Receivables on STL | 904,139 | 44,833 |
| | Security Deposit | 303,975 | 309,975 |
| | Advance to Suppliers | 2,477,591 | 2,063,181 |
| | Deferred Tax Assets (Note No. 9.02) | 13,235,400 | 13,682,631 |
| | Advance to Employees | - | - |
| | Receivables against Investment (Note No. 9.03) | 242,261,041 | 202,552,412 |
| | Total | 855,030,387 | 1,439,046,248 |
| 9.01 | Advance Income Tax: | | |
| | Opening Balance | 1,181,107,766 | 5,462,062,162 |
| | Income Tax Deducted at Sources | 227,745,639 | 248,383,437 |
| | Paid during the year | 807,600,338 | 602,850,260 |
| | Adjustment of AIT | (1,666,985,997) | (5,132,188,093) |
| | Closing Balance | 549,467,746 | 1,181,107,766 |
| 9.02 | Deferred Tax Assets: | 13,235,400 | 13,682,631 |
| 9.02.01 | Deferred Tax Assets for Deductible Temporary Difference: | | |
| | Opening Balance | 6,119,212 | 4,950,012 |
| | Add: Deferred Tax Income/(Expense) during the year | 1,169,200 | 1,169,200 |
| | | 7,288,412 | 6,119,212 |
| | Tax Deductible Temporary Difference | | |
| | Gratuity Payable | 18,221,030 | 15,298,030 |
| | Applicable Tax Rate | 40% | 40% |
| | Closing Deferred Tax Assets | 7,288,412 | 6,119,212 |
| 9.02.02 | Deferred Tax Liabilities (Assets) for Taxable Temporary Difference: | | |
| | Opening Balance | (7,563,420) | (6,431,349) |
| | Add: Deferred Tax Expenses/(Income) during the year | 1,616,432 | (1,132,070) |
| | Closing Balance | (5,946,988) | (7,563,419) |
| | Taxable Temporary Difference: | | |
| | Carrying amount of Fixed Assets as per Accounting Base | 160,765,617 | 168,385,698 |
| | Carrying amount of Fixed Assets as per Tax Base | 175,633,087 | 187,294,247 |
| | Taxable Temporary Difference on Fixed Assets | (14,867,470) | (18,908,549) |
| | Applicable Tax Rate | 40.00% | 40.00% |
| | Closing Deferred Tax Liabilities/(Assets) | (5,946,988) | (7,563,420) |
| | Deferred Tax Liabilities/(Assets) at the beginning of the year | (7,563,420) | (6,431,349) |
| | Deferred Tax Expenses/(Income) during the year | 1,616,432 | (1,132,071) |
| 9.03 | Receivables against Investment: | | |
| | Dividend Receivables on Preference Share (Note No. 9.3.01) | 21,715,108 | 65,298,506 |
| | Interest Receivable on Coupon Bond (Note No. 9.3.02) | 15,173,547 | 21,910,578 |
| | Interest Receivable on Investment in Govt. T-Bill (Note No. 9.3.03) | 196,535,185 | 115,343,328 |
| | Interest Receivable on Investment in Govt. T-Bonds (Note No. 9.3.04) | 8,837,201 | - |
| | Total | 242,261,041 | 202,552,412 |
| 9.03.01 | Dividend Receivables on Preference Share: | | |
| | Doreen Power House & Technologies Ltd. | 10,696,843 | 55,366,451 |
| | Kushiara Power Company Ltd. | 11,018,265 | 9,932,055 |
| | Total | 21,715,108 | 65,298,506 |

| | | Amount in Taka | |
|-----------------|---|-----------------------|-----------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| 9.03.02 | Interest Receivable on Coupon Bond: | | |
| | Ashuganj Power Station Company Ltd. | 15,173,547 | 21,910,578 |
| | Total | 15,173,547 | 21,910,578 |
| 9.03.03 | Interest Receivable on Investment in Govt. Treasury Bills: | | |
| | Interest on Investment in Govt. T-Bills (182 Days) | - | 53,269,462 |
| | Interest on Investment in Govt. T-Bills (91 Days) | 196,535,185 | 62,073,866 |
| | Total | 196,535,185 | 115,343,328 |
| 9.03.04 | Interest Receivable on Investment in Govt. Treasury Bonds: | | |
| | 8 Years Special Treasury Bonds | 7,983,321 | - |
| | 10 Years Special Treasury Bonds | 853,879 | - |
| | Total | 8,837,201 | - |
| 10.00 | Non Banking Assets: | - | - |
| 11.00 | Borrowings from Banks, Other Financial Institutions and Agents: | | |
| | Inside Bangladesh (Note No. 11.01) | 334,286,565 | 437,370,495 |
| | Outside Bangladesh (Note No. 11.02) | 18,395,698,978 | 13,631,140,076 |
| | Total | 18,729,985,543 | 14,068,510,571 |
| 11.01 | Inside Bangladesh: | | |
| | Borrowing from BB under Refinance Scheme | 334,286,565 | 437,370,495 |
| | Total | 334,286,565 | 437,370,495 |
| 11.02 | Outside Bangladesh: | | |
| | Borrowing from EECPPF JICA Loan No. BD-P90, BDP-109 and BDP-115 | 10,069,528,891 | 7,427,936,194 |
| | Borrowing from IPFF II of World Bank | 1,641,209,530 | 1,666,196,803 |
| | Borrowing from SBIFFLP ADB Loan No. BAN-3958 | 4,500,254,200 | 4,412,473,167 |
| | Borrowing From EEI KFW Loan No. 30842 | 1,038,725,680 | - |
| | Borrowing From EEREWEF AFD Loan No. CBD103101S | 1,145,980,678 | 124,533,913 |
| | Total | 18,395,698,978 | 13,631,140,076 |
| 11.02.01 | Borrowing from EECPPF JICA Loan No. BD-P90, BDP-109 and BDP-115: | | |
| | Principal Borrowing | 9,765,010,374 | 7,234,324,948 |
| | Interest Due | 304,518,517 | 193,611,246 |
| | Total | 10,069,528,891 | 7,427,936,194 |
| 11.02.02 | Borrowing from IPFF II of World Bank: | | |
| | Principal Borrowing | 1,321,148,912 | 1,396,946,239 |
| | Unrealized Loss on FC Transaction | 282,748,279 | 214,094,577 |
| | Interest Due | 37,312,339 | 55,155,987 |
| | Total | 1,641,209,530 | 1,666,196,803 |

Outstanding of borrowing from IPFF II of World Bank include a loan taken on 09 March, 2022 for onward disbursement to Technaf Solartech Energy Limited amounting USD 100,00,000 (One Crore US Dollar) equivalent to BDT 86,00,00,000 (Taka Eighty Six Crore). Outstanding amount of this borrowing is periodically revalued based on changes in USD to BDT exchange rate. As on 31 December, 2024 total outstanding of this borrowing is BDT 997,935,102 (31 December, 2023 BDT 981,266,812) equivalent to USD 8,316,125.85 (31 December, 2023 USD 8,920,607) converted @ BDT120 per USD (31 December, 2023 @ BDT 110 per USD).

| | | Amount in Taka | |
|-----------------|---|----------------------|----------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| 11.02.03 | Borrowing from SBIFFLP ADB Loan No. BAN-3958: | | |
| | Principal Borrowing | 4,317,100,000 | 4,317,100,000 |
| | Interest Due | 183,154,200 | 95,373,167 |
| | Total | 4,500,254,200 | 4,412,473,167 |
| 11.02.04 | Borrowing from EEI KFW Loan No. 30842: | | |
| | Principal Borrowing | 1,015,931,560 | - |
| | Interest Due | 22,794,119 | - |
| | Total | 1,038,725,680 | - |
| 11.02.05 | Borrowing from EEREWEF AFD Loan No. CBD103101S: | | |
| | Principal Borrowing | 1,132,070,416 | 122,609,623 |
| | Interest Due | 13,910,262 | 1,924,290 |
| | Total | 1,145,980,678 | 124,533,913 |
| 12.00 | Deposits and Other Accounts: | | |
| | Current Accounts and Other Accounts etc. | - | - |
| | Bills Payable | - | - |
| | Savings Bank Deposits | - | - |
| | Term Deposits | - | - |
| | Bearer Certificate of Deposit | - | - |
| | Other Deposits | - | - |
| | Total | - | - |
| 13.00 | Other Liabilities: | | |
| | Provision for Tax (Note No. 13.01) | 1,415,194,123 | 1,663,572,900 |
| | Account Payables (Note No. 13.02) | 45,573,256 | 17,542,042 |
| | Provision for Leases, Loans, Advances, Investment and Others (Note No. 13.04) | 4,550,454,401 | 3,409,614,868 |
| | Deferred Tax Liabilities | - | - |
| | Employee Benefit Liabilities (Note No. 13.03) | 18,541,872 | 15,618,872 |
| | Audit Fees Payable | 550,000 | 311,805 |
| | Security Deposit Payable | 111,634 | 111,634 |
| | Interest Suspense Account (Note No. 13.05) | 2,901,487,280 | 2,342,383,389 |
| | Interest Payable | 2,424,864 | 2,531,325 |
| | Total | 8,934,337,429 | 7,451,686,836 |
| 13.01 | Provision for Tax: | | |
| | Opening Balance | 1,663,572,900 | 5,794,144,089 |
| | Add: Addition during this year | 1,414,870,825 | 1,024,620,122 |
| | Less : Adjusted/Paid during this year | (1,663,249,603) | (5,155,191,310) |
| | Closing Balance | 1,415,194,123 | 1,663,572,900 |
| 13.02 | Account Payables: | | |
| | Withholding and Payroll Tax | 631,188 | 529,201 |
| | Withholding VAT | 1,258,830 | 502,124 |
| | Bill Payables | 30,532,162 | 4,551,951 |
| | Provision for Incentive Bonus | 13,151,075 | 11,958,765 |
| | Partial Down Payment for Reschedule of Term Loans | - | - |
| | Excise Duty Payable | - | - |
| | Total | 45,573,256 | 17,542,040 |

13.03 Employee Benefit Liabilities:**Gratuity Fund (GF) Payable**

| | | |
|--|-------------------|-------------------|
| Opening Balance | 15,298,030 | 12,375,030 |
| Add: Addition during the year | 2,923,000 | 2,923,000 |
| Less: Amount Transferred during the year | - | - |
| Closing Balance (A) | 18,221,030 | 15,298,030 |

Contributory Provident Fund (CPF) Payable:

| | | |
|--|-------------------|-------------------|
| Opening Balance | 320,842 | 320,842 |
| Add: Addition during the year | 4,985,174 | 5,037,894 |
| Less: Amount Transferred during the year | (4,985,174) | (5,037,894) |
| Closing Balance (B) | 320,842 | 320,842 |
| Total (A+B) | 18,541,872 | 15,618,872 |

13.04 Provision for Leases, Loans, Advances, Investment and Others:**General provision**

Leases, Loans and Advances:

| | | |
|-------------------------------|--------------------|--------------------|
| Opening Balance | 405,877,986 | 329,492,070 |
| Add: Addition during the year | (154,012,223) | 76,385,915 |
| Closing Balance (i) | 251,865,763 | 405,877,986 |

Investment:

| | | |
|--------------------------------------|-------------------|-------------------|
| Opening Balance | 13,320,000 | 16,960,000 |
| Addition/(deduction) during the year | (3,070,000) | (3,640,000) |
| Closing Balance (ii) | 10,250,000 | 13,320,000 |

Off-balance sheet item:

| | | |
|-------------------------------|------------------|------------------|
| Opening Balance | 2,617,481 | 2,471,581 |
| Add: Addition during the year | - | 145,900 |
| Closing Balance (iii) | 2,617,481 | 2,617,481 |

Closing Balance of Total General Provision i+ii+iii (A)

| | | |
|--|--------------------|--------------------|
| | 264,733,243 | 421,815,466 |
|--|--------------------|--------------------|

Specific Provision**Leases, loans and advances:**

| | | |
|-------------------------------|----------------------|----------------------|
| Opening balance | 1,181,687,097 | 688,784,544 |
| Add: Addition during the year | 1,142,788,543 | 492,902,553 |
| Closing Balance (i) | 2,324,475,640 | 1,181,687,097 |

Investment:

| | | |
|---|----------|----------|
| Opening Balance | - | - |
| Add: Addition (Adjustment Due to Write-Off) during the year | - | - |
| Closing Balance (ii) | - | - |

Closing Balance of Total Specific Provision i+ii (B)

| | | |
|--|----------------------|----------------------|
| | 2,324,475,640 | 1,181,687,097 |
|--|----------------------|----------------------|

Covid-19 Special Provision for Leases, Loans and Advances

| | | |
|-------------------------------|----------------|----------------|
| Opening Balance | 218,367 | 218,367 |
| Add: Addition during the year | - | - |
| Closing Balance (C) | 218,367 | 218,367 |

Other Provision:**Fixed Deposit Receipts (FDRs)**

| | | |
|-------------------------------|----------------------|----------------------|
| Opening Balance | 1,805,533,938 | 1,605,533,938 |
| Add: Addition during the year | 155,133,212 | 200,000,000 |
| Closing Balance (i) | 1,960,667,150 | 1,805,533,938 |

Provision for Other Assets:

| | | |
|-------------------------------|----------------|----------------|
| Opening Balance | 360,000 | 360,000 |
| Add: Addition during the year | - | - |
| Closing Balance (ii) | 360,000 | 360,000 |

Closing Balance of Total Other Provision i+ii (D)

| | | |
|--|----------------------|----------------------|
| | 1,961,027,150 | 1,805,893,938 |
|--|----------------------|----------------------|

Closing Balance of Total Provision Maintained (A+B+C+D)

| | | |
|--|----------------------|----------------------|
| | 4,550,454,401 | 3,409,614,868 |
|--|----------------------|----------------------|

| | | Amount in Taka | |
|--------------|---|------------------------|------------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| | Fareast Finance and Investment PLC. | 112,536,837 | 90,475,025 |
| | Premier Leasing and Finance PLC. | 88,192,680 | 70,203,023 |
| | Interest Suspense A/C FDRs- Accrual | 46,380,494 | 39,285,448 |
| | Total | 1,527,617,219 | 1,189,618,043 |
| 14.00 | Share Capital: | | |
| 14.01 | Authorized Capital: 1,000,000,000 Ordinary Shares of Tk. 100 each | 100,000,000,000 | 100,000,000,000 |
| 14.02 | Issued, Subscribed & Paid-up Capital: 23,08,00,000 Ordinary Shares of Tk. 100 each | 23,080,000,000 | 23,080,000,000 |
| 14.03 | 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 maintain 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 | 2,411,036,953 | 2,208,773,239 |
| | Non-repayable share premium account | - | - |
| | General reserve | 300,000,000 | 250,000,000 |
| | Retained earnings | 2,452,269,995 | 2,063,061,129 |
| | Minority interest in subsidiaries | - | - |
| | Non- cumulative irredeemable preference shares | - | - |
| | Dividend equalization account | - | - |
| | Others (any item approved by Bangladesh Bank) | - | - |
| | Sub-Total | 28,243,306,948 | 27,601,834,367 |
| | 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 | 28,243,306,948 | 27,601,834,367 |
| | Tier-2 (Supplementary Capital) | | |
| | General provision (Unclassified up to specified limit+ SMA+ off balance sheet exposure) | 255,253,822 | 204,800,000 |
| | Assets revaluation reserves up to 50% | - | - |
| | Revaluation reserve for securities up to 50% | - | - |
| | All other preference shares | - | - |
| | Others (any item approved by Bangladesh Bank) | - | - |
| | Sub-Total | 255,253,822 | 204,800,000 |
| | Deductions, if any | - | - |
| | Total Eligible Tier-2 Capital | 255,253,822 | 204,800,000 |
| | Total capital | 28,498,560,770 | 27,806,634,367 |
| | Total Risk Weighted Asset | 25,265,524,941 | 21,502,523,059 |
| | Required Capital | 2,526,552,494 | 2,150,252,306 |
| | Surplus/(Deficit) | 25,972,008,276 | 25,656,382,061 |
| | Capital Adequacy Ratio (CAR) | 112.80% | 129.32% |
| | On Core Capital (Tier-1) | 111.79% | 128.37% |
| | On Supplementary Capital (Tier-2) | 1.01% | 0.95% |

15.00 Statutory Reserve:

| | |
|--|--|
| Opening Balance | |
| Add: Transferred from Profit during the year | |
| Closing Balance | |

| Amount in Taka | |
|----------------------|----------------------|
| 31-Dec-24 | 31-Dec-23 |
| 2,208,773,239 | 2,042,157,462 |
| 202,263,714 | 166,615,777 |
| 2,411,036,953 | 2,208,773,239 |

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 .

16.00 General Reserve:

| | |
|-------------------------------|--|
| Opening Balance | |
| Add: Addition during the year | |
| Total | |

| | |
|--------------------|--------------------|
| 250,000,000 | 200,000,000 |
| 50,000,000 | 50,000,000 |
| 300,000,000 | 250,000,000 |

17.00 Retained Earnings:

| | |
|--|--|
| Opening Balance | |
| Add/(Less): Net Gain or (Loss) on FC Transaction | |
| Add: Net Profit/(Loss) during the year | |

| | |
|----------------------|----------------------|
| 2,063,061,129 | 1,726,046,703 |
| 31,872 | 107,534 |
| 1,011,318,572 | 833,078,883 |
| 3,074,411,573 | 2,559,233,120 |

Less:

| | |
|--|--|
| Transferred to Statutory Reserve during the year | |
| Transferred to General Reserve during the year | |
| Stock Dividend | |
| Cash Dividend | |

| | |
|----------------------|----------------------|
| 202,263,714 | 166,615,777 |
| 50,000,000 | 50,000,000 |
| - | - |
| 369,877,864 | 279,556,215 |
| 622,141,578 | 496,171,992 |
| 2,452,269,995 | 2,063,061,129 |

Closing balance

18.00 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 No.18.01) | |
| Irrevocable Letters of Credit | |
| Bills for Collection | |
| Indemnity Bond | |
| Corporate Guarantee | |
| Total | |

| | |
|--------------------|--------------------|
| - | - |
| 227,504,935 | 261,748,051 |
| - | - |
| - | - |
| - | - |
| - | - |
| 227,504,935 | 261,748,051 |

18.01 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 | |
| Total | |

| | |
|--------------------|--------------------|
| - | - |
| - | - |
| - | - |
| 227,504,935 | 261,748,051 |
| 227,504,935 | 261,748,051 |

| | | Amount in Taka | |
|--------------|---|----------------------|----------------------|
| | | Jan-Dec '2024 | Jan-Dec '2023 |
| 19.00 | Income statement: | | |
| 19.01 | Income: | | |
| | Interest, Discount and Similar Income | - | - |
| | Interest Income on Leases, Loans and Advances (Note No. 20.00) | 1,993,725,841 | 1,405,789,045 |
| | Investment Income (Note No. 22.00) | 1,732,755,497 | 568,653,806 |
| | Other Operating Income (Note No. 23.00) | 386,167,816 | 1,095,289,175 |
| | Total | 4,112,649,153 | 3,069,732,026 |
| 19.02 | Expenses: | | |
| | Interest Expenses on Deposits, Borrowings etc. (Note No-21.00) | 360,060,830 | 266,553,663 |
| | Salary and Allowances (Note No-24.00) | 75,673,728 | 75,337,959 |
| | Rent, Taxes, Insurance, Electricity etc. (Note No-25.00) | 2,452,662 | 2,887,188 |
| | Legal Expenses (Note No-26.00) | 561,603 | 1,910,473 |
| | Postage, Stamp, Telecommunication etc. (Note No-27.00) | 4,062,638 | 3,901,918 |
| | Stationery, Printing, Advertisement etc. (Note No-28.00) | 1,858,282 | 1,718,040 |
| | Managing Director's Salary and Allowances (Note No-29.00) | 10,480,000 | 10,074,000 |
| | Directors' Fees (Note No-30.00) | 1,332,198 | 1,319,976 |
| | Auditors' Fees (Note No-31.00) | 562,695 | 250,000 |
| | Charges on Loan Losses | - | - |
| | Depreciation and Repairs of Company's Assets (Note No-32.00) | 10,827,207 | 16,733,830 |
| | Other Operating Expenses (Note No-33.00) | 76,731,552 | 90,856,094 |
| | Total | 544,603,395 | 471,543,141 |
| 20.00 | Interest Income on Leases, Loans and Advances: | | |
| | Interest Income from Term Loan (Note No-20.01) | 1,993,725,841 | 1,405,789,045 |
| | Total | 1,993,725,841 | 1,405,789,045 |
| 20.01 | Interest Income from Term Loan: | | |
| | Interest Income from Loan to Large Infrastructure Projects | 1,556,696,026 | 1,138,042,649 |
| | Interest Income from Loan to Sustainable and Eco-Friendly Projects | 435,485,207 | 266,994,507 |
| | Interest Income from Loan to Women Entrepreneurs | 1,033,590 | 484,769 |
| | Interest Income from Staff Loan | 511,018 | 267,120 |
| | Total | 1,993,725,841 | 1,405,789,045 |
| 21.00 | Interest Expenses on Deposits, Borrowings etc. | | |
| | Interest Expenses on BB Refinance Scheme | 20,024,444 | 24,944,921 |
| | Interest Expenses on Borrowing from ADB under Loan No. Ban-3958 | 87,781,033 | 65,905,417 |
| | Interest Expenses on Borrowing from IPFF II of World Bank | 66,654,096 | 67,821,729 |
| | Interest Expenses on Borrowing from JICA under Loan No. BDP-90, BDP-109 and BDP-115 | 150,821,165 | 106,638,471 |
| | Interest Expenses on Borrowing from AFD | 11,985,972 | 1,243,125 |
| | Interest Expenses on Borrowing from KFW | 22,794,119 | - |
| | Total | 360,060,830 | 266,553,663 |
| 22.00 | Investment Income: | | |
| | Interest Income from Bond (Note No-22.02) | 58,951,691 | 85,071,095 |
| | Dividend Income from Preference Share (Note No-22.03) | 71,543,515 | 74,466,208 |
| | Interest on Investment in Govt. Treasury Bill (Note No-22.04) | 1,602,260,290 | 409,116,503 |
| | Total | 1,732,755,497 | 568,653,806 |
| 22.01 | Interest Income from Commercial Paper: | | |
| | Computer Source Ltd. | - | - |
| | Total | - | - |

| | | Amount in Taka | |
|--------------|--|----------------------|----------------------|
| | | Jan-Dec '2024 | Jan-Dec '2023 |
| 22.02 | Interest Income from Bond: | | |
| | Ashuganj Power Station Company Ltd. | 58,951,691 | 85,071,095 |
| | Total | 58,951,691 | 85,071,095 |
| 22.03 | Dividend Income from Preference Share: | | |
| | Kushiara Power Company Ltd. | 35,286,210 | 43,582,823 |
| | Doreen Power House & Technologies Ltd. | 36,257,305 | 30,883,385 |
| | Total | 71,543,515 | 74,466,208 |
| 22.04 | Interest on Investment in Govt. T-Bill: | | |
| | Interest from Investment in Govt. T-Bills | 1,564,007,898 | 409,116,503 |
| | Interest on Standing Deposit Facility (SDF) | 14,512,992 | - |
| | Interest from Investment in T-Bonds | 23,739,401 | - |
| | Total | 1,602,260,290 | 409,116,503 |
| 23.00 | Other Operating Income: | | |
| | Interest Income (FDRs) | 58,281,410 | 111,384,964 |
| | Interest on Short Term Loan (STL) | 1,845,639 | 2,712,416 |
| | Interest on SND | 273,072,566 | 696,820,647 |
| | Revenue from Fees (Note No-23.01) | 39,608,591 | 265,123,916 |
| | Gain on Disposal of Assets and Trading Loss (Gain) on Govt. Securities | (209,958) | 54,899 |
| | Gain (Loss) on Foreign Currency Exchange Transactions | 5,451,252 | 4,155,316 |
| | Recovery from Write-Off | 8,000,000 | 15,000,000 |
| | Non Eligible Portion of CPF | 118,316 | 37,016 |
| | Total | 386,167,816 | 1,095,289,175 |
| 23.01 | Revenue from Fees: | | |
| | Other fees | 39,608,591 | 265,123,916 |
| | Total | 39,608,591 | 265,123,916 |
| 24.00 | Salary and Allowances: | | |
| | Salary and Allowances | 60,350,709 | 60,239,233 |
| | Bonus | 12,400,019 | 12,175,726 |
| | Gratuity Expenses | 2,923,000 | 2,923,000 |
| | Total | 75,673,728 | 75,337,959 |
| 25.00 | Rent, Taxes, Insurance, Electricity etc.: | | |
| | Rent and Taxes | 529,408 | 102,157 |
| | Utility Bills | 1,010,432 | 1,866,005 |
| | Health Insurance Premium | 912,822 | 919,027 |
| | Total | 2,452,662 | 2,887,188 |
| 26.00 | Legal Expenses: | | |
| | Legal Expenses | 415,734 | 794,593 |
| | Renewal & Registration | 131,253 | 1,086,451 |
| | Stamp Cost | 14,616 | 29,429 |
| | Total | 561,603 | 1,910,473 |

| | Amount in Taka | |
|--|--------------------|--------------------|
| | Jan-Dec '2024 | Jan-Dec '2023 |
| 27.00 Postage, Stamp, Telecommunication etc.: | | |
| Postage and Courier | 2,520 | 14,860 |
| Telephone, Telex, Fax and Mobile | 354,923 | 365,462 |
| Networking Expenses | 948,085 | 756,508 |
| IT Enabled Services | 1,845,623 | 1,586,904 |
| Internet Bandwidth Charges | 911,488 | 1,178,185 |
| Total | 4,062,638 | 3,901,918 |
| 28.00 Stationery, Printing, Advertisement etc.: | | |
| Stationery and Printing | 1,383,421 | 1,395,220 |
| Advertisement and Publicity | 437,041 | 298,653 |
| Books and Periodicals | 37,819 | 24,167 |
| Binding and Spiral | - | - |
| Total | 1,858,282 | 1,718,040 |
| 29.00 Managing Director's Salary and Allowances: | | |
| Basic Pay and Allowances | 8,680,000 | 8,314,000 |
| Bonus | 1,800,000 | 1,760,000 |
| Total | 10,480,000 | 10,074,000 |
| 30.00 Directors' Fees: | | |
| Honorarium for Attending Meeting | 1,332,198 | 1,319,976 |
| Total | 1,332,198 | 1,319,976 |
| 31.00 Auditors' Fees: | | |
| Annual Statutory Audit Fees | 250,000 | 250,000 |
| Other Audit Fees | 312,695 | - |
| Total | 562,695 | 250,000 |
| 32.00 Depreciation and Repairs of Company's Assets: | | |
| Repair & Maintenances | 1,689,898 | 1,593,604 |
| Depreciation on Company's Fixed Assets (Annexure-A) | 9,137,309 | 15,140,226 |
| Total | 10,827,207 | 16,733,830 |
| 33.00 Other Operating Expenses: | | |
| Office Maintenances | 6,135,105 | 7,180,178 |
| Training Expenses | 345,238 | 12,778 |
| Bank Charges & Commission | 2,432,169 | 2,444,299 |
| Entertainment Expenses | 3,911,111 | 3,721,289 |
| Promotional Expenses | 1,946,463 | 776,442 |
| Consultancy and Professional Fees* | 53,381,525 | 71,396,442 |
| Project Site Supervision, Travelling and Conveyance Expenses | 832,458 | 237,709 |
| CIB Service Charges | 46,920 | 20,358 |
| CSR Expenses | 6,655,000 | 4,517,900 |
| IT Maintenance | 1,045,563 | 548,699 |
| Total | 76,731,552 | 90,856,094 |
| 34.00 Provision for Investment, Leases, Loans and Advances: | | |
| General Provision | (157,082,223) | 72,891,815 |
| Specific Provision | 1,142,788,543 | 492,902,553 |
| Covid-19 Special Provision | - | - |
| Total | 985,706,320 | 565,794,368 |

| | | Amount in Taka | |
|--------------|--|----------------------|----------------------|
| | | Jan-Dec '2024 | Jan-Dec '2023 |
| 35.00 | Other Provision: | | |
| | Provision on FDR (Note No. 35.01) | 155,133,212 | 200,000,000 |
| | Provision on Other Assets | - | - |
| | Total | 155,133,212 | 200,000,000 |
| 35.01 | Provision on FDR | | |
| | On FDR with Other Financial Institutes | 155,133,212 | 200,000,000 |
| | Total | 155,133,212 | 200,000,000 |
| 36.00 | Provision for Tax: | | |
| | Current Tax (Note No-36.01) | 1,415,440,421 | 1,001,616,905 |
| | Deferred Tax (Income)/Expenses during the year | 447,232 | (2,301,270) |
| | Total | 1,415,887,653 | 999,315,634 |
| 36.01 | Current Tax: | | |
| | Income Tax Expenses during the year | 1,414,870,825 | 1,024,620,122 |
| | Previous year Shortage (Excess) of Tax Provision | 569,596 | (23,003,217) |
| | Total | 1,415,440,421 | 1,001,616,905 |
| 36.02 | Effective Tax Rate: | | |
| | Income Tax Expense (A) | 1,415,887,653 | 999,315,634 |
| | Profit before Income Tax (B) | 2,427,206,225 | 1,832,394,517 |
| | Effective Tax Rate (A/B) | 58.33% | 54.54% |

36.03 Reconciliation of Effective Tax Rate:

| | 2024 | | 2023 | |
|--|---------------|----------------------|---------------|----------------------|
| | % | Taka | % | Taka |
| Profit/(Loss) before Income Tax | | 2,427,206,225 | | 1,832,394,517 |
| Applicable Tax Rates | | 40% | | 40% |
| Income Tax | 40% | 970,882,490 | 40% | 732,957,807 |
| Income Tax on Net Inadmissible Expenses and Provision Net of Excess Tax Provision in Previous year | 18.91% | 458,866,635 | 15.47% | 283,552,339 |
| Tax Savings from Tax Rates Lower than Applicable Rate | -0.59% | (14,308,703) | -0.81% | (14,893,242) |
| Effect of Deferred Tax | 0.02% | 447,232 | -0.13% | (2,301,270) |
| Income Tax Expenses | 58.33% | 1,415,887,653 | 54.54% | 999,315,634 |
| Effective Tax Rate | | 58.33% | | 54.54% |

37.00 Earning Per Share (EPS):

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/(Loss) after Tax during the year | 1,011,318,572 | 833,078,883 |
| Weighted Average Number of Ordinary Shares Outstanding | 230,800,000 | 230,800,000 |
| Earning Per Share (EPS) | 4.38 | 3.61 |

37.01 Weighted Average Number of Ordinary Shares Outstanding for the Year ended on 31 December, 2024:

| Particulars | Shares | Weighted Average Numbers of Ordinary Shares |
|--------------|--------------------|---|
| 31-Dec-24 | 230,800,000 | 230,800,000 |
| Total | 230,800,000 | 230,800,000 |

38.00 Net Asset Value (NAV) Per Share:

| | | |
|--|----------------|----------------|
| Net Assets (Total Assets Less Total Liabilities) | 28,243,306,948 | 27,601,834,367 |
| Weighted Average Number of Ordinary Shares Outstanding | 230,800,000 | 230,800,000 |
| Net Asset Value (NAV) Per Share | 122.37 | 119.59 |

39.00 Net Operating Cash Flow Per Share (NOCFPS):

| | | |
|--|-------------|-------------|
| Net Cash Generated/(Used) from Operating Activities | 443,030,496 | 436,706,044 |
| Weighted Average Number of Ordinary Shares Outstanding | 230,800,000 | 230,800,000 |
| Net Operating Cash Flow Per Share (NOCFPS) | 1.92 | 1.89 |

40.00 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.

40.01 Details of Transactions (Excluding Salary and Employment Benefits) with Key Management Personnels:

| Name of the personnel | Types of Transactions | Outstanding Balances as at 31 December, 2024 |
|--|-----------------------|--|
| Sk. Anower Sadat (Head of C&ID) | Home Loan | 14,726,464 |
| Md. Atikul Islam FCS (Company Secretary) | Car Loan | 2,394,338 |
| | | 17,120,802 |

Car Loan:

| | | |
|---|------------------|------------------|
| Balance at 01 January | 2,486,605 | 5,040,288 |
| Add: Disbursements made during the year | 2,550,000 | - |
| Add: Interest Charged during the year | 40,087 | 93,677 |
| Less: Loans Adjusted during the year | (2,682,354) | (2,647,360) |
| Balance at 31 December | 2,394,338 | 2,486,605 |

Home loan:

| | | |
|---|-------------------|------------------|
| Balance at 01 January | - | 6,940,181 |
| Add: Disbursements made during the year | 15,000,000 | - |
| Add: Interest Charged during the year | 441,838 | 132,219 |
| Less: Loans Adjusted during the year | (715,374) | (7,072,399) |
| Balance at 31 December | 14,726,464 | - |

41.00 Claim not Acknowledged as Debt:

There was no claim against the financial institution unacknowledged as debt as on 31 December, 2024.

42.00 Receivable from Directors:

No amount is due from any of the directors of the Company.

43.00 Disclosure Regarding Branch:

As at 31 December, 2024 the Company has no branch in or outside Bangladesh.

44.00 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 a sub committee of the Board and the committee met several times during the year 2024.

45.00 Rounding Off:

Monetary figures in the financial statements have been rounded off to the nearest Taka.

46.00 Approval of the Financial Statements and Declaration of Dividend:

The Board of Directors in its 135th meeting held on 31 May, 2025 approved the financial statements and recommended 460,000,000 (Taka Forty Six Crore Only) as cash dividend for the year ended on 31 December, 2024 for onward approval by shareholders of the Company at 14th Annual General Meeting (AGM).

47.00 Events after the Reporting Year:

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.

There is no other material adjusting or non adjusting events after the reporting period.

For Bangladesh Infrastructure Finance Fund Limited



Company Secretary



Chief Executive Officer



Director



Director



Chairman

Bangladesh Infrastructure Finance Fund Limited

Schedule of Fixed Assets & Intangible Assets

as at 31 December, 2024

Annexure -A

Amount in Taka

| Particulars | Cost | | | Rate | Depreciation | | | Written down value | |
|-----------------------------|------------------------|--------------------------|--------------------------------------|--------------------|------------------------|-------------------------|--------------------------------------|------------------------|------------------------|
| | Balance as at 01.01.24 | Addition during the year | Disposal/ Adjustment during the year | | Balance as at 31.12.24 | Charged during the year | Disposal/ Adjustment during the year | Balance as at 31.12.24 | Balance as at 31.12.23 |
| Office Premises | 293,064,167 | - | - | 293,064,167 | 4,103,871 | - | 148,509,147 | 144,555,020 | 148,658,891 |
| Office Equipments | 19,757,890 | 1,475,228 | - | 21,233,118 | 83,884 | - | 19,810,536 | 1,422,582 | 31,238 |
| Office Furniture & Fittings | 37,536,022 | 42,000 | - | 37,578,022 | 3,697,966 | - | 23,475,201 | 14,102,821 | 17,758,786 |
| Office Vehicles | 32,634,623 | - | - | 32,634,623 | - | - | 32,634,609 | 9 | 9 |
| IT Equipment | 18,872,832 | - | - | 18,872,832 | 1,251,588 | - | 18,187,648 | 685,184 | 1,936,772 |
| Office Intangibles | 9,085,360 | - | - | 9,085,360 | - | - | 285,360 | 8,800,000 | 8,800,000 |
| Total | 410,950,894 | 1,517,228 | - | 412,468,122 | 9,137,309 | - | 242,902,499 | 169,565,617 | 177,185,698 |

Bangladesh Infrastructure Finance Fund Limited

Highlights

(As per Bangladesh Bank Guidelines)

Annexure -B

| SI No. | Key Indicators | Amount in Taka | |
|--------|--|----------------|----------------|
| | | 31-Dec-24 | 31-Dec-23 |
| 1 | Paid-up capital | 23,080,000,000 | 23,080,000,000 |
| 2 | Total capital | 28,498,560,771 | 27,806,634,367 |
| 3 | Capital surplus | 25,972,008,277 | 25,656,382,061 |
| 4 | Total assets | 55,907,629,920 | 49,122,031,775 |
| 5 | Total deposits | - | - |
| 6 | Total leases, loans, and advances | 29,645,829,523 | 22,765,465,839 |
| 7 | Total contingent liabilities and commitments | 227,504,935 | 261,748,051 |
| 8 | Credit deposit ratio | - | - |
| 9 | Percentage of classified loans against total leases, loans, and advances | 17.22% | 13.57% |
| 10 | Profit after tax and provision | 1,011,318,572 | 833,078,883 |
| 11 | Amount of classified loans during current period | 2,012,913,893 | 1,125,238,649 |
| 12 | Provision kept against classified loans | 2,324,475,640 | 1,181,687,097 |
| 13 | Interest earning assets | 54,881,350,606 | 47,505,513,228 |
| 14 | Non-interest earning assets | 1,026,279,314 | 1,616,518,547 |
| 15 | Return on investment (ROI) | 2.28% | 2.07% |
| 16 | Return on assets (ROA) | 1.93% | 1.69% |
| 17 | Income from investment | 1,732,755,497 | 568,653,806 |
| 18 | Earnings per share (EPS) | 4.38 | 3.61 |
| 19 | Net income per share | 4.38 | 3.61 |

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. |

LIST OF ACRONYMS

| | |
|---------------|---|
| 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 |
| 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 |
| BB | Bangladesh Bank |
| BBS | Bangladesh Bureau of Statistics |
| 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 |
| BRMSA | 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 |
| CRISL | Credit Rating Information & Services Limited |
| CS | Company Secretary |
| CSF | Critical Success Factor |
| CSR | Corporate Social Responsibility |
| DCFCL | Departmental Control Function Check List |
| DFIM | Department of Financial Institutions and Markets |
| DNCC | Dhaka North City Corporation |
| DSCC | Dhaka South City Corporation |
| E&S | Environmental & Social |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortization |
| 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 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 |
| ESMF | Environmental and Social Monitoring Framework |
| ESF | Environmental and Social Framework |
| ETP | Effluent Treatment Plant |
| E&MRD | Energy and Mineral Resources Division |
| ERD | Economic Relations Division |
| FCS | Fellow Chartered Secretary |
| 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 energetske učinkovitost (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 Communication Technology |
| IESNA | Illuminating Engineering Society of North America |
| IFRSs | International Financial Reporting Standards |
| IGCC | International Green Construction Code |
| IIRC | International Integrated Reporting Council |
| ILO | International Labour Organization |
| IPFF | Investment Promotion and Financing Facility |
| IPO | Initial Public Offering |
| 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 |
| MoPE&MR | Ministry of Power, Energy and Mineral Resources |
| MoRT&B | Ministry of Road Transport and Bridges |
| 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&F | Registrar of Joint Stock Companies and Firms |
| RMF | Risk Management Forum |
| ROA | Return on Assets |
| ROE | Return on Equity |
| ROI | Return on Investment |
| RSGT | Red Sea Gateway Terminal |
| RSGTB | Red Sea Gateway Terminal Bangladesh |
| RT&HD | Road Transport and Highways Division |
| 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 |
| TA | Technical Assistance |
| TAT | Turnaround Time |
| UNDP | United Nations Development Programme |
| 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 14th Annual General Meeting (AGM) and prepare the Annual Report for the year 2024. The report contains the material information, financial outcomes as well as the governance and compliance status of the organization during the year 2024.

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,



Md. Atikul Islam, FCS
Company Secretary

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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