

ANNUAL REPORT 2022

MOVING FORWARD TOGETHER



Letter of Transmittal

To
The Shareholders of Strategic Finance & Investments Limited
Bangladesh Bank
Registrar of Joint Stock Companies and Firms

Annual Report for the year ended on December 31, 2022

Dear Sir(s):

We are delighted to enclose, a copy of the Annual Report 2022 together with the Audited Consolidated and Separate Financial Statements including Balance Sheet as at December 31, 2022 and Profit & Loss Account, Statement of Cash Flows and Statement of Changes in Equity for the year ended on December 31, 2022 along with notes thereon of Strategic Finance & Investments Limited for your kind information and record.

We, in our endeavor have tried our best to make fair disclosures on our financial and non-financial matter as part of our integrated reporting for your kind perusal and record.

Thanking you,

Sd/=

Mohammad Razibuzzaman Khan

Company Secretary &
Deputy Chief Financial Officer

May 9, 2023

NOTICE OF HOLDING OF THE 3RD ANNUAL GENERAL MEETING

Notice is hereby given to all the Shareholders of Strategic Finance & Investments Limited that the 3rd Annual General Meeting (AGM) of the company to be held on Tuesday, May 30, 2023 at 3:00 PM through physical and virtual (Zoom) presence in the Head Office to transact the following business. Zoom Link is as below:

Zoom Link: <https://us06web.zoom.us/j/88293151321?pwd=Nklwb3FkWFpOMjJUM0VvVnB1b3V6Zz09>

Meeting ID: 882 9315 1321

Passcode: 123456

AGENDA

- AGMA-03-01** : To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Financial Statements for the year ended December 31, 2022.
- AGMA-03-02** : To approve dividends out of the profits for the year ended December 31, 2022.
- AGMA-03-03** : To elect/ re-elect the directors who are retiring in terms of the relevant provision of the Articles of Association of the Company.
- AGMA-03-04** : To appoint Auditors and to fix their remuneration for the year ended December 31, 2023.
- AGMA-03-05** : To transact any other business with the permission of the Chairman.

Your attendance in the meeting will be highly appreciated.

By the order of the Board



Mohammad Razibuzzaman Khan
Company Secretary &
Deputy Chief Financial Officer

Notes:

- The record date was fixed on April 30, 2023 (Sunday). The shareholders, whose name will appear in the Share Register of the company at the close of business on the record date, will be eligible to attend the meeting and get dividend.
- The Board of Directors has recommended 3.00% stock dividend.

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At A Glance

Type of Company	Public Limited Company
Type of Business	Financial Institution
Key Business Segments	Retail Financing SME Financing Corporate Financing & Advisory Deposit & Savings
Company Incorporation Number	C-160166/2020
Date of Incorporation	March 09, 2020
Bangladesh Bank License Number	DFIM (L) /41
Number of Branch	02
Address of Head Office & Principal Branch	Rangs RL Square, Level:3 201/1 Kha, Bir Uttam Rafiqul Islam Avenue Progoti Shoroni, Dhaka-1212, Bangladesh.
Telephone	+88 09612223322
Email Address	info@sfilbd.com
Web Address	www.sfilbd.com
Auditor	Howladar Yunus & Co. Member firm of Grant Thornton International Ltd. Chartered Accountants
Key Banking Partners	Standard Chartered Bank Eastern Bank Limited Premier Bank Limited Padma Bank Limited NRB Bank Limited
Credit Rating Company	Emerging Credit Rating Limited
Legal Advisers	Barrister Chowdhury Mokimuddin Barrister Shakhawat Hossain
Tax Advisers	Adil & Associates Snehasish Mahmud & Co.
Subsidiary	SFIL Securities Limited (DSE & CSE TREC Holder)
Wing/Division	SFIL Islamic Finance Wing

Financial Performance (Consolidated)

2022



Cash and
Cash-
Equivalents

BDT in Million

2,873.20



Investments

1,478.62



Leases,
Loans and
Advances

1,221.36



Total Assets

5,888.36



Total
Deposit
Balance

4,571.92



Total
Shareholders'
Equity

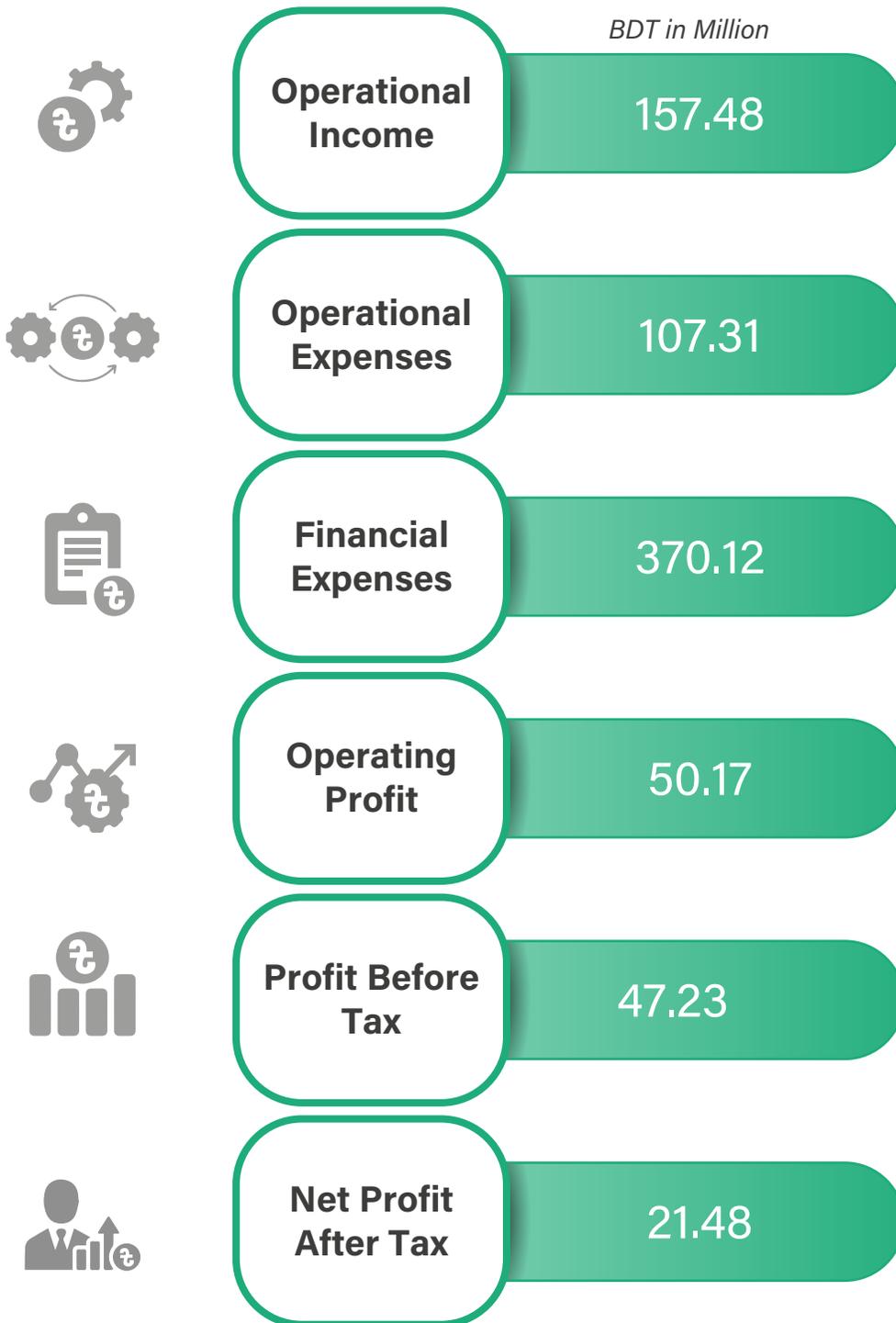
1,115.16

Operational Performance

(Consolidated)

2022

BDT in Million





ABOUT SFIL

Strategic Finance & Investments Limited (SFIL) is a joint venture full-service Bangladesh Bank licensed multi-product financial institution. SFIL's shareholding comprises of 96% institutional investments which exerts a key strength in terms of Operation, Internal Control & Compliance, and Corporate Governance. A significant portion of its institutional shareholdings are from renowned foreign fund managers from the Canada and USA. This foreign collaboration helps SFIL to attract foreign funds in both equity and debt form into Bangladesh. Moreover, the foreign collaboration also allows us to bring international best practices into the company.

We are committed to extend the complete array of industry-leading products and services including Corporate, SME, and Retail Finance, Term Deposit, Saving Schemes, and Corporate Advisory. Our focus areas for investments are Infrastructure, Manufacturing, SMEs, Cluster-based financial inclusion, Retail, Exports, Green projects, Agro, Emerging industries, Technology, and Innovation. We are passionate about constant improvement and innovation.

SFIL Islamic has introduced products and services as per Shariah guideline of Bangladesh Bank to meet the requirements of customers. We are providing attractive profit margin with contemporary product to our valuable client. SFIL Islamic Wing is governed and supervised by independent and experienced Shariah Committee. The Shariah Supervisory Committee members are well known Islamic Scholar, researcher, educationist and pioneer in Islamic Banking industry in Bangladesh. The financial products and services are fully compliant by the Shariah laws and regulations and guidelines of Bangladesh Bank.

SFIL Securities Limited (SFILSL) is a 99.99% owned subsidiary of SFIL. It obtained DSE, CSE, Stock broker, Stock Dealer and DP License from BSEC. SFILSL is extending share sale and buy services to its clients. The company started its trading activities on April 28, 2022. As a newly established brokerage we are focusing on building a strong client base to increase income from trading commissions- the main source of income of brokerage firms.

We are passionate about constant improvement and innovation. SFIL is committed to delivering sustainable performance and superior service. We continuously build long-term and mutually beneficial partnerships through a Bond of Transparency.

OUR CSR INITIATIVES

Blankets distributed among the cold stricken underprivileged school children of Obhizatrik Foundation in Mirpur, Dhaka.



Financial support extended to Biddanondo Foundation's Orphanage located in Bandarban and Biddanondo Mother and Childcare Hospital in Chattogram to improve infrastructure and ensure better medical and healthcare facilities.



Books and educational materials supplied to the students of Madrasa Darul Ulum Rahmania Islampur.



Contributed for hospital treatment cost of an ultra-poor elderly woman.



CORPORATE HIGHLIGHTS



The grand launching ceremony of Mobile App "SFIL Connect" held in The Westin Dhaka to extend new customer service experience in opening of deposit account and making all payments digitally.

Majestic ceremony was organized on the occasion of inauguration of SFIL Islamic Wing in The Westin Dhaka in presence of select dignitaries.



SFIL participated in the NBFI Fair 2022 held in Pan Pacific Sonargaon Hotel where the State Minister of Industries Mr. Nurl Mazid Mahmud Humayun, MP, was the Chief Guest.

MOU signed with Chery Bangladesh, Continental Motors and Asian Imports Ltd. to extend preferential service experience to auto loan buyers.



CORPORATE HIGHLIGHTS



Corporate agreement signed with Confidence Group to extend exclusive financial services.

Agreement signed with Nagad - the renowned Mobile Financial Services, to collect installments through digital wallet for installments of Money Builder Scheme and Loans.



SFIL participated in the BTI Fair to promote the Home Loan Products



EMPLOYEE ENGAGEMENTS



Staff members mourn the loss of our founding father and charismatic leader Bangabandhu Sheikh Mujibur Rahman on the National Mourning Day



Honorable Chairman Mr. Ehsanul Kabir is delivering speech in the National Mourning Day to staff members



Football Tournament and World Cup Football Quiz Competition Organized for staff.



Award distributed among the winners of the Football Tournament and World Cup Football Quiz Competition

EMPLOYEE ENGAGEMENTS



Reward distributed among Outstanding Performers



Celebrating Birthday of staff



Distributed Award to the top performer of Liability & Wealth Management Department



Distributed certificates among staff for attending training programs

VISION

To be the most preferred financial partner in our chosen markets excelling in customer service with transparency and smart use of technology.

MISSION

We seek to help our customers achieve their financial goals and dreams through: Personal Connections, Simple Solutions, and Lifetime Relationships.

VISION & MISSION



OUR CORE **S.T.A.R.** VALUES

SERVICE EXCELLENCE

Fundamental to our values would be the safeguard of our customers and treating their needs fairly.

TREATING FAIRLY WITH RESPECT

We commit to provide a safe working environment which offers diversity, inclusion and free from any discrimination and harassment.



ACCOUNTABILITY

We value the ability of our staff and organization to honor our commitments to clients and to each other.

RESPONSIVE

We are responsive to our clients and demonstrate exemplary effectiveness with our approach to enhance their perception of us.

OUR SERVICES

CONVENTIONAL SERVICES



SAVINGS & DEPOSITS



RETAIL FINANCE



SME FINANCE



CORPORATE FINANCE



CORPORATE ADVISORY

ISLAMIC SERVICES



MUDARABAH SAVINGS &
TERM DEPOSIT



HIRE PURCHASE UNDER SHIRKATUL
MEELK (HPSM)



BAI-MURABAHA



BAI-MUAJJAL

SERVICES WE OFFER



SAVINGS & DEPOSITS

Savings

- Monthly savings schemes
- Millionaire scheme

Regular Earner Deposits

- Monthly income earner
- Quarterly income earner

Term Deposits

- Flexible term deposits
- Cumulative term deposits
- Annual income term deposit
- Easy deposits
- Profit first
- Double money / Triple money



RETAIL FINANCE

Car Loans

- Brand new
- Reconditioned
- Employee car loan scheme

Personal Loans

- Marriage loan
- Emergency medical loan
- Travel loan
- Education loan

Home Loans

- Apartment purchase loan
- House purchase loan
- Home equity loan
- Construction extension loan
- Group construction loan
- Commercial purchase loan
- Affordable home construction loan
- Semi pakka construction loan



SME FINANCE

- Term loan
- Lease finance
- Working capital finance
- Women entrepreneur loan
- Supplier finance

- Seasonal loan
- Short-term loan
- Commercial vehicle loan
- Startup loan
- Commercial housing loan



CORPORATE FINANCE

- Term loan
- Working capital finance
- Lease finance
- Sale & lease back
- Preferred equity finance
- Club finance
- Bridge finance
- Foreign currency loan
- Access to special fund
- Agency & trustee
- Private placement of equity
- Project finance & syndicated finance



CORPORATE ADVISORY

- Debt finance
- Equity finance
- Issuance of bond
- Merger acquisition
- Preference shares
- Project feasibility and
- Business plan
- Alternative Business Solution





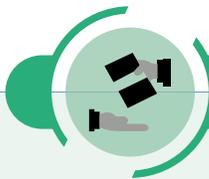
MUDARABAH SAVINGS & TERM DEPOSIT

- ❑ Mudarabah Term Deposits (MTD)
- ❑ Mudarabah Hajj Savings Scheme (MHSS)
- ❑ Mudarabah Children Education Savings Scheme (MCESS)
- ❑ Mudarabah Medical Emergency Savings Scheme (MMESS)
- ❑ Mudarabah Travel Plan Savings Scheme (MTPS)



HIRE PURCHASE UNDER SHIRKATUL MEELK (HPSM)

- ❑ SFIL Islamic Apartment Purchase Finance
- ❑ SFIL Islamic House Construction Finance
- ❑ SFIL Islamic Vehicle Purchase Finance
- ❑ SFIL Islamic Machineries Purchase Finance
- ❑ SFIL Islamic Doctors Investment



BAI-MURABAHA

- ❑ Business Expansion Investment
- ❑ Agricultural Investment
- ❑ Women Entrepreneurs Investment
- ❑ Small Business Investment
- ❑ Working Capital Investment



BAI-MUAJJAL

- ❑ Business Expansion Investment
- ❑ Agricultural Investment
- ❑ Women Entrepreneurs Investment
- ❑ Small Business Investment
- ❑ Working Capital Investment

SHAREHOLDING COMPOSITION

As on December 31, 2022

Name of Shareholders	Percentage (%)	No. of Shares	Amount in BDT
A. Individual:			
Anjuman Ara Shahid	2%	2,050,000	20,500,000
Raheeb Safwan Sarafat Chowdhury	2%	2,050,000	20,500,000
	4%	4,100,000	41,000,000
B. Institutional:			
Canadian Maple Strategic Wealth Management LP	48%	49,200,000	492,000,000
Strategic Finance Limited	20%	20,500,000	205,000,000
Padma Bank Securities Limited	20%	20,500,000	205,000,000
Strategic Equity Management Limited	6%	6,150,000	61,500,000
Statisticker Inc.	2%	2,050,000	20,500,000
	96%	98,400,000	984,000,000
Total Shareholdings (A+B)	100%	102,500,000	1,025,000,000



INSTITUTIONAL SHAREHOLDING DETAILS



Canadian Maple Strategic Wealth Management LP

Canadian Maple Strategic Wealth Management LP is a Toronto, Canada-based multi-family office that is structured as a Limited Partnership to invest primarily in international capital markets, money markets, and private equity. The Fund was formed under the regulations of the Ontario Securities Commission. The investors in the Fund are high net-worth Canadian individuals, Canadian family offices and endowments, and other Canadian financial institutions.



Strategic Equity Management Limited

Strategic Equity Management Limited Strategic Equity Management Limited (SEML) was incorporated in 2007 under the company act 1994 of Bangladesh. A highly capable professionals came together to form the core team of SEML. SEML was awarded the Asset Management Company (AMC) license from Bangladesh Securities and Exchange Commission (BSEC) in 2013.



Strategic Finance Limited

Strategic Finance Limited started its journey as full-fledged merchant Bank licensed from Bangladesh Securities and Exchange Commission in 2018. Strategic Finance Limited (SFL) is strive to develop an unparalleled understanding of its clients and the markets, and offer best-in-class solutions to its clients. Solid shareholder base and highly experienced team enable SFL to capitalize on the growing demand for Investment Banking and provide a "Signature of Excellence".



Statisticker Inc. Statisticker, Inc.

Statisticker, Inc. is a New York based full-service wealth management and corporate advisory organization that manages capital from Corporate and High Networth Individuals. Run by highly experienced financial professionals from Wall Street.



PBSL Padma Bank Securities Limited

Padma Bank Securities Limited specialize in developing an efficient stock brokerage workforce to cater to the needs of the institutional and individual investors in the capital market.

DIRECTORS PROFILE



EHSANUL KABIR

Chairman & Nominated Director
Strategic Equity Management Ltd. (SEML)

Mr. Ehsanul Kabir is the CEO & MD of SEML. Before joining SEML, he worked as Head of Research in a second-generation AMC, He also served as the Head of Corporate Finance at Cosmopolitan Finance Limited (CFL), the merchant banking wing of Summit Group. He started his career with Eastern Bank Limited and gained vast experience in Structured Financial Products such as Bonds, Private Equity, Mezzanine Capital, Zero Coupon Bond customized for leading local companies. Mr. Kabir completed his MBA from the Faculty of Business Studies, Dhaka University, and BA Honors - Economics from Sri Ram College of Commerce, University of Delhi, India. SEML was awarded the Asset Management Company (AMC) license from Bangladesh Securities and Exchange Commission (BSEC) in 2013. SEML has started its journey with the vision to provide unique, innovative, trustworthy solutions for both capital and money market instruments. The management team of SEML possesses world-class experience having an extensive network in the local business relationship in Investment management.

ARIF KHAN, FCMA, CFA, MBA Independent Director

Mr. Arif Khan, FCMA, CFA, MBA has been appointed as Independent Director in Strategic Finance and Investments Limited (SFIL). Arif Khan has been working in the financial services sector for more than thirty (30) years and is currently engaged in fund management business. Prior to his current role, he was CEO & Managing Director of IDLC Finance Limited. Mr. Khan was the Commissioner of Bangladesh Securities and Exchange Commission for 5 years. Mr. Arif Khan was the past President of the Institute of Cost and Management Accountants of Bangladesh (ICMAB). He was also the Founding President of CFA Society, Bangladesh. Mr. Khan's outstanding depth and breadth of experience across the financial industry and capital market is an invaluable addition to direct SFIL to achieve its growth strategy and create value for its stakeholders.



SHORIFUL ISLAM

Chairman of Executive Committee &
Nominated Director
Strategic Finance Limited

Mr. Shoriful Islam is chosen by Strategic Finance Limited as nominated director in SFIL Board. He has over 18 years of experience from several renowned banks and financial institutions such as BRAC Bank, ICB Islami Bank, Bangladesh RACE Management PCL. He has wide experience in managing Finance, Treasury and Accounts Department. He is a Certified Public Accountant (CPA) with major in Finance. Also, completed his Masters of Business Administration (MBA) degree from Southeast University with concentration in banking and Finance. He has done numerous relevant training and academic courses throughout his long career.



RIADUZZAMAN RIDOY

Chairman of Audit Committee &
Nominated Director
Padma Bank Securities Ltd. (PBSL)

Mr. Riaduzzaman is the Managing Director and TREC Holder Representative at Padma Bank Securities Ltd. He had previously worked as CEO of Bangladesh Capital Development Ltd., and National Accounting Consultant at UNDP. He has a long working experience in the financial sector of the country. A Finance and Capital Market expert with Professional Certifications from Association of Chartered Certified Accountants (Fellow Member), Certified Information Systems Auditor, Chartered Professional Accountants (British Columbia), Certified General Accountants (British Columbia).

PROFESSOR WILLIAM H. DERRENGER

Nominated Director
Canadian Maple Strategic Wealth Management LP.

Professor William H. Derrenger is the founding Vice Chancellor of Canadian University of Bangladesh. He was the Dean of Business School of University of Liberal Arts. He also worked as Associate Dean Faculty of Business in Northern University. William has served different business, finance and development organizations in USA and Bangladesh. He holds B.A. in Economics at Baylor University, Texas and M.A. at American International college, Springfield, Massachusetts, USA.



ZAHID HOSSAIN

Nominated Director
Statisticker, Inc.



Mr. Zahid Hossain is the nominated director of Statisticker, Inc. New York, USA. He was a renowned government bureaucrat and served government of Bangladesh for many years. He was also Former Executive Chairman, Board of Investment, Prime Minister's Office. He was born in a reputed family of Gopalganj District and completed his Bachelors and Masters Degree in Political Science from University of Dhaka.



MOHAMMAD SHARIAT ULLAH

Nominated Director
Padma Bank Securities Ltd. (PBSL)

Mr. Mohammad Shariat Ullah is Managing Director of Task Limited and Head of IT of Padma Bank Securities Limited and Canadian University of Bangladesh, Dhaka. He is an experienced IT professional with a proven track record of working for local and multi-national companies. He completed BSC in ETE from Atish Dipankar University of Science & Technology.

S. M. ARIFUZZAMAN

Nominated Director
Strategic Finance Limited

Mr. S.M. Arifuzzaman, a renowned finance professional and a scholar devoted to the cause of financial research and investment. He has experience in business & product developments and implementing institutional policy reforms. Mr. Zaman has completed his Master's in Management (Finance), ESCP Europe, Paris, and MBA in Management of Technology from Asian Institute of Technology (AIT), Thailand. He also obtained his PGDMC (Post Graduate Diploma in Management Consultancy) from Institute of Management Consultants Bangladesh (IMCB). Prior joining to AIT, he has completed his B.Sc. (Hon's.) - Computer Science & Engineering, BUET, Bangladesh.



Dr. MD SHAHRUKH ADNAN KHAN

Nominated Director
Canadian Maple Strategic Wealth Management LP.



Dr. Md. Shahrukh Adnan Khan is the Associate Professor & Acting Dean, School of Science & Engineering, Head of EEE department & Director of Innovation & Commercialization Center at Canadian University of Bangladesh. He graduated from the University of Nottingham (UK) with 1st Class (Hons) in Electrical & Electronic Engineering and then completed his Ph.D. from the same University as the Dean Scholar. Having more than 10 years of vast experience in Research and Academia, Dr. Khan also gained industrial exposure by working in various international platforms such as PTT Exploration & Production Public Company Ltd (PTTEP, Thailand), BJ Services (Middle East Branch), and so on. Currently acting as Editor of prestigious Inderscience publication (UK), Frontiers (Switzerland) & IET (UK), he has an outstanding career in the RnD sector with more than 40 Peer-reviewed published articles in international indexed Journals, conference proceedings & books.

INDEPENDENT SHARIAH SUPERVISORY COMMITTEE



Dr. Mohammad Manzur-e-Elahi

Chairman

Dr. Mohammad Manzur-e-Elahi is a researcher, educationist, Islamic scholar and writer at the same time well-known media personality. He is known nationally and internationally through Islamic research, propagation of Islam and discussions on TV/YouTube channels. He continues to serve as an Associate Professor in the Department of Islamic Studies at the National University.

Dr. Mohammad Manzur-e-Elahi has completed his Bachelor's, Master's and Ph.D. degree from the Faculty of Shari'ah of The Islamic University of Madinah. He is also associated with Shariah Committee of different Islamic banks in Bangladesh.

He has established different Islamic institutions with the aim of spreading pure knowledge and education of Islam.



Mawlana Mufti Dr. Mohd. Haroon Rashid

Member

Mawlana Mufti Dr. Mohd. Haroon Rashid is a researcher, educationist, Islamic scholar and writer. Currently he is a Director of Bangla Academy and working with Bangla Academy since 1995. Mawlana Mufti Dr. Mohd. Haroon Rashid has completed his Ph.D. and Graduation from Department of Arabic and Islamic Studies, Aligarh Muslim University, India.

He is also visiting professor of Southeast University, International Islamic University, Asian University of Bangladesh and Bangladesh Islami University.

Dr. A.K.M Muhibbullah

Member

Dr. A.K.M Muhibbullah is a researcher, educationist, Islamic scholar and writer. He has completed his Ph.D. and Graduation from Department of Arabic and Islamic Studies, Aligarh Muslim University, India.



MANAGEMENT PROFILE



IRTEZA AHMED KHAN, Managing Director and CEO

Irteza Ahmed Khan has been appointed as the first Managing Director & CEO of Strategic Finance & Investments Limited. Before that he worked as Managing Director & CEO of Meridian Finance & Investment Limited where he joined as Deputy Managing Director. Irteza a seasoned professional brings more than twenty-two years of experience and expertise in Retail, SME, Corporate, and Renewable Energy financing while working in key positions in different financial institutions. He served in IDLC Finance Limited, the largest financial institution in the country, for almost a decade in different key positions and capacities. He also served in Delta Brac Housing Finance Corporation Limited (DBH). Irteza holds a Master's in Business Administration from North South University. He also holds Chartered Accountancy Intermediate Professional Degree from Institute of Chartered Accountants of Bangladesh (ICAB).

TAMIM MARZAN HUDA, DMD & Chief Risk Officer

Tamim Marzan Huda is the Deputy Managing Director and Chief Risk Officer of Strategic Finances and Investments Limited. Before that, he was the Chief Operating Officer of Argus Credit Rating Services Limited. He also served Standard Chartered Bank and ICB Islamic Bank Ltd. in senior-level positions. Tamim had a diversified experience of more than nineteen years in different multinational Banks and FI's where he gathered a comprehensive understanding of investments, strategic planning, operations, and risk management. Tamim completed his BBA from IUBAT (International University of Business Agriculture & Technology) and MBA from East West University.



MD. MONIRUZZAMAN, SVP, Credit Risk Management

Md. Moniruzzaman has been appointed as the Senior Vice President in Credit Risk Management of Strategic Finance & Investments Limited. Before joining, he served The Premier Bank Limited. Mr. Moniruzzaman is a seasoned professional banker who brings in 19 years of experience in Banking Sector. In his last role at The Premier Bank, he managed Credit Division. Mr. Moniruzzaman completed his B.Com (Hons.) and M.Com from Dhaka University.



MOHAMMAD RAZIBUZZAMAN KHAN, Deputy CFO

Mohammad Razibuzzaman Khan has been appointed as the SAVP & Deputy CFO of Strategic Finance & Investments Limited. He is also acting Company Secretary for the current company. Before joining this Company, he was the Deputy CFO of Meridian Finance & Investment Limited. Before that, he was working in LankaBangla Asset Management Company Limited.

Mr. Khan possesses extensive competencies and experiences in Strategic Planning & Forecasting, Process design and Productivity improvement, Financial Governance & Modelling, Financial Reporting & Financial Management, Treasury Management, and Company Secretarial work.

He obtained his Master's degree in Accounting. He also completed the Chartered Accountancy Professional Stage (Application Level) from The Institute of Chartered Accountants of Bangladesh (ICAB).



MANAGEMENT & OTHER COMMITTEES

MANAGEMENT COMMITTEE

Irteza Ahmed Khan	Managing Director and CEO
Tamim Marzan Huda	DMD, Chief Risk Officer
Md. Moniruzzaman	SVP, Credit Risk Management
Mohammad Razibuzzaman Khan	Deputy CFO

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

Irteza Ahmed Khan	Managing Director and CEO
Tamim Marzan Huda	DMD, Chief Risk Officer
Md. Moniruzzaman	SVP, Credit Risk Management
Mohammad Razibuzzaman Khan	Deputy CFO
Tanvir Mahmud	In-charge of Treasury Department

CENTRAL COMPLIANCE UNIT (CCU)

Tamim Marzan Huda	Deputy Managing Director
Md. Moniruzzaman	Senior Vice President
Mohammad Razibuzzaman Khan	Senior Assistant Vice President
Hasan Ahmed Imran	Assistant Vice President
Mirza Md. Mahabub Rashed	Assistant Vice President
Muhammad Tarequ Islam	Assistant Vice President
Emon Ahmed Khan	Assistant Vice President

LEADERSHIP TEAM



Imran Parvez

In-Charge, Principal Branch & Islamic Finance Division



Hasan Ahmed Imran

Assistant Vice President
Operations Department



Tanvir Mahmud

In-Charge, Treasury Division



Md. Monirul Hasan

FAVP- Legal Division



Emon Ahmed Khan

Senior Assistant Vice President
Corporate & SME



Muhammad Tarequl Islam

In-Charge
Information Technology (IT)



Md. Mosarraf Hossain

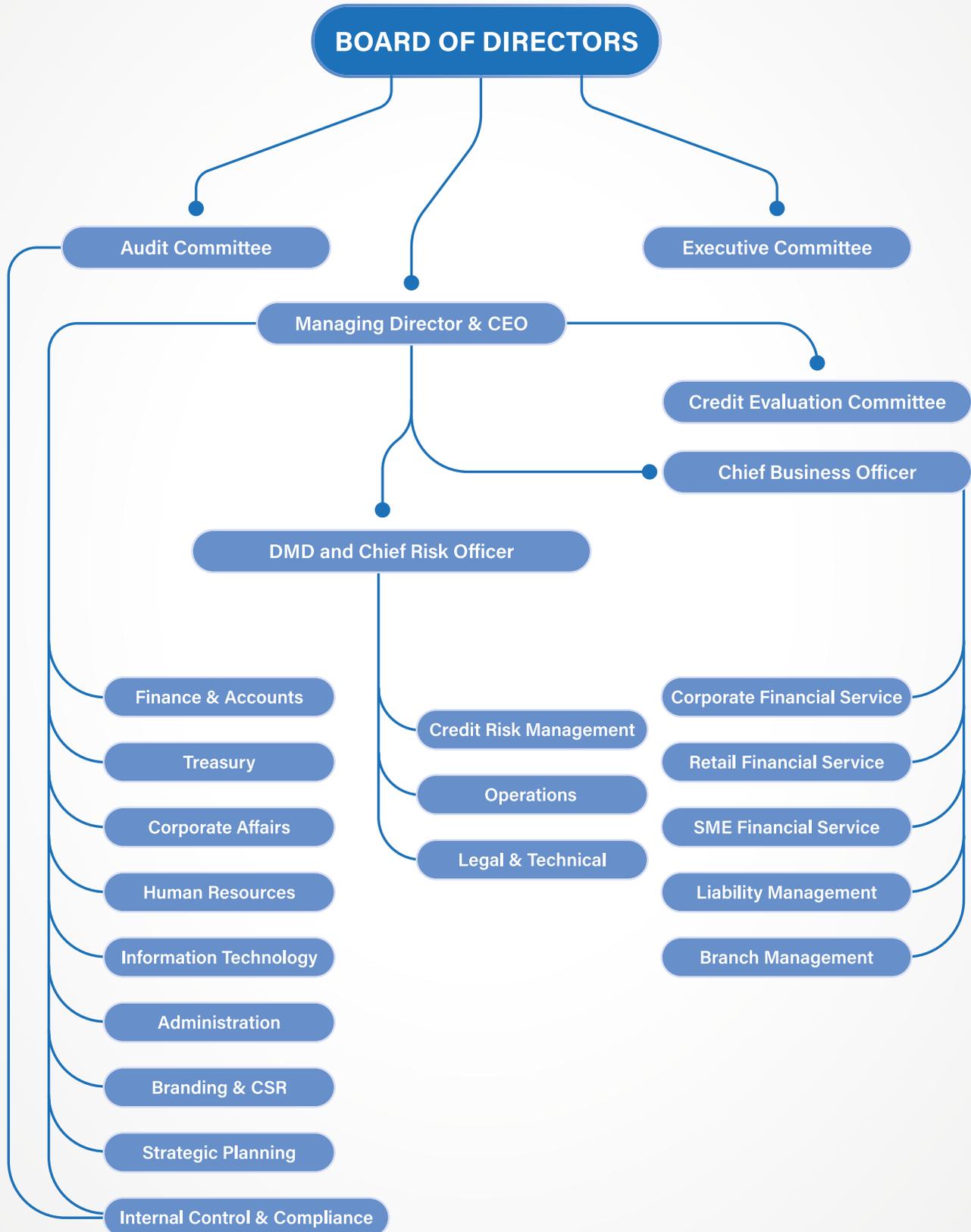
In-Charge, Retail Liability



Md. Musfiqur Rahman

In-Charge, ICC Department

CORPORATE ORGANOGRAM





IRTEZA AHMED KHAN

Managing Director & CEO

MANAGING DIRECTOR & CEO'S Statement

This year was always supposed to be a celebration of Bangladesh's economic progress with the opening of Padma bridge and Dhaka metro rail and 100 percent electrification. And in the first half of the year, it appeared things were heading that way, particularly with exports roaring louder than ever before.

The government has trimmed its growth forecast for this fiscal year by a whole percentage point to 6.5 percent as the energy shortage and inflation dampened economic activities. However, the government would be gunning for the 7.5 percent GDP growth it had initially hoped to achieve this year in fiscal 2023-24. The inflationary target for this fiscal year though will be revised upwards to Tk 7 percent from 5.6 percent.

Private companies are spearheading Bangladesh's growth with their energy and optimism, putting the economy on a path to cross the \$1-trillion mark by 2040, according to a top global consulting firm. The milestone will be achieved because of private firms' drive to become world-class global businesses and their ability to recruit the best talent, build globally recognized brands, and compete with leading multinational companies. The global economic crisis that emerged out of the Russia-Ukraine war resulted in a tightening of the liquidity flow in the financial sector of Bangladesh this year.

Non-bank financial institutions (NBFIs) have continued to face a rising trend in non-performing loans and loan loss provisioning due to poor governance and major irregularities. Bad loans influenced the sector's performance to the point that it was in its worst condition in a decade last year, according to the financial stability report of the Bangladesh Bank.

KEY HIGHLIGHTS 2022



LEASES, LOANS & ADVANCES

BDT **1,221.36**
Million



OPERATIONAL INCOME

BDT **155.66**
Million



NET ASSET VALUE PER SHARE

BDT **10.99**



TOTAL DEPOSIT BALANCE

BDT **4,571.92**
Million



NET PROFIT AFTER TAX

BDT **34.04**
Million



EARNINGS PER SHARE

BDT **0.33**

Highlights of 2022

SFIL has secured a solid performance in all the key performance indicators. SFIL earned “Long Term: A+ and for Short Term: ST-2” Credit Rating status by Emerging Credit Rating Limited (ECRL) which symbolize its resiliency. We have also improved our brand equity and visibility. The company was meticulously focused in all key areas starting from better recruitment, policy and process implementation, managing risks, revenue, capital adequacy, quality portfolio growth, and liquidity.

Portfolio: Our asset portfolio has increased by 20.87% compared to BDT. 1,010.50 million in 2021. To build the portfolio, SME & Corporate accounts contributed significantly. Along with our SME & Corporate portfolio, Retail Finance portfolio has also increased from last year.

Credit Quality and NPL : Though the Central Bank has relaxed the loan provisioning criteria but without considering the criteria, our asset quality remains very good considering the regular payment performance of our customers. Our intense focus on quality loans has driven the Company to achieve an NPL ratio of ZERO% at the end of 2022. We prioritize cash flow and goodwill of the borrowing companies when approving loans. Our thrust for diversifying our portfolio as well as strengthening our monitoring has remained very much on. And, in the coming days, “No compromise in quality” would be the guiding principle to manage credit portfolio of the Company.

Liquidity Management: The Capital Adequacy Ratio (CAR) for the year 2022 stood at 24.25%, exemplifying that we are well above Bangladesh Bank’s requirements for a minimum 10% CAR and outlining the fact that the Company has been able to weather any storm as it already has in such bleak times for the past few years.

Fund Under Management (FUM): Owing to the heave in the asset disbursements and increment of bank borrowings in 2022, the fund under management witnessed an upsurge of 4%, soaring to BDT 7,263 million, up from BDT 6,989 million in the previous year. This increase exemplifies the tenacity of our asset management during these strenuous times.

Communal Engagement: As part of its CSR operations, the SFIL took the initiative to provide necessities to under privilege children as a result of the current COVID outbreak. Aside from that, SFIL sponsors to Thrive Bangladesh for providing nutritious food for under privilege school children.

Sectoral Exposure: SFIL has increased exposure in MFI to help out the marginal people and under privilege people. The end user of the loans are marginal farmers, woman entrepreneurs, small business and others. After pandemic, these group of people need more financial assistance.

Launching SFIL Islamic: In 2022, SFIL got the permission from Bangladesh Bank to provide Islamic Financial services and started the operation accordingly.

SFIL Strategies for Changing Economic Scenario and Onward: The year 2023 is expected to be challenging taking into consideration growing demand of prudent liquidity management, revised regulatory framework, and socio-political agenda due to COVID-19 pandemic. Our strategy is to continue the business that we do well. Better management of BS, P&L and our exposure through rigorous monitoring & follow ups and diversification of portfolio are our main priorities. Our focus will be to structure and build up a strong team, deploy performance management, simplify operational process, strengthen operation control and improve efficiency & productivity of existing resources.

Technology Development: Technological leadership is an absolute necessity for the delivery of value to all our stakeholders amidst rapidly changing life styles and paradigms. We are committed to place superior technology platform at the forefront of our delivery channels and operations. For core financial solutions, SFIL will implement a proven technology platform to better serve our processes and purposes. Our endeavor to continuously upgrade our technology platform to bring efficiency to its operations and ensure continuous customer satisfaction.

Human Resources Management: Many factors contribute to being successful in business. Having a sound strategy, having a marketable product or service, and having efficient processes are all important. But it falls to the people within the organization to actually execute on the strategies, plans, and processes to make a business successful. We believe that our investments in People Development are keys to sustainable growth. We invest on our people for continuous training, development and retention of critical resources.

Service First Policy: We value our customers, both internal and external, and are committed to offer best-in-class service experience. This is our philosophy to win the heart of our customers. Our focus has always been to understand customers’ perspectives and develop service and products accordingly.

Brand Positioning: SFIL has successfully gained the trust of the people which is our great achievement. We are continuously improving our Customer Relationship Management to increase operational efficiency. In our pursuit to emerge as the most passionate brand in financial industry, we maintained strong visible presence in social, print,

and electronic media through various campaigns, sponsorships, promotions and other events through-out the year.

Adapting With New Normal: Our workforce continues to adopt the new normal working arrangement. We supported employees during the pandemic period to enable most of them to work from home, to ensure their health and safety. The pandemic has fundamentally changed the perception of how a modern office works. Our aim is to balance the changing needs of the customers with our changing work patterns through smart digital solutions. Customer centricity is at the core of our business operation and one of our priorities in the coming years will be to improve customer experience by leveraging technology and investing in frontline training.

Besides many, the key priorities for 2023 are enumerated below:

- Introduce new Products and Services
- Relocate Head Office from Progoti Shorony to Gulshan for better brand visibility, business development and growth in business momentum
- Concerted marketing efforts to acquire low-cost deposits from individuals and institutions
- Taking benefit of the technology platform and to manage business efficiently
- Shifting focus from Corporate to Retail Finance & SME
- Integrated market communication (IMC) to promote SFIL brand g Hire, develop and retain the critical people
- Increase shareholders return on investments
- Staff training & development
- Staff engagement
- Continue of CSR activities
- Conduct financial literacy program
- Onboard Islamic Finance System

By ensuring unrelenting focus on our valued clients, we enter 2023 with a new hope, with a sense of anticipation. Our commitment to build a “better tomorrow” is reflected in our financial results and underpins our investments for the future — in our organization growth potential as well as in our communities as we strive to foster a more inclusive, sustainable economy.

Acknowledgments:

I would like to acknowledge and thank the Chairman of the Board and all the members of the Board for their valuable support, guidance and input to the management in our endeavors. I also thank the Bangladesh Bank, Bangladesh Securities & Exchange Commission, external auditors and other regulatory authorities for their time-to-time prudent support and guidance. thank our external stakeholders for their continued willingness to partner with SFIL in its long-term growth journey. By looking after our customers, and building on the strong foundations we have created through the pandemic, we will in return continue to create value for shareholders. We want to assure to everyone that our resilience will take us ahead, and we will be able to overcome the challenging economic climate and be able to create value for all our stakeholders.

In the end, I convey sincere gratitude and appreciation to our valued shareholders, directors, clients, bankers, depositors, lenders, business partners, regulators, service providers and other stakeholders for their continued patronage and support and cooperation. Also I acknowledge our employees for their hard work, dedication and commitment.

At SFIL, we look forward to your continued support and goodwill as we march ahead in our quest for resilient growth. I wish you peace, prosperity and good health.

Sincerely,



Irteza Ahmed Khan
Managing Director & CEO

RESPONSIBILITY STATEMENT OF MANAGING DIRECTOR & CEO AND CFO

The Consolidated and Separate Financial Statements of Strategic Finance & Investments Limited for the year ended on December 31, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed.

The formats used in the preparation of the financial statements and disclosures made comply with the formats prescribed by the Bangladesh Bank, the Central Bank of Bangladesh.

The Accounting Policies used in the preparation of the financial statements are appropriate and are consistently applied by the company. There are no departures from the prescribed Accounting Standards in their adoption except for as mentioned in note number 2.3 of the Audited Financial Statements.

The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view.

The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements. To ensure this, SFIL has taken proper and adequate care in installing a system of internal control and maintenance of accounting records. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the SFIL's ability to continue as a going concern.

The Consolidated and Separate Financial Statements of SFIL were audited by Howladar Yunus & Co., Chartered Accountants, the External Auditor.

Sincerely yours,

Sd/=
Irteza Ahmed Khan
Managing Director & CEO

Sd/=
Mohammad Razibuzzaman Khan
Deputy Chief Financial Officer

DIRECTORS' REPORT

To the Shareholders of
Strategic Finance & Investments Limited

Dear Shareholders,

The Board of Directors of Strategic Finance & Investments Limited (SFIL) cordially welcome you in the 3rd Annual General Meeting of the Company.

On behalf of the Board of Director of SFIL, I have the pleasure in presenting the Directors' Report on the operational and financial activities of your Company, audited financial statements for the period ended 31st December 2022; the auditor's report together with company's performance which includes reports on business strategy review, risk management, corporate governance, financial and operational highlights for your consideration, approval and adoption. This report has been prepared in accordance with the Companies Act 1994, Financial Institutions Act 1993 and the guidelines issued by Bangladesh Bank and other relevant regulatory authorities. The Financial Statements were reviewed and approved by the Board of Directors on March 30, 2023.

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook.

Economic Outlook

World Economic Outlook

While global economy was recovering strongly from the COVID-19 pandemic, the war in Ukraine posed a setback to the ongoing recovery. A rise in the global commodity prices and sluggish economic activities by war induced supply chain disruption is being observed.

International organizations revised their forecasts for economic growth prospects and inflations. As per the United Nations (UN) publication 'World Economic Situation and Prospect 2022', the global economy grew by 5.5 percent in 2021, the highest growth rate since 1976, after contracting 3.4 percent in 2020. Global economy is expected to grow by 4.0 percent in 2022 and 3.5 percent in 2023. In the World Bank's Global Economic Prospect, January 2022, the global economic growth is projected 4.1 and 3.2 percent in 2022 and 2023 respectively, while growth was estimated 5.5 percent in 2021.

Sluggish growth rates between advanced economies and emerging and developing economies will be divergent. Growth in advanced economies is expected to decline from 5 percent in 2021 to 3.8 percent in 2022 and 2.3 percent in 2023 respectively. This growth rate will be sufficient to restore output and investment to their pre-pandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.3 percent in 2021 to 4.6 percent in 2022 and 4.4 percent in 2023.

The report stressed that by 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4 percent below its pre-pandemic trend. For many vulnerable economies, the setback is even larger: output of fragile and conflict-affected economies will be 7.5 percent below its pre-pandemic trend, and output of small island states will be 8.5 percent below.

In the World Economic Outlook (WEO) April 2022, International Monetary Fund (IMF) projected that the global economy will grow by 3.6 percent both in 2022 and 2023. The projections for 2022 and 2023 are 0.8 and 0.2 percentage points lower than in the January 2022 WEO update. Global growth is forecast to decline to about 3.3 percent over the medium term beyond 2023.

Bangladesh Economy

Bangladesh economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21. According to the provisional estimates of BBS, the GDP growth stood at 7.25 percent in FY 2021-22, 0.05 percentage point higher than the target rate and 0.31 percentage point higher than the previous fiscal year.

According to provisional estimate of BBS, per capita GDP and per capita national income stood respectively at US\$ 2,723 and US\$ 2,824 in FY 2021-22 compared to US\$ 2,462 and US\$ 2,591 respectively in FY 2020-21. The consumption increased to 78.44 percent of GDP in FY 2021-22 from 74.66 percent in FY 2020-21. The gross investment stood at 31.68 percent of GDP in FY2021-22, where public investment and private investment accounted for 7.62 percent and 24.06 percent of GDP respectively. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25.

Inflation in FY 2020-21 stood at 5.56 percent, which is 0.09 percentage point lower than FY 2019-20. Of which food and non-food inflation accounted for 5.73 percent and 5.29 percent respectively. Like all other countries of the world, an upward trend of price level is being observed in Bangladesh as the economic damages created by COVID-19 pandemic which is triggered by war in Ukraine. The point-to-point inflation in March 2022, stood at 6.22 percent, compared to the inflation rate 5.47 percent in March 2021.

The revised revenue mobilization target was set at Tk. 3,89,000 crore in FY 2021-22, which is 9.78 percent of the GDP. Of them, revenue receipt from NBR sources was marked at Tk. 3,30,000 crore (8.30% of GDP), tax revenue from non-NBR sources at Tk. 16,000 crore (0.40% of GDP) and non-tax revenue at Tk. 43,000 crore (1.10% of GDP). As per provisional data from iBAS++, total revenue mobilization up to February 2022 stood at Tk. 2,25,116 crore, up by 16.39 percent of the same period of previous fiscal year, achieving 57.87 percent of the target.

According to the revised budget, the total expenditure target for FY 2021-22 has been set at Tk. 5,93,500 crore (14.93% of GDP), which is 10.11 percent higher compared to FY 2020-21. The revised Annual Development programme (ADP) size for FY 2021-22 stood at Tk. 2,07,550 crore (excluding autonomous/agencies/corporations' own funded projects), which is 5.01 percent higher than the previous fiscal year.

The government is highly concerned of maintaining the budget deficit within 5 percent of GDP by increasing efficiency in revenue management. However, due to the increase in government expenditure for COVID-19 pandemic, target set at 5.1 percent of current fiscal year. The actual budget deficit for FY 2019-20 and FY 2020-21 stood at 4.7 percent and 4.3 percent of GDP respectively. The inflow of foreign grants and loans in the first eight months of FY 2021-22 (up to February 2022) amounted to US\$ 5,899 million, up by 6.63 percent from the same period of the previous fiscal year. The country's external debt outstanding at the end of February 2022 was US\$ 55,826 million or 12.23 percent of GDP.

The purpose of this policy stance is to outline monetary and credit programme for FY 2021-22 based on the evolving internal and external macroeconomic and financial developments. The programmed growth of broad money (M2) was set at 15.0 percent and domestic credit growth 17.8 percent, which was consistent with the targeted GDP growth and CPI based average inflation. The broad money and domestic credit actually grew by 9.45 percent and 13.32 percent respectively in February 2022 compared to 13.35 percent and 9.06 percent respectively in the same month of the previous year. However, the public and private sector credit experienced 28.1 percent and 10.9 percent growth respectively in February 2022 against the actual growth of 8.3 percent and 8.9 percent respectively in February 2021.

The recent trends in weighted average lending and deposit rates show downward movement. The weighted average lending rate decreased to 7.10 percent at the end of February 2022 from 7.48 percent of end February 2021. Similarly, the deposit rate continuously decreased to 4.02 percent in February 2022 from 4.44 percent in February 2021. The reduction in market-based interest rates has been due to the increase in excess liquidity available to banks and the reduction in interest rates, bank rate and refinancing scheme policies adopted by Bangladesh Bank.

In FY 2021-22, both stock markets (Dhaka Stock Exchange and Chattogram Stock Exchange) noticed some volatility, however, both the price index and market capitalization increased moderately. The market capitalization and the broad index of DSE increased by 4.41 percent and 6.59 percent respectively at the end of April 2022 compared to end June 2021. Similarly, the market capitalization and CSE All Share Price Index increased by 6.03 percent and 11.67 percent respectively, at the end of April, 2022, compared to end June 2021.

Although global trade has turned around in 2021 after the effects of COVID-19 pandemic, the Russia-Ukraine conflict has been showing significant negative impact on world trade. As a result, food supply chains have been disrupted and Western sanctions on Russia have led to global trade instability. At the same time, the prices of petroleum along with commodity prices are rising, which is also creating inflationary pressures on the economies. However, Bangladesh's export growth is on a positive trend. During July-April of FY 2021-22, total export earnings increased by 35.14 percent to US\$43,344.34 million compared to the same period of previous fiscal year. The total import payments (c&f) stood at US\$ 66,898.70 million in FY 2021-22 (July-March), which is 43.84 percent higher than the import payments of the same period of the preceding fiscal year. The deficit of trade balance widened and stood at

US\$ 22,306 million in FY 2021-22 (July-February) which was US\$ 12,359 million in FY 2020-21 (July-February). This deficit mainly occurred by the high growth in import payments relative to the growth in export earnings.

During the time, current account balance showed a deficit of US\$ 12,834 million due to expansion of trade deficit and a fall of workers' remittances. At the same time, the surplus of capital account balance and financial account balance both increased due to substantial amount of term loans received from the global development partner agencies. The net outcome of all these made the overall balance a deficit of US\$ 2,222 million in FY 2021-22 (July-February) compared to US\$6,879 million surplus in the same period of previous fiscal year. Due to the deficit of the overall balance, the foreign exchange reserve decrease slightly. The foreign exchange reserve stood at US\$ 46 billion at the end of February 2022. At the latest on 18 May 2022, the foreign exchange reserve stood at US\$ 42.33 billion. During July-April, 2022, the exchange rate of Taka depreciated by 1.9 percent against US dollar.

SFIL's Performance Snapshot

The year 2022 was third year for SFIL to create its strong foothold in the NBFi fraternity with reasonable growth on its core business operations while setting its backbone and team structure to cater the service needs of its different client base. In the backdrop of low credit appetite, mounting pressure on constant deposit withdrawal, lack of confidence of depositors in banks and NBFis and decreasing lending rate, SFIL demonstrated high resilience in achieving its key performance indicators. The loan portfolio stood as high as BDT 1,221 million which is 21% higher than the last year. SFIL has successfully built a quality asset book with Zero percentage classified loan ratio. On the other hand, SFIL maintained the deposit portfolio consists of both institutional (Banks & Corporate) and individual clients of BDT 4,572 million in 2022 against BDT 4,820 million in 2021 despite huge withdrawal pressure especially from institutional depositors throughout the year. However, individual deposit portfolio has grown by 270% in 2022 compare to the last year which is a significant growth in such a critical time. SFIL earned after tax net profit of BDT 34.04 million in 2022 against BDT 72.96 million in 2021. Profit was significantly impacted in 2022 due to many uncontrollable factors which include but not limited to Bangladesh Bank's lending rate cap of 11% p.a. for NBFis with effect from July 1, 2022, absence of return from Capital Market Investments, provision for the unrealized loss in investments in shares, shrinking Net Interest Margin (NIM), increasing cost of borrowed fund, increase of the balance of Non-Interest Earning Assets etc. Return on Equity stands at 3.02% at the end of December 31, 2022.

SFIL has received the license for opening its Islamic Finance Wing from Bangladesh Bank in 2022 and accordingly launched the Islamic Wing operation.

The overall performance outlines our resilience, strength and capabilities to deliver a sustainable growth ensuring growing returns to our shareholders and stakeholders.

Business & Operational Activities

SFIL has emerged as a multi-product financial service provider having major focus in Retail Financing, Corporate Financing, SME Financing, Factoring & Work Order Financing, Corporate Advisory Services and Deposit products. It provides a high standard of professional and personalized services to its diverse set of clients maintaining strict compliance and highest ethical standards. The Company's strategy is to build up a well-diversified credit portfolio across different sectors to manage risk prudently. As of 2022, the credit portfolio represents of 75.79% Corporate Finance, 5.24% SME Finance and 18.97% Consumer Finance respectively.

PERFORMANCE HIGHLIGHTS

BDT in Million

Financial Performance

2022

2021

Cash and Cash-Equivalents

2,867.85

Growth
-20%

3,593.49

Investments

1,468.03

Growth
27%

1,158.01

Leases, Loans and Advances

1,221.36

Growth
21%

1,010.50

Total Assets

5,895.79

Growth
-3%

6,078.25

Total Deposit Balance

4,571.92

Growth
-5%

4,820.12

Total Shareholders' Equity

1,126.54

Growth
3%

1,092.49

PERFORMANCE HIGHLIGHTS

Operational Performance

BDT in Million

2022

2021

Operational income

155.66

Growth
-24%

205.91

Operational Expenses

93.27

Growth
24%

75.36

Financial Expenses

369.99

Growth
10%

335.04

Profit Before Provision & Tax

62.39

Growth
-52%

130.55

Profit Before Tax

59.65

Growth
-50%

119.38

Net Profit After Tax

34.04

Growth
-53%

72.96

FINANCIAL RATIOS



Equity Statistics

BDT in Million



During the year 2022, lease, loan and advances of SFIL was BDT 1,221.36 million. Due to the severe impact of pandemic on life, livelihood, business and global economy, the Board and the management took a conscious decision to ensure quality balance sheet growth. However, SFIL plans to continue its sustainable growth once business environment of the country is normalized.

SFIL operates through three major segments in lending business: Corporate, Retail & SME. The classified loan ratio was Nil during the year 2022.

Total deposit was BDT 4,573.44 million during the period 2022. This was made possible by strong efforts of the management team and liability team as well as attractive deposit products. The Company launched innovative campaigns focusing on deposit mobilization during the year.

Operating profit in 2022 amounted to BDT 62.39 million. Interest Income and Income from Treasury played a vital role to attain this operating profit. Profit before tax was amounted to BDT 59.65 million. The company secured profit after tax amounted to BDT 34.04 million during the period 2022. Besides, there was no interest suspense during the period. However, the company has sufficient provision against portfolio and income tax. NAV stood at BDT 10.99 at the end of year 2022 against 10.66 of last year.

Funding

Credit Lines from Government Bank are conventional source of funding for the newly established NBFIs but we have initiated a number of steps during the year 2022 to create visibility & promote SFIL as a licensed deposit taking NBFIs. Our treasury team demonstrated outstanding performance in managing liquidity and keeping the cost of fund low. Continued emphasis was placed to onboard to get cheaper sources of deposits from Individual and Institutions. As of 2022, deposit balance represents of 56.65% from Bank & NBFIs, 30.24% from Corporate and 13.11% from Individuals. The Company maintained its average cost of fund to the level of 7.53% for the period end 2022.

Asset Quality

During the year 2022, the lending portfolio grew at a steady rate during the period, asset quality was successfully maintained. Vigorous follow up and monitoring of client's loan account performance paid off in managing Zero NPL during the period 2022.

Human Resources Management

We have been moderately successful in attracting talents during the period and made a blended mix of quality human capital with dynamism, agility and experience. Our talents have built up the foundations and confidence for organic growth as we continue to proceed ahead to embark upon new challenges. SFIL strongly believes that its human resources are its most precious assets and recognizes them as building blocks for the Company to perform sustainably. SFIL continues to develop and implement proper human resource policies to motivate its employees and ensures their optimum contribution towards the achievement of common goals. As our resources represent a significant competitive edge, the Company continues its policy of recruiting the best professionals and implementing diverse training and motivational programs to develop and retain high-quality, performance-oriented personnel.

SFIL's Contribution to the Society

The Company is strictly committed to contribute for the economic and social development of the country. Besides our core activities, we give utmost priority to increase the standard of living condition of our clients and our employees and directly contribute to the exchequer in the form of various tax, excise duty and VAT during the year. Details are given later in this report in Statement of Contribution to Government Exchequer section.

Risk Management & Control Environment

High quality management of risk is one of SFIL's hallmarks and thus a priority in its activity. It has combined prudence in risk management with use of advanced risk management techniques, which have proven to be decisive in generating recurrent and balanced earnings and creating shareholder value. The activity of risks is governed by the following principles, which are aligned with SFIL's strategy and business model and take into account the recommendations of the supervisory bodies, regulators and the market's best practices.

These are:

- ▶ A culture of risks integrated throughout the organization. It embraces a series of attitudes, values, skills and ways of acting toward risks that are integrated into all processes, including taking decisions on change management and strategic and business planning.
- ▶ Independence of the risk function, covering all risks and providing an adequate separation between the risk generating units and those responsible for its control and supervision, and having the sufficient authority and direct access to the management and governance bodies which are responsible for setting and supervising the risk strategy and policies.
- ▶ Comprehensive approach to all risks as the objective for adequate management and control of them, including risks directly as well as indirectly originated but which can affect it. It is vital to have the capacity to draw up an all comprehensive view of the risks assumed, understand the relations between them and facilitate their overall assessment, without detriment to the differences of nature, degree of evolution and real possibilities of management and control of each type of risk, adapting the organization, processes, reports and tools to the features of each one.

SFIL has different risk management team to manage and control all types of risks (i.e. Credit risk, concentration risk, market risk, operation risk, liquidity risk, market risk, compliance risk, reputation risk, environment and social risk, related party exposure risk, competition risk, Legal risk, ICT risk, Strategic risk etc.) prudently. The committees are as follows:

- Credit Evaluation Committee (CEC);
- Credit Risk Management Committee (CRM),
- Asset & Liability Management Committee (ALCO);
- Central Compliance Unit (CCU)
- Risk Management Forum;
- Internal Control Committee;
- HR & Compensation Committee;
- Corporate Governance Committee;
- Integrity Committee;
- Risk Analysis Unit;
- SFIL's Ladies Forum;
- Anti-Money Laundering & ICT Committee.

We are committed to manage the risks and ensure delivery of service to our stakeholders maintaining effective Risk Management System which pays off between risk and return.

Going Concern

The Directors after making necessary inquiries and reviews including reviews of the budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and such other matters required to be addressed in the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Bangladesh and the Bangladesh Securities and Exchange Commission has adequate resources to continue operations into the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

Details about going concern assessment of SFIL is presented in Assessment report on the Going Concern Status of Strategic Finance & Investments Limited later in this report.

Credit Rating

Emerging Credit Rating Limited (ECRL) has assigned A+ (Pronounced as "A Plus") long term credit rating and ST-2 short term credit rating to Strategic Finance & Investments Limited based on audited financial statements for the period of 2022 and other available information up to the date of rating declaration. The outlook on the rating is Stable.

The rating reflects the strengths of the Company which is backed by a strong team of management, growth in the non-interest income, deposits and investments, adequate capital coverage with high Tier-1 capital, improved asset quality and well controlled liquidity position.

Corporate and Financial Reporting Framework

Financial Statements have been prepared in conformity with the requirements of the International Financial Reporting Standards (IFRSs), the Companies Act 1994, Financial Institutions Act 1993 and amendments thereto, Bangladesh Bank's Guidelines and Corporate Governance Code.

Responsibility Statement of MD & CEO and CFO

The details of responsibility statement of MD & CEO and CFO is shown later in this Report.

Senior Management

Disclosure of all senior management personnel have been accounted in this Report.

Related Party Transactions

Disclosure of all related party transactions, including basis for such transactions, has been provided in the Notes 36 to the Financial Statements.

Insider Trading

The members of the Board of SFIL, or its sub-committee, or its senior management and their family members did not involve in any insider trading and did not violate the provision with regard to insider trading.

Directors Meeting and Remuneration

During the period of 2022, Nineteen (19) Board of Directors' Meetings were held. All meeting fulfilled the quorum of required directors. The Board has two sub-committee: Executive Committee (8 meetings held in 2022) and Audit Committee (7 meetings held in 2022).

Appointment / Re-appointment of Directors

As per the Companies Act 1994 and also as per Article No. 125 of Articles of Associations of Strategic Finance & Investments Limited, at the First Annual General Meeting of the Company, all of the Directors shall retire from office. At the Annual General Meetings in every subsequent year one-third of the Directors for the time being or, if their number is not three or multiple of three then the number nearest to one-third shall retire from office who shall however be eligible for re-election.

Furthermore, Article 126 & 127 of Articles of SFIL also states that the directors to retire by rotation every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those who are to retire shall, unless they otherwise agree among themselves, be determined by lottery. A retiring director shall be eligible for re-election, Mr. Arif Khan, Mr. William H. Derrenger and Mr. Zahid Hossain will be retired in 3rd Annual General Meeting and they seek reappointment.

Status of Compliance & Corporate Governance

Details are given in the next section of the report in Statement of Directors' Responsibility for Corporate Governance.

Statutory Auditors

On the basis of the proposal of the Board's Audit Committee, the Board in its 48th meeting held on April 16, 2023 recommended the shareholders to appoint Howlader Yunus & Co., Chartered Accountants (Grant Thornton International Ltd.) as the Auditors of SFIL for the year ended December 31, 2023 with a fee of BDT 126,500 (excluding VAT). SFIL has also taken prior approval from Bangladesh Bank to appoint Howlader Yunus & Co., Chartered Accountants (Grant Thornton International Ltd.) until completion of conclusion of the 4th AGM. As far as the Directors are aware, the Auditors do not have any relationship with or interest with the Company that in their judgments, may reasonably be thought to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by the Institute of Chartered Accountants of Bangladesh (ICAB), applicable on the date of this report. The Auditors, Howlader Yunus & Co., Chartered Accountants (Grant Thornton International Ltd.) have expressed their willingness to conduct audit of the Company. They come up for appointment at the Annual General Meeting, with the recommendation of the Audit Committee and the Board of Directors. In accordance with the Companies Act, a resolution proposing the appointment of Howlader Yunus & Co., Chartered Accountants (Grant Thornton International Ltd.), as Auditors is being proposed at the 3rd Annual General Meeting.

Internal Control System

The Directors of the Company have taken reasonable steps open to them to safeguard the assets of the Company and to prevent and detect frauds and any other irregularities. For this purpose, the Directors have instituted effective and comprehensive systems of internal controls for identifying, recording, evaluating and managing the risks faced by the Company throughout the year and it is being regularly reviewed by the Board of Directors. This comprises internal reviews, internal audit and the whole system of financial and other controls required to carry on the operations in an orderly manner, safeguard the assets, prevent and detect frauds and other irregularities and secure, as far as practicable, the accuracy and reliability of the records.

Dividend

Considering the overall environment of financial market and current financial strength of the Company, the Directors recommended that 3% stock dividend to be paid for the period ended 31 December 2022. The dividend is subject to approval of the shareholders at the 3rd Annual General Meeting.

Acknowledgments

The Board of Directors would take this opportunity to express their profound gratitude and extend appreciation to our valued shareholders, directors, clients, bankers, depositors, lenders, business partners, regulators, service providers and other stakeholders for their continued patronage and support and cooperation.

The Board offers it's sincere thanks to the Bangladesh Bank, Bangladesh Security Exchange Commission, Registrar of Joint Stock Companies and Firms, National Board of Revenue, Ministry of Finance and other Government authorities for their support and cooperation.

I would also like to thank to the employees of SFIL for their dedication and commitment to make the period 2022 a successful one and look forward to make the year 2023 even better in every terms.

For and on behalf of the Board of Directors.

Sd/=
Ehsanul Kabir
Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING, CORPORATE GOVERNANCE AND INTERNAL CONTROL

Responsibility for Financial Reporting

Board of Directors is always committed towards self-controlled environment which is reflected by ensuring proper entries in books of accounts for each financial year that gives a true and fair view of the state of affairs of the company and by accepting responsibility for the integrity and objectivity of the financial statements. In preparing financial statement, the Board of Directors ensures the followings

- Select relevant accounting policies and apply them consistently
- Make judgments and estimates that are reasonable and prudent
- Comply with applicable Financial Reporting Standards
- Prepare the financial statements on going concern basis

The considerations set out above are also required to be addressed by the Directors in preparing the financial statements. The Board of Directors confirms that the International Financial Reporting Standard (IFRSs) and International Accounting Standards(IASs) which are adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) have been followed meticulously subject to any material departure due to compliance with Bangladesh Bank being disclosed and explained in the notes to the financial statements.

The Board also confirms that the Company keeps accounting records, which disclose with reasonable accuracy, the financial position of the Company and which enables it to ensure that the financial statements comply with the sufficient requirements of the Companies Act 1994, Securities Exchange Rules 1987 and Financial Institution Act 1993.

Responsibility for Corporate Governance

The Board ensures key decision making and execution within a clear governance framework. A primary task is the governance and oversight of business models which sets out consistent delivery of stake holder value in an uncertain and challenging environment. The Board primary role is to provide leadership, ensure that it is appropriately managed and deliver long-term shareholder value. It also sets the company strategic objectives and provides direction as a whole. A number of key decisions are reserved for and may only be made by the Board, which enables it and the executive management to operate within a clear governance framework.

Responsibility for Internal Control

The Board of Directors is also responsible for proper establishment and maintenance of an effective internal control system that safeguards shareholders' investments and assets of the company through prevention and detection of fraud and irregularities. The Board ensures that statutory and regulatory requirements are met and responds to changes in the Company's internal and external environment and conditions. The Board is responsible for ensuring that an adequate and effective internal control system exists in the organization and that all members of the top management of the Company are maintaining and monitoring the performance of that system. The Board and management must make sure that the Company's information systems produce pertinent and timely information in a form that enables employees, auditors, regulators, shareholders etc. to get the required data and information. 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 Board has utmost jurisdiction over making key decisions, thereby, enabling the executive management to function within a defined governance structure ”

Assessment Report on the Going Concern Status

Going concern is a fundamental accounting concept that underlies the preparation of financial statements of companies. Under the going concern concept, it is assumed that a Company will continue in operation and that there is neither the intent nor the need to either liquidate it or to cease trading. The purpose of this going concern statement is to bring together the requirements of Company law, accounting standards. The management of SFIL has made this assessment based on the accounting year ended on or after December 31, 2022. The management's assessment of whether the company is a going concern involves making appropriate inquiries including review of budgets and future outcome of inherent risks involved in the business. Considering the following major indicators, SFIL management has reached the conclusion that the financial statement for the year 2022 is prepared based on going concern assumption:

Financial Indications

At the close of financial year 2022, total borrowing from other banks and financial institutions was BDT 47.27 million. At the end of 2022, total deposits were BDT 4,573.44 million, representing the Company was able to increase the level of confidence of depositors. As on 31 December 2022, total equity of SFIL stands at BDT 1,126.54 million.

Positive Key Financial Ratios

SFIL financial ratios indicate sound financial strength and prospects and are evident from financial highlights given on this Annual Report.

Continuous Support by Depositors

The company enjoys a good reputation in the settlement of its obligation with its depositors. The company was able to increase the level of confidence of depositors, which resulted in total deposit of BDT 4,573.44 million.

Expansion of Business

SFIL continues to expand its segment geographically by opening new branches & sales centre in different places considering the economic significance. Currently SFIL has Head office & Principle branch, Islamic Finance Wing and one fully owned subsidiary company SFIL Securities Limited.

Credibility in Payment of Obligations

SFIL has strong credibility in terms of payment of its obligations to lenders. The Company is particular in fulfilling the terms of loan agreements and has never defaulted, even in terms of convenience.

Increasing Trend of Investment Portfolio and Performance Growth

SFIL has reported excellent growth in its operating performance. SFIL loan portfolio has increased by 20.87% in 2022 compared with year 2021. The Company's investment in long term finance, short-term finance, real estate finance and car loans stood out excellent performance as a youngest NBF1 in 2022.

Strengthening of Human Capital

During the year 2022, the company has recruited 39 employees, which resulted in a net headcount to 71 at the end of year 2022, in comparison to 70 at the end of the year 2021.

Corporate Environment and Employee Satisfaction

There exists a healthy corporate environment in the Company. This is reflected in our Statement of Corporate Governance.

Maintenance of Capital Adequacy Ratio (CAR)

As per the DFIM Circular Number 14, dated December 28, 2011 of the Bangladesh Bank prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions has come into force from January 01, 2012. As per the guidelines, Financial Institutions (FIs) are required to maintain a minimum CAR @ 10%. CAR of SFIL at the end of 2022 is 24.25% which is significantly higher than the requirement.

Changes in Government Policy

The management anticipates no significant changes in legislation or government policy, which may materially affect the business of the Company.

Monitoring Compliance

Compliance with our Code of Conduct and Ethics is embedded in our employment contracts, recruitment and performance management activities. We have set explicit targets for compliance, commencing at executive management level. All employees are required to comply with our Code of Conduct and Ethics and report conduct that may be in breach of the law, the Code or policy. Advice on SFIL policies, practices and management systems is available via our Human Resources department. Any employee, contractor or consultant can confidentially report concerns about conduct, practices or issues to our HR department.

Compliance is a Key Result Area examined as part of our Performance Management Process and failure to complete required compliance training can be a factor in determining the employee's entitlement to performance based remuneration and could lead to termination of employment in serious cases. Additionally, employees are required to undertake issue specific training for topics such as anti-money laundering and combating terrorist financing, fraud, corruption and privacy. Our 'HR Manual' and 'Employee Handbook' covers our Code of Conduct and Ethics, standards and behaviors and important policies and procedures such as our Anti-Bribery Policy and Fraud and Corruption Policy.

DISCLOSURE UNDER PILLAR III ON CAPITAL ADEQUACY AND MARKET DISCIPLINE

As on December 31, 2022

Background of Capital Adequacy

Capital is the foundation of any business. In a Financial Institution, capital is a prime factor to consider when assessing the safety and soundness. It acts as a cushion in case the value of the bank's assets declines and liability rises. Maintaining a minimum capital level is of paramount importance for a Financial Institution so that adequate protection against risk can be ensured. A strong Capital Management Policy protects an organization by identifying and mitigating risks, as well as establishes a base of confidence by depositors, creditors, and other stakeholders.

Capital Adequacy gives a view on a Financial Institution's financial strength and stability. Adequate capital provides assurance to the stakeholders on the company's ability to provide consistent services.

Capital Adequacy is a basis for measurement of the amount of capital that the FI needs to hold to ensure that no excess leverage is taken that would lead to insolvency. Capital Adequacy is best expressed as the Capital Adequacy Ratio (CAR), also known as Capital to Risk Weighted Assets Ratio. CAR is a measure of a FI's core capital expressed as a percentage of its risk weighted asset. The objective of CAR is built around the Market Discipline, whereby depositors' get a standardized measurement on the extent to which their wealth is exposed to risk, and thereby establish confidence on the Financial Institution's operations. The CAR measurement is also directed towards making a FI's capital more risk sensitive and shock absorbent.

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 2011.

The disclosures are made on the basis of consolidated along with its separate audited financial statements of Strategic Finance and Investments Limited and its subsidiaries as at and for the year ended December 31, 2022 prepared under International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/instructions issued by Bangladesh Bank from time to time.

Basel II		
Pillar I	Pillar II	Pillar III
Minimum Capital Requirement (MCR)	Supervisory Review Process	Disclosure & Market Discipline

Scope of Application

Qualitative Disclosures:

The framework applies to Strategic Finance and Investments Limited (SFIL) on "Consolidated Basis" on the reporting date December 31, 2022 and "Solo Basis" information has been presented beside those of "Consolidated Basis" to facilitate comparison. The SFIL Group has a wholly owned subsidiaries: SFIL Securities Limited, which is fully consolidated.

Quantitative Disclosures:

Not Applicable.

Capital Structure

Qualitative Disclosures:

As per Basel II guidelines, regulatory capital consists of Tier - 1 : Core Capital and Tier - 2 : Supplementary Capital.

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

- i) Tier 2 Capital amount will be limited to 100% of the amount of Tier 1 Capital.
- ii) 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities are eligible for Tier 2 capital.

Tier 2 capital includes:

- i) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk.
- ii) Revaluation reserves for equity instruments up to 10%.
- iii) Subordinated bond in Tier 2 capital can be maximum 30% of the Tier 1 Capital.

Quantitative Disclosures:

Core Capital of SFIL is as follows:

Figures in BDT Million

Particulars	Solo		Consolidated	
	2022	2021	2022	2021
Fully paid-up capital/capital lien with BB	1,025.00	1,000.00	1,025.00	1,000.00
Statutory reserve	25.31	18.50	25.31	18.50
Other Reserve	-	-	-	-
Capital Reserve	-	-	0.11	-
Non-repayable share premium account	-	-	-	-
General reserve	-	-	-	-
Retained Earnings	76.23	73.99	64.74	75.14
Minority interest in subsidiaries	-	-	0.003	0.003
Non-cumulative irredeemable preference shares	-	-	-	-
Dividend equalization account	-	-	-	-
Other (if any item approved by Bangladesh Bank)	-	-	-	-
Less Shortfall in provisions required against investment in shares	-	-	-	-
Total	1,126.54	1,092.49	1,115.17	1,093.64

Supplementary Capital of SFIL is as follows:

Figures in BDT Million

Particulars	Solo		Consolidated	
	2022	2021	2022	2021
General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)	11.71	11.38	11.71	11.38
50% of Asset Revaluation Reserve	-	-	-	-
45% of Securities Revaluation Reserve	-	-	-	-
All other Preference Shares	-	-	-	-
Other (if any item approved by Bangladesh Bank)	-	-	-	-
Total	11.71	11.38	11.71	11.38

Capital Adequacy

Qualitative Disclosures:

SFIL has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio i.e. 10% and adding the resulting figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Regulatory Capital as on numerator to derive Capital Adequacy Ratio.

Strategy to achieve the required Capital Adequacy:

- Asking unrated corporate 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.
- Financing clients having good credit rating.
- Assessing incremental effect of capital charge over the expected net income from financing before sanctioning any appraisal, which could be one of the criteria for taking financing decision.

Quantitative Disclosures:*Figures in BDT Million*

SFIL Group	Solo		Consolidated	
	2022	2021	2022	2021
Capital requirement for Credit Risk	158.56	145.10	156.33	142.29
Capital requirement for Market Risk	292.59	231.05	294.67	231.05
Capital requirement for Operational Risk	18.28	10.55	18.28	10.50
Capital Adequacy Ratio (CAR)	24.25%	28.55%	24.01%	28.79%

Risk Management

At SFIL, disciplined risk management is considered as the key to organizational success. With that objective in mind, strong management structure and risk management system, along with robust policies, are developed to allow the company to manage the internal and external, and regulatory environments. A robust risk management framework is built to effectively cover the necessary requirements of managing risk. Establishment and oversight of the Company's risk management framework lies with the Company's Board of Directors. The risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk control standards, and to monitor the risks and adhere to defined policies. Protocols and responsibilities are clearly delineated such that decision making with regards to risk management are taken positively. SFIL contemplates on having the industry practices of identifying, measuring and controlling risks. The Risk management policies and systems are reviewed regularly to reflect changes in market conditions and operations. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

By implementing rigorous risk management policy, risk adjusted returns are maximized, while ensuring that the company remains within its desired risk appetite. Emphasis is given on establishing a risk management culture which takes into account the underlying assertions:

- Risk considered must be in line with the company's goals, and also must support the company's risk appetite.
- Responsibility of identifying and taking risks within the organization lies with every employee. The company carries the overall responsibility of ensuring that the risk-taking within the organization is disciplined and focused.
- Accountability is ensured by taking risk agreed by the respective company authorities and also assuring that the risks taken are transparent, controlled, reported and falls within the appropriate infrastructure and resource.
- Future risk emergence is identified and necessary steps taken to anticipate its impacts.
- Effective Risk Management Policy and Controls are founded to use the risk as a competitive advantage.
- Continuous improvement of the risk management approaches and methodologies to enhance current risk policies.
- Analyze and establish any new or improved policy to strengthen the company's risk management position.
- Ensuring consistent statutory compliance with regards to capital adequacy and risk management.

In accordance with the Basel II guidelines, SFIL takes precautionary methods against credit, equity, market, operational, and liquidity risks.

- ▶ Credit Risk is effectively measured and managed through a framework of policies and procedures. All credit exposures undergo proper approving authority as a mean of effective management of counter party credit risk. A defined structure is established for delegation of credit approval authority and for monitoring compliance with appetite.

Proper due diligence is applied to review the credit applications. Defined processes and procedures are used to support credit underwriting activities at levels of the business. As a part of proper underwriting standards, appropriate valuations of collaterals are done for secured credits.

A counter party is also required to have an approved limit in place, prior to drawdown of funds. Every credit party is subject to credit rating, and the rating is actively monitored as a part of effective credit risk management. Account level activity along with limit utilization monitoring is set as a part of risk trigger mechanisms. This helps

to identify early alert situations based on which the company can take proper actions. Potential problem accounts are identified, investigated, controlled and monitored.

The Board of Directors has approved the Credit Policy for the company where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been described/stated in detail. Credit Policy is regularly updated to cope up with the changing global, environmental and domestic economic scenarios.

An independent Credit Risk Management (CRM) Department is in place, at SFIL, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high-quality credit portfolio and maximize returns from risk assets.

Past dues and impaired exposures are defined in accordance with the relevant Bangladesh Bank regulations. Specific and general provisions are computed periodically in accordance with the Bangladesh Bank regulations. The Company writes off a loan or an investment debt security balance, and any related allowances for impairment losses, when the Company Credit determines that the loan or security is uncollectible. This determination is made after considering information such as the occurrence of significant changes in the borrower's / issuer's financial position such that the borrower/issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

The table below gives details of Credit Risk for 2022:

Figures in BDT Million

Distribution of risk exposure by claims	Solo		Consolidated	
	2022	2021	2022	2021
Cash and Cash Equivalents	0.10	0.10	0.13	0.10
Claims on Bangladesh Govt. and Bangladesh Bank	32.61	34.36	32.61	34.36
Claims on NBFIs and Banks	2,835.14	3,559.03	2,840.46	3,590.28
Claims on Corporate	924.16	515.37	924.16	515.37
Claims categorized as retail portfolio & Small Enterprise	66.93	64.10	66.93	64.10
Consumer finance	38.60	10.12	38.60	10.12
Claims fully secured by residential property	171.76	54.64	171.76	54.64
Claims fully secured by commercial real estate	-	-	-	-
Past Due Claims	-	-	-	-
All other assets	301.83	318.60	252.81	290.51
Total	4,371.13	4,556.32	4,327.46	4,559.48

Figures in BDT Million

Particulars	Solo		Consolidated	
	2022	2021	2022	2021
Gross Non Performing Loans (NPLs)	-	-	-	-
Non Performing Loans (NPLs) to outstanding loan and advance	-	-	-	-
Movement of Non Performing Loans (NPLs)				
Opening balance	-	-	-	-
Add/Less Net movement during the year	-	-	-	-
Closing Balance of Non Performing Loans (NPLs)	-	-	-	-
Movement of specific provision for (NPLs)				
Opening balance of Specific Provision	-	-	-	-
Less Written off during the year	-	-	-	-
Recoveries during the period	-	-	-	-
Add Provision made during the period	-	-	-	-
Closing Balance of specific provision for (NPAs)	-	-	-	-

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

Figures in BDT Million

Particulars	Solo		Consolidated	
	Cost Price	Market Price	Cost Price	Market Price
Quoted shares	258.03	252.94	268.62	263.33

- ▶ Market Risk management is set as per the parameters defined in the policy. The objective of the Company's market risk management is to manage and control market risk exposures set within the acceptable parameters, thereby ensuring solvency while optimizing the Company's risk return strategy.

Sufficient oversight and reporting are conducted for management of market risk profile. Overall authority for market risk rests with the ALCO. Setting market liquidity as the primary factor for determining the level of limits for portfolio trading, ALCO provides limits for each type of risk in aggregate and for individual portfolios.

The table below gives details of Market Risk for 2022:

Figures in BDT Million

Capital Requirements	Solo		Consolidated	
	2022	2021	2022	2021
Interest rate risk	-	-	-	-
Equity position risk	292.59	231.04	295.72	231.04
Foreign exchange risk	-	-	-	-
Commodity risk	-	-	-	-
Total	292.59	231.04	295.72	231.04

- ▶ Operational Risk framework is designed to ensure operational risk identification, assessment, control and monitoring at business and group level. Management of operational risks is an integral part of the roles played by business and the functional teams.

The Risk Management Division oversees whether the operational risk exposures fall within the policy. Defined standards of measurement are also outlined which plays one of the critical roles of ensuring that the risks are managed within the acceptable tolerance limits. The policies and standards are also reviewed periodically to keep the framework updated.

The types of events that could result in material operational risk loss or business disruptions are as follows:

- Internal and external fraud
 - Damage to physical assets
 - Business process disruptions and system failures
 - Failure in service executions and deliveries, as well as process management
- ▶ Liquid Risk is managed by the ALCO team within the pre-defined liquidity limits set by and in compliance with the policies and regulatory requirements. The Treasury division oversees the implementation of policies and other controls relating to liquidity risks while managing the liquidity position of the company on a day to day basis.

RWA figure is calculated on the basis of credit, market, and operational risks. Total RWA is determined by first multiplying the amount of capital charge for market risk and operational risk with the reciprocal of the minimum CAR.

The resulting figure is added to the sum of the Risk Weighted Assets for credit risk.

Figures in BDT Million

Particulars	Solo		Consolidated	
	2022	2021	2022	2021
Credit Risk				
1. On Balance Sheet	1,585.63	1,451.03	1,563.32	1,422.94
2. Off Balance Sheet	-	-	-	-
Market Risk	2,925.87	2,310.45	2,946.65	2,310.45
Operational Risk	182.83	105.51	182.83	105.02
Total RWA	4,694.33	3,866.99	4,692.80	3,838.41

Based on the data derived, the Capital Adequacy Ratio (CAR) is calculated. SFIL follows the standard CAR measurement method.

$$\text{Capital Adequacy Ratio (CAR)} = \frac{\text{Core Capital} + \text{Supplementary Capital}}{\text{Risk Weighted Assets}}$$

Figures (except percentage) in BDT Million

Particulars	Solo		Consolidated	
	2022	2021	2022	2021
Core Capital	1,126.54	1,092.49	1,115.17	1,093.64
Supplementary Capital	11.71	11.38	11.71	11.38
Total Eligible Capital	1,138.25	1,103.88	1,126.87	1,105.03
Risk Weighted Asset (RWA)	4,694.33	3,866.49	4,692.80	3,838.40
Capital Adequacy Ratio (CAR)	24.25%	28.55%	24.01%	28.79%
Core Capital to RWA	24.00%	28.26%	23.76%	28.49%
Supplementary Capital to RWA	0.25%	0.29%	0.25%	0.30%
Minimum Capital Requirement (Higher of 10% of RWA or 100 crore)	1,000	1,000	1,000	1,000
Excess Capital over Regulatory Requirement	138.25	103.88	126.87	105.03

The CAR figure of Strategic Finance & Investments Limited can be seen to be comfortably above the Bangladesh Bank's CAR requirement of 10%. This is in line with the institution's approach to being compliant, establish investors' confidence, and demonstrate company stability.



Risk Management Strategy

Risk Management & Control Environment

Strong risk management capabilities are vital to the success of a well-managed financial Institution. The Risk Management function is the central resource for driving such capabilities in SFIL and complements the risk and control activities of other functions including Internal Audit & Compliance. The key components of SFIL risk management approach are: strong risk Governance; robust and comprehensive processes to identify, measure, monitor, control and Report risks; sound assessments of capital adequacy relative to risks; and a rigorous system of Internal control reviews involving internal and external auditors.

Risk Types

In SFIL, 'risk is the potential of creating loss for the company as well as for its stakeholders. Such Loss is not necessarily quantifiable. A wrong doing does not necessarily make an instant effect on Organizational reputation and financial picture. Sometimes an error affects the financials of more Than the year of occurrence. Thus, risks are diverse in term of its effect. Risks are also diversified In term of their source. A loss may occur due to poor selection of borrower. A loss might be caused by the absence of strong collection force. Thus, SFIL runs the risk of creating diversified losses for itself or for its stakeholders during its day-to-day operations.

Credit Risk:

Credit risk is the potential for loss arising from the failure of a client, its counter-party or related parties to meet their contractual obligations. Such loss can have impact on the financial profitability of the organization as well as the community and stakeholders of SFIL.

In SFIL, credit risk may arise on account of the following:

- Default risk
- Credit concentration risk
- Recovery risk
- Counter-party risk
- Related-party risk
- Environmental risk

Market Risk:

Market risk is the risk of loss arising from changes in market variables such as interest rates, security prices, equity index levels, exchange rates, commodity prices and general credit spreads. For ease of management and in keeping with regulatory requirements, market risk of SFIL is further categorized into interest rate risk and equity risk.

Liquidity and Funding Risk:

Liquidity risk is the risk of being unable to meet our payment obligations on maturity, due to liquidity crisis. Risk of loss caused by the failure to borrow funds from the market at an acceptable price to fund actual or proposed commitments is recognized as funding risk.

Operational Risk:

Operational risk comprises of risk of loss inherent in day to day operation of the organization and caused by inadequate or inappropriate internal processes, inadequate or inappropriate systems, absence of right people at right place, mistakes of people whether such mistakes are deliberate, accidental or natural and by any other external reason. The following diagram presents operational risk of SFIL in a simple manner:

People Risk - The risk of loss intentionally or unintentionally caused by an employee, for example an error or a misdeed or involving employees such as disputes.

System Risk - The risk of loss caused by piracy, theft, failure, breakdown or disruption in technology, data or information.

Process Risk - The risk related to execution & maintenance of transactions and the various aspects of running a business.

External Risk - The risk of loss on account of damage to physical property or assets from natural or unnatural.

This category includes the risk presented by actions of external parties such as the perpetration of fraud or in the case of the regulators the execution of change that would alter the Company's ability to continue operating in certain markets.

Risk Management in SFIL:

We believe that sound risk management is essential to ensuring success in our risk-taking activities. Our philosophy is to ensure risks and returns remain consistent with our established risk appetite. To achieve this, we regularly refine our risk management approaches to ensure we thoroughly understand the risks we are taking to identify any emerging portfolio threats at an early stage and to develop timely and appropriate risk-response strategies. The key elements of enterprise-wide risk management strategy are:

Risk Appetite - The Board of Directors approves the Company's risk appetite and risks are managed in alignment with the risk appetite. Risk-taking decisions must be consistent with strategic business goals and returns should compensate for the risk taken.

Risk Frameworks - The Company's risk management frameworks for all risk types are documented, comprehensive and consistent.

Holistic Risk Management - Risks are managed holistically, with a view to understand the potential interactions among risk types.

Qualitative and Quantitative Evaluations - Risks are evaluated both qualitatively and with appropriate quantitative analysis and robust stress testing. Risk models are regularly reviewed to ensure they are appropriate and effective. The Board of Directors and senior management provide the direction to the Company's effective risk management that emphasizes well-considered risk-taking and proactive risk management. This is reinforced with appropriate risk management staff, ongoing investments in risk systems, regular review and enhancement of risk management policies and procedures for consistent application, overlaid with a strong internal control environment throughout the Group. Accountability for managing risks is jointly owned among customer-facing and product business units, dedicated functional risk management units, as well as other support units such as Operations and Technology. Internal Audit also provides independent assurance that the Company's risk management system, control and governance processes are adequate and effective. Rigorous portfolio management tools such as stress testing and scenario analysis identify possible events or market conditions that could adversely affect the Company. These results are taken into account in the Company's capital adequacy assessment.

Risk Governance and Organization:

The Board of Directors establishes the Company's risk appetite and risk principles. The Audit Committee of the Board that oversees the Company's risk management. It reviews and approves the Company's overall risk management philosophy; risk management frameworks, major risk policies and risk models. The Audit Committee of the Board also oversees the establishment and operation of the risk management systems and receives regular reviews as to their effectiveness. The Company's various risk exposures, risk profiles, risk concentrations and trends are regularly reported to the Board of Directors and senior management for discussion and appropriate action. The Audit Committee of the Board is supported by Risk Management Division, which has functional responsibility on a day-to-day basis for providing independent risk control and managing credit, market, operational, liquidity and other key risks. Within the division, risk officers are dedicated to establishing Company-wide policies, risk measurement and methodology, as well as monitoring the Company's risk profiles and portfolio concentrations. The Company's risk management and reporting systems are designed to ensure that risks are comprehensively captured in order to support well-considered decision making and that the relevant risk information is effectively conveyed to the appropriate senior management executives for those risks to be addressed and risk response strategies to be formulated. To ensure the objectivity of the risk management functions, compensation of risk officers is determined independently of other business areas and is reviewed regularly to ensure compensation remains competitive with market levels. Credit officers are involved in transaction approvals and personal approval authority limits are set based on the relevant experience of the officers and portfolio coverage. Representatives from the division also

provide expertise during the design and approval process for new products offered by the Company. This ensures that new or emerging risks from new products are adequately identified, measured and managed within existing risk systems and processes.

Risk Management Forum in SFIL:

Risk Management Forum (RMF) and Risk Analysis Unit (RAU) of Strategic Finance & Investments Limited has been established in compliance with the Bangladesh Bank's DFIM Circular No, 01 of 07 April, 2013. Headed by DMD and CRO and Secretary is one official from CRM department, all the business and operational heads are the members of the RMF. The main responsibility of the Risk Management Forum is includes the following:

- The Risk Management Forum members will parameterize the Internal Environment of the Company including risk appetite, integrity and ethical values and the environment in which it is operated.
- The MANCOM must form the Objectives so that they can identify potential events affecting the achievement unenthusiastically and consistent with its risk appetite.
- The management will identify the internal and external events affecting company's achievement and distinguish between risks and opportunities.
- It is the management responsibility to assess and measure the potential risks.
- The management selects risk responses-avoiding, accepting, reducing or sharing risk-developing a set of actions to align risks with the company's risk tolerances and risk appetite.
- The management will take policies and procedures and implement it to help ensure the risk responses are effectively carried out.
- The managerial authority will identify generate and communicate the relevant information in a form and time-frame that enable people to carry out their responsibilities.
- The entirety of enterprise risk management will be monitored and it will be accomplished through ongoing management activities.
- Ensure roles and responsibilities are agreed and clearly understood by all management levels.
- Ensure all staff, in business and support functions is aware of their responsibilities for company's overall Risk management.
- Ensure there are structured processes at each department level to report control failures to designated individuals and escalate material issues to RME.
- Establish workable Business Continuity Plans (including Disaster Recovery and Crisis Management procedures) to minimize the impact of unplanned events on business operations and customer service.

Credit Risk Measurement in General:

Ongoing active monitoring and management of credit risk positions: CRM's research team regularly reviews market conditions and our exposure to various industrial sub-sectors. Thus, we aim to proactively identify Counterparties that highlight the likelihood of problems well in advance in order to effectively manage credit exposure and maximize recovery. Also, collection team and relationship manager provide negative feedback of business condition and payment status of a particular client via early warning report. Ongoing active monitoring and management of credit risk positions is an integral part of our credit risk management activities.

Stress Testing:

SFIL embraces stress- testing guidelines issued by the Bangladesh Bank. Stress-testing quantifies exposures to plausible, yet extreme and unusual market movements and enables us to identify, understand and manage our potential vulnerabilities and risk concentrations. SFIL deploys regular stress-tests to calculate credit exposures, including potential concentrations that would result from applying shocks to credit risk factors (interest rates and equity prices for instance). These shocks include a wide range of moderate and extreme market movements. Stress tests are regularly conducted jointly with the firm's market and liquidity risk functions and are reported quarterly to the Bangladesh Bank. The suggested recommendations from the test are in implementation and are modified and monitored regularly and thoroughly.

Risk Mitigation Methodology:

SEIL employs various credit risk mitigation techniques to organize credit exposure and reduce losses. These techniques are used consistently and reviewed periodically to meet operational management risk associated with their legal, practical and timely enforcement. A key focus of SFIL credit risk management approach is to avoid undue concentrations in the credit portfolio whether in terms of counter-party, groups, sectors or products. The Company's portfolio management supports a comprehensive assessment of concentrations within its credit risk portfolio for provision of subsequent risk-mitigating actions and diversification across geographical boundaries, sectors, borrower groups and products. The analysis is also used to determine strategies for both portfolio and individual counterparties within the portfolio based on their risk/ reward profile and potential. The usage and approach to credit risk mitigation varies by product type, customer and business strategy. Mitigation techniques used include.

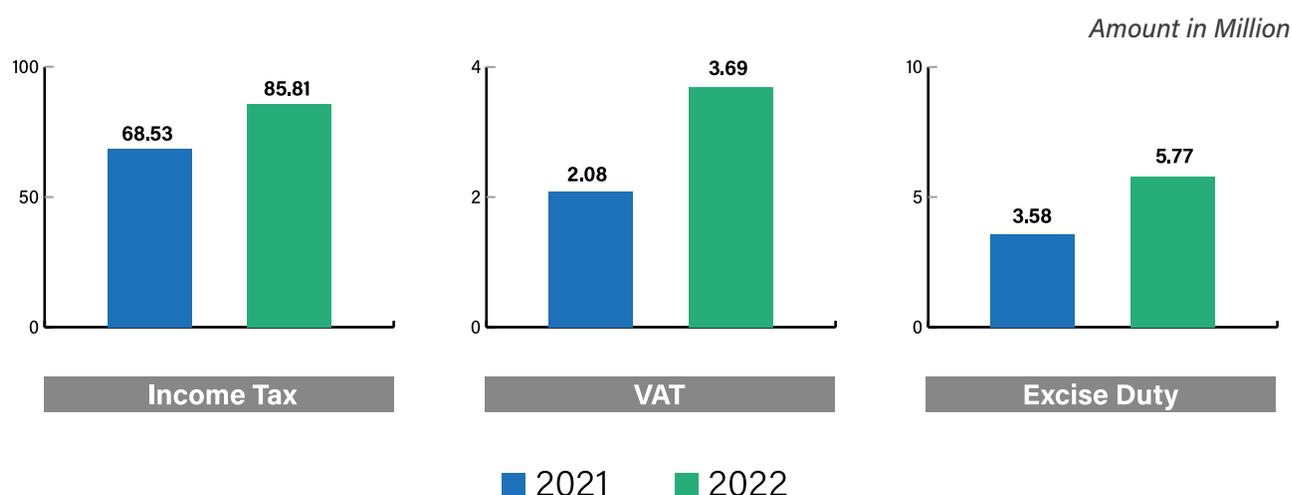


STATEMENT OF CONTRIBUTION TO GOVERNMENT EXCHEQUER

For the year ended 31 December 2022

Government is considered as one of the most important stakeholders which play a critical role in the economic development of the country. Being a legitimate and ethical company, Strategic Finance & Investments Limited contributes to the Government Exchequer when the necessary amounts fall due. For the year 2022, Strategic Finance & Investments Limited made a handsome contribution to Government Exchequer of an amount equal to BDT 95.26 million, composed of income tax, withholding tax, VAT, withholding VAT and excise duty. This is in comparison to BDT 74.19 million in 2021, reflecting its fair and consistent commitment towards national contribution.

Forms of Contribution	2022	2021
Income Tax	85,805,769	68,529,769
Salary	4,520,159	4,002,972
Interest on savings deposit	37,115,411	20,795,549
Payment of Supplier	1,314,847	718,165
Advance Corporate Tax	42,855,352	43,013,082
VAT	3,689,663	2,082,364
Processing, Documentation Fee etc.	321,624	240,488
Procurement of goods and services	3,368,039	1,841,876
Excise Duty	5,774,550	3,584,500
Collection of excise duty from clients	2,812,900	1,201,500
Excise duty deducted by bank	2,961,650	2,383,000
Total Paid to Government Exchequer	95,269,982	74,196,633



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
STRATEGIC FINANCE & INVESTMENTS LIMITED**

Howladar Yunus & Co.
House - 14 (Level 4 & 5)
Road - 16A, Gulshan - 1
Dhaka - 1212
Bangladesh
T: +880 2 58815247**Opinion**

We have audited the accompanying consolidated financial statements of Strategic Finance & Investments Limited and its Subsidiary (the "Group") as well as the separate financial statements of Strategic Finance & Investments Limited (the "Company") which comprise the Consolidated and Separate Balance Sheet as at 31 December 2022 and Consolidated and Separate Profit or Loss Account, Consolidated and Separate Statement of Changes in Equity and Consolidated and Separate Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 39 to the Consolidated and Separate Financial Statements.

In our opinion, the accompanying Consolidated Financial Statements of the Group and Separate Financial Statements of the Company present fairly, in all material respects, the financial position of the Group and Company as at December 31, 2022 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

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 Securities and Exchange Commission (BSEC) 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.

Other Information

Management is responsible for the other information. Our opinion on the financial statements does not cover 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended on 31 December 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context. All key audit matters are applicable to both the Group and the Company.

Chartered Accountants

Member firm of Grant Thornton International Ltd.

Grant Thornton International Ltd (GTIL) and the member firms are not worldwide partnership. GTIL and member firm is a separate legal entity. Services are delivered independently by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and not liable for one another's acts or omissions.

Risk	Our response to the risk
1. Measurement of Lease, Loans, and advances	
<p>A high volume of loan origination and payment activity results in the risk of inaccurate recording, processing errors or fraudulent transactions, which requires special audit consideration because of the likelihood and potential magnitude of misstatements to the completeness, existence and accuracy of loans and advances.</p> <p>At year end the Company reported total loan of Taka 1,221,363,067 (2021: Taka 1,010,497,578) and provision for loans of Taka 12,707,905 (2021: Taka 11,661,770).</p> <p>We have focused on the measurement of the provision, which is dependent on the valuation of securities available and could give rise to material misstatement or management bias.</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement and documentation process of loans and advances.</p> <p>We have performed procedure to check whether the company has ensured appropriate documentation as per Bangladesh Bank regulations and the Company's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances are recorded completely and accurately and that are existed at the reporting date.</p> <p>Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.</p>
See note # 7.00 & 12.04 to the financial statements	
2. Measurement of deferred tax liabilities	
<p>The company reports net deferred tax liabilities amounting Taka 1,306,225 as at 31 December 2022.</p> <p>Significant judgement is required in relation to deferred tax liabilities as their adjust ability 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, we assessed the appropriateness and presentation of disclosure against IAS 12 Income Tax.</p>
See note # 12.02 to the financial statements	
3. IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuing IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, as explained in note # 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities Exchange Commission Rules 1987, Financial Institutions Act 1993 and other rules and regulations as issued by Bangladesh Bank from time to time, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

- c) The consolidated and separate balance sheet and profit and loss account together with the annexed notes dealt with by the report is 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 Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- 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 branch 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 900 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 'First Schedule' of the Financial Institutions Act, 1993 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.

Howladar Yunus & Co.

Chartered Accountants

Firm Registration No: N/A

**Farhana Sultana FCA**

Enrolment No: 1619

Dated: 06 APR 2023

Dhaka

DVC No: 2304061619AS809126

Strategic Finance & Investments Limited and its Subsidiary

Consolidated Balance Sheet

As at 31 December 2022

Particulars	Notes	Amount in BDT	
		31-Dec-2022	31-Dec-2021
PROPERTY AND ASSETS			
Cash	3	32,744,509	34,463,788
In hand (including foreign currencies)	3.01	130,000	100,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	3.02	32,614,509	34,363,788
Balance with other Banks and Financial Institutions	4	2,840,458,989	3,590,276,936
Inside Bangladesh		2,840,458,989	3,590,276,936
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	1,478,620,279	1,158,009,610
Government securities		-	-
Others investments		1,478,620,279	1,158,009,610
Leases, Loans and Advances	7	1,221,363,067	1,010,497,578
Loans, cash credit, overdraft and leases etc.		1,221,363,067	1,010,497,578
Bills purchased and discounted		-	-
Fixed Assets including Land, Building, Furniture & Fixtures	8	66,739,116	58,857,414
Other assets	9	248,436,620	229,302,704
Non-business assets		-	-
TOTAL PROPERTY AND ASSETS		5,888,362,580	6,081,408,029
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	10	47,273,343	4,583,307
Deposits & other Accounts	11	4,573,444,887	4,820,343,303
Current deposits and other accounts etc.		-	-
Bills payable		-	-
Saving bank deposit		-	-
Term deposits	11.01	4,571,918,295	4,820,116,031
Bearer certificate of deposits		-	-
Other deposits	11.02	1,526,592	227,272
Other Liabilities	12	152,479,127	162,836,988
Total Liabilities		4,773,197,357	4,987,763,598
Capital/Shareholders' Equity			
Paid up Capital	13	1,025,000,000	1,000,000,000
Statutory Reserves	14	25,307,562	18,498,661
Other Reserves	15	-	-
Capital Reserve		114,809	-
Retained Earnings	16	64,740,163	75,142,739
Total Equity attributable to Equity holders of the company		1,115,162,534	1,093,641,400
Non-controlling Interest		2,690	3,031
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,888,362,580	6,081,408,029

Strategic Finance & Investments Limited and its Subsidiary

Consolidated Balance Sheet

As at 31 December 2022

Particulars	Notes	Amount in BDT	
		31-Dec-2022	31-Dec-2021
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		-	-
Letter of guarantee		-	-
Irrevocable letters of credit		-	-
Bill 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		-	-
Undisbursed contracted loans and leases		-	61,000,000
		-	61,000,000
Total Off-Balance Sheet Items including Contingent Liabilities		-	61,000,000
Net Asset Value (NAV) per share	35	10.88	10.67

The annexed notes form an integral part of these financial statements.



Chairman



Director



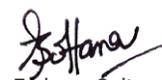
Managing Director & CEO



Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 06 APR 2023
DVC: 2304061619AS809126


Farhana Sultana FCA
Enrolment No. 1619
Howladar Yunus & Co.
Chartered Accountants

Strategic Finance & Investments Limited and its Subsidiary

Consolidated Profit and Loss Account

For the year ended 31 December 2022

Particulars	Notes	Amount in BDT	
		31-Dec-2022	31-Dec-2021
Interest income	17	412,998,384	392,163,024
Interest on deposits and borrowings etc.	18	370,117,661	335,056,839
Net interest income		42,880,724	57,106,185
Income from investment	19	112,168,568	135,412,631
Commission, Exchange and Brokerage Income	20	578,549	-
Other operating income	21	1,851,823	15,812,708
Total Operating Income		157,479,663	208,331,524
Salary and allowances	22	59,561,910	38,276,424
Rent, taxes, insurance, electricity etc.	23	1,688,928	1,389,219
Legal and professional fees	24	1,424,745	2,074,514
Postage, stamp, telecommunication etc.	25	670,957	194,512
Stationery, printing, advertisement etc.	26	1,751,234	1,489,167
Managing director's salary and allowance	27	10,554,000	10,344,000
Directors' fees	28	87,214	118,294
Auditors' fees	29	247,250	247,250
Charges on loan losses		-	-
Depreciation and repair of Company's assets	30	11,548,946	8,582,647
Other expenses	31	19,774,295	13,345,182
Total Operating Expenses		107,309,480	76,061,209
Profit before provision		50,170,184	132,270,315
Provisions for lease, loans & investments	32	2,944,404	11,168,309
Provision for lease, loan and advances		1,046,135	7,772,079
Provision for diminution in value of investments		2,508,269	2,786,230
Other provisions		(610,000)	610,000
Profit before tax and reserve		47,225,780	121,102,006
Provision for taxation	33	25,744,212	46,991,143
Current tax expense/ (income)		25,448,331	47,136,720
Deferred tax expense/ (income)		295,881	(145,578)
Net Profit/(Loss) after taxation		21,481,568	74,110,863
Attributable to:			
Shareholders of the Company		21,481,911	74,110,832
Non-controlling interest		(343)	31
		21,481,568	74,110,863
Appropriations:			
Statutory reserve		6,808,900	14,592,548
Retained earnings		14,672,668	59,518,316
Dividend		-	-
		21,481,568	74,110,863
Earnings Per Share (EPS)	34	0.21	0.72

The annexed notes form an integral part of these financial statements.



Chairman



Director



Managing Director & CEO



Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka

Dated: 06 APR 2023

DVC: 2304061619AS809126



Farhana Sultana FCA

Enrolment No. 1619

Howladar Yunus & Co.

Chartered Accountants

Strategic Finance & Investments Limited and its Subsidiary

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

Amount in BDT

Particulars	Attributable to equity holders of the company						Non-controlling interest	Total Equity
	Share Capital	Statutory Reserves	Other reserves	Capital Reserve	Retained Earnings	Total		
Balance as on January 1, 2022	1,000,000,000	18,498,661	-	-	75,142,739	1,093,641,400	3,031	1,093,644,431
Issue of share capital during the year	-	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	39,223	39,223	1	39,224
Net Profit / (Loss) for the year	-	-	-	-	21,481,911	21,481,911	(343)	21,481,568
Appropriation to statutory reserve	-	6,808,900	-	-	(6,808,900)	-	-	-
Transfer to capital reserve	-	-	-	114,809	(114,809)	-	-	-
2.50% Stock Dividend	25,000,000	-	-	-	(25,000,000)	-	-	-
Foreign Currency Gain / (Loss) for the year	-	-	-	-	-	-	-	-
Balance as on December 31, 2022	1,025,000,000	25,307,562	-	114,809	64,740,163	1,115,162,534	2,690	1,115,165,224

For the year ended 31 December 2021

Amount in BDT

Particulars	Attributable to equity holders of the company						Non-controlling interest	Total Equity
	Share Capital	Statutory Reserves	Other reserves	Capital Reserve	Retained Earnings	Total		
Balance as on January 1, 2021	1,000,000,000	3,906,114	7,388,000	-	15,624,454	1,026,918,568	-	1,026,918,568
Issue of share capital during the year	-	-	-	-	-	-	3,000	3,000
Net Profit / (Loss) for the year	-	-	-	-	74,110,832	74,110,832	31	74,110,863
Appropriation to statutory reserve	-	14,592,548	-	-	(14,592,548)	-	-	-
Dividend	-	-	-	-	-	-	-	-
Foreign Currency Gain / (Loss) for the year	-	-	(7,388,000)	-	-	(7,388,000)	-	(7,388,000)
Balance as on December 31, 2021	1,000,000,000	18,498,661	-	-	75,142,739	1,093,641,400	3,031	1,093,644,431


Chairman


Director


Managing Director & CEO


Company Secretary

Place: Dhaka

Dated: 06 APR 2023

Signed in terms of our separate report of even date annexed.

Strategic Finance & Investments Limited and its Subsidiary

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

Particulars	Amount in BDT	
	31-Dec-2022	31-Dec-2021
A) Cash flows from operating activities		
Interest received	369,485,879	360,476,256
Interest paid	(373,403,541)	(309,776,897)
Fees and commission received	1,843,193	1,341,594
Received from other operating activities	8,630	7,083,113
Income from investment	110,273,529	133,122,403
Dividend received	1,647,489	1,004,364
Cash paid to employees (including directors)	(68,479,127)	(48,738,717)
Cash paid to suppliers & Others (including office rent)	671,802	(1,782,382)
Income taxes paid	(43,128,949)	(43,544,329)
Paid for other operating activities	(19,774,295)	(13,185,754)
Cash generated from operating activities before changes in operating assets and liabilities	(20,855,390)	85,999,652
Increase/ (decrease) in operating assets & liabilities		
Leases, Loans and advances to customers	(210,865,489)	(699,053,985)
Other assets	23,848,399	(98,333,983)
Deposits from customers	(246,898,416)	1,366,677,428
Other liabilities	76,641	88,549
	(433,838,865)	569,378,009
Net Cash from Operating Activities	(454,694,255)	655,377,661
B) Cash flows from investing activities		
Changes in investment in securities	(320,610,669)	(108,015,357)
Purchase of property, plant and equipment	(18,922,337)	(11,428,966)
Investment in Stock Exchange	-	(80,000,000)
Net Cash used in Investing Activities	(339,533,007)	(199,444,323)
C) Cash flows from financing activities		
Drawdown of Term Loan, OD and REPO	42,690,036	(987,584)
Issuance of ordinary share by SFILSL	-	110,000,000
Net Cash used in Financing Activities	42,690,036	109,012,416
D) Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(751,537,226)	564,945,754
E) Opening cash and cash-equivalents	3,624,740,724	3,059,794,970
F) Closing cash and cash-equivalents (D+E)*	2,873,203,498	3,624,740,724
* Closing cash and cash-equivalents		
Cash in hand	130,000	100,000
Balance with Bangladesh Bank and its agent bank(s)	32,614,509	34,363,788
Balance with other Banks and Financial Institutions	2,840,458,989	3,590,276,936
	2,873,203,498	3,624,740,724



Chairman



Director



Managing Director & CEO



Company Secretary

Place: Dhaka

Dated: 06 APR 2023

Strategic Finance & Investments Limited

Balance Sheet

As at 31 December 2022

Particulars	Notes	Amount in BDT	
		31-Dec-2022	31-Dec-2021
PROPERTY AND ASSETS			
Cash	3	32,714,509	34,463,788
In hand (including foreign currencies)	3.01	100,000	100,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	3.02	32,614,509	34,363,788
Balance with other Banks and Financial Institutions	4	2,835,139,096	3,559,027,420
Inside Bangladesh		2,835,139,096	3,559,027,420
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	1,468,028,162	1,158,009,610
Government securities		-	-
Others investments		1,468,028,162	1,158,009,610
Leases, loans and advances	7	1,221,363,067	1,010,497,578
Loans, cash credit, overdraft and leases etc.		1,221,363,067	1,010,497,578
Bills purchased and discounted		-	-
Fixed Assets including Land, Building, Furniture & Fixtures	8	41,091,813	37,746,060
Other assets	9	297,456,162	278,505,404
Non-business assets		-	-
TOTAL PROPERTY AND ASSETS		5,895,792,808	6,078,249,859
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	47,273,343	4,583,307
Deposits & other accounts	11	4,573,444,887	4,820,343,303
Current deposits and other accounts etc.		-	-
Bills payable		-	-
Saving bank deposit		-	-
Term deposits	11.01	4,571,918,295	4,820,116,031
Bearer certificate of deposits		-	-
Other deposits	11.02	1,526,592	227,272
Other liabilities	12	148,536,771	160,829,943
Total liabilities		4,769,255,000	4,985,756,553
Capital/Shareholders' Equity		1,126,537,808	1,092,493,306
Paid up Capital	13	1,025,000,000	1,000,000,000
Statutory reserves	14	25,307,562	18,498,661
Other Reserves	15	-	-
Retained earnings	16	76,230,246	73,994,645
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,895,792,808	6,078,249,859

Strategic Finance & Investments Limited

Balance Sheet

As at 31 December 2022

Particulars	Notes	Amount in BDT	
		31-Dec-2022	31-Dec-2021
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities		-	-
Acceptances and endorsements		-	-
Letter of guarantee		-	-
Irrevocable letters of credit		-	-
Bill for collection		-	-
Other contingent liabilities		-	-
Other Commitments		-	61,000,000
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		-	-
Undisbursed contracted loans and leases		-	61,000,000
Total Off-Balance Sheet Items including Contingent Liabilities		-	61,000,000
Net Asset Value (NAV) per share	35	10.99	10.66

The annexed notes form an integral part of these financial statements.



Chairman



Director



Managing Director & CEO



Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka

Dated: 06 APR 2023

DVC: 2304061619AS809126



Farhana Sultana FCA
Enrolment No. 1619
Howladar Yunus & Co.
Chartered Accountants

Strategic Finance & Investments Limited

Profit and Loss Account

For the year ended 31 December 2022

Particulars	Notes	Amount in BDT	
		31-Dec-2022	31-Dec-2021
Interest income	17	411,642,573	389,722,644
Interest on deposits and borrowings etc.	18	369,991,411	335,039,394
Net interest income		41,651,162	54,683,250
Income from investment	19	112,163,268	135,412,631
Commission, Exchange and Brokerage Income	20	-	-
Other operating income	21	1,843,193	15,812,708
Total Operating Income		155,657,622	205,908,589
Salary and allowances	22	52,537,397	38,236,424
Rent, taxes, insurance, electricity etc.	23	1,434,592	1,389,219
Legal and professional fees	24	1,383,278	2,074,514
Postage, stamp, telecommunication etc.	25	405,411	185,372
Stationery, printing, advertisement etc.	26	1,646,204	1,472,787
Managing director's salary and allowance	27	10,554,000	10,344,000
Directors' fees	28	87,214	118,294
Auditors' fees	29	166,750	207,000
Charges on loan losses		-	-
Depreciation and repair of Company's assets	30	10,076,968	8,517,273
Other expenses	31	14,978,892	12,811,128
Total Operating Expenses		93,270,705	75,356,012
Profit before provision		62,386,917	130,552,577
Provisions for lease, loans & investments	32	2,741,097	11,168,309
Provision for lease, loan and advances		1,046,135	7,772,079
Provision for diminution in value of investments		2,304,962	2,786,230
Other provisions		(610,000)	610,000
Profit before tax and reserve		59,645,820	119,384,268
Provision for taxation	33	25,601,318	46,421,530
Current tax expense/ (income)		25,359,016	46,586,720
Deferred tax expense/ (income)		242,302	(165,190)
Net Profit/(Loss) after taxation		34,044,502	72,962,738
Appropriations:			
Statutory reserve		6,808,900	14,592,548
Retained earnings		27,235,601	58,370,190
Dividend		-	-
		34,044,502	72,962,738
Earnings Per Share (EPS)	34	0.33	0.71

The annexed notes form an integral part of these financial statements.



Chairman



Director



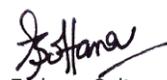
Managing Director & CEO



Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 06 APR 2023
DVC: 2304061619AS809126


Farhana Sultana FCA
Enrolment No. 1619
Howladar Yunus & Co.
Chartered Accountants

Strategic Finance & Investments Limited

Statement of Changes in Equity

For the year ended 31 December 2022

Particulars	Share Capital	Statutory Reserves	Other reserves	Retained Earnings	Amount in BDT	
					Total	Total
Balance as on January 1, 2022	1,000,000,000	18,498,661	-	73,994,645	1,092,493,306	1,092,493,306
Net Profit / (Loss) for the year	-	-	-	34,044,502	34,044,502	34,044,502
Issue of share capital during the year	-	-	-	-	-	-
Appropriation to statutory reserve	-	6,808,900	-	(6,808,900)	-	-
2.50% Stock Dividend	25,000,000	-	-	(25,000,000)	-	-
Balance as on December 31, 2022	1,025,000,000	25,307,562	-	76,230,246	1,126,537,808	1,126,537,808

For the year ended 31 December 2021

Particulars	Share Capital	Statutory Reserves	Other reserves	Retained Earnings	Amount in BDT	
					Total	Total
Balance as on January 1, 2021	1,000,000,000	3,906,114	7,388,000	15,624,454	11,026,918,568	11,026,918,568
Net Profit / (Loss) for the year	-	-	-	72,962,738	72,962,738	72,962,738
Appropriation to statutory reserve	-	14,592,548	-	(14,592,548)	-	-
Dividend	-	-	-	-	-	-
Foreign Currency Gain / (Loss) for the year	-	-	(7,388,000)	-	(7,388,000)	(7,388,000)
Balance as on December 31, 2021	1,000,000,000	18,498,661	-	73,994,645	1,092,493,306	1,092,493,306


Chairman


Director


Managing Director & CEO


Company Secretary

Place: Dhaka

Dated: 06 APR 2023

Strategic Finance & Investments Limited

Statement of Cash Flows

For the year ended 31 December 2022

Particulars	Amount in BDT	
	31-Dec-2022	31-Dec-2021
A) Cash flows from operating activities		
Interest received	368,130,068	358,035,876
Interest paid	(373,259,846)	(309,776,897)
Fees and commission received	1,843,193	1,341,594
Received from other operating activities	-	7,083,113
Income from investment	110,273,529	133,122,403
Dividend received	1,642,189	1,004,364
Cash paid to employees (including directors)	(61,454,614)	(48,698,717)
Cash paid to suppliers & Others (including office rent)	(227,099)	(1,767,406)
Income taxes paid	(42,855,862)	(43,178,272)
Paid for other operating activities	(14,978,892)	(12,811,128)
Cash generated from operating activities before changes in operating assets and liabilities	(10,887,334)	84,354,931
Increase/ (decrease) in operating assets & liabilities		
Leases, Loans and advances to customers	(210,865,489)	(699,053,985)
Other assets	23,179,922	(97,938,779)
Deposits from customers	(246,898,416)	1,366,677,428
Other liabilities	76,641	88,549
	(434,507,342)	569,773,213
Net Cash from Operating Activities	(445,394,676)	654,128,144
B) Cash flows from investing activities		
Changes in investment in securities	(310,018,552)	(108,015,357)
Purchase of property, plant and equipment	(12,914,410)	(11,428,966)
Net Cash used in Investing Activities	(322,932,962)	(119,444,323)
C) Cash flows from financing activities		
Drawdown of Term Loan, OD and REPO	42,690,036	(987,584)
Issuance of ordinary share	-	-
Net Cash used in Financing Activities	42,690,036	(987,584)
D) Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(725,637,602)	533,696,237
E) Opening cash and cash-equivalents	3,593,491,207	3,059,794,970
F) Closing cash and cash-equivalents (D+E)*	2,867,853,605	3,593,491,207
* Closing cash and cash-equivalents		
Cash in hand	100,000	100,000
Balance with Bangladesh Bank and its agent bank(s)	32,614,509	34,363,788
Balance with other Banks and Financial Institutions	2,835,139,096	3,559,027,420
	2,867,853,605	3,593,491,207



Chairman



Director



Managing Director & CEO



Company Secretary

Place: Dhaka

Dated: 06 APR 2023

Strategic Finance & Investments Limited

Liquidity Statement

For the year ended 31 December 2022

Amount in BDT

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	above 5-years term	Total
Assets						
Cash in hand (including foreign currencies)	100,000	-	-	-	-	100,000
Balance with Bangladesh Bank and its agent (including foreign currencies)	-	-	-	-	32,614,509	32,614,509
Balance with banks and financial institutions	484,363,184	1,160,475,912	1,090,300,000	100,000,000	-	2,835,139,096
Money at call and short notice	-	-	-	-	-	-
Investments	-	-	493,028,162	525,000,000	450,000,000	1,468,028,162
Lease, Loans and advances	53,125,572	62,080,462	152,097,380	747,447,670	206,611,983	1,221,363,067
Fixed assets including land, building, furniture and fixtures	957,396	1,914,792	8,616,566	28,991,305	611,753	41,091,813
Other assets	12,001,907	10,941,727	157,410,851	7,604,167	109,497,511	297,456,162
Non-banking assets	-	-	-	-	-	-
Total Assets	550,548,059	1,235,412,893	1,901,452,959	1,409,043,142	799,335,755	5,895,792,808
Liabilities						
Borrowing from other banks, financial institutions and agents	2,251,760	186,918	7,598,171	37,236,494	-	47,273,343
Deposits	572,404,108	1,702,299,193	1,283,820,840	1,013,364,659	29,494	4,571,918,295
Other accounts	-	-	-	1,526,592	-	1,526,592
Provision and other liabilities	22,427,783	25,185,794	70,537,780	28,235,288	2,150,125	148,536,771
Total Liabilities	597,083,651	1,727,671,906	1,361,956,792	1,080,363,034	2,179,619	4,769,255,000
Net Liquidity Surplus/(Gap)	(46,535,592)	(492,259,013)	539,496,167	328,680,108	797,156,136	1,126,537,808


Chairman


Director


Managing Director & CEO


Company Secretary

Place: Dhaka

Dated: 06 APR 2023

Strategic Finance & Investments Limited and its Subsidiary

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2022

1 Legal status and nature of the company

1.1 Domicile, legal form and country of operation

Strategic Finance and Investments Limited (hereinafter referred to as "SFIL" or "the Company"), is a full-service Bangladesh Bank licensed multi product financial institution, was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-160166/2020 dated 9 March 2020 as a Limited Company under the Companies Act, 1994 in the name of "Strategic Finance and Investments Limited". It started commercial operations after obtaining license from Bangladesh Bank under the Financial Institutions Act, 1993. The registered address of the company is situated at Rangs RL Square, Level: 3, Kha 201/1, 203, 205/1, 205/3, Bir Uttam Rafiqul Islam Avenue, Progoti Shoroni, Dhaka-1212, Bangladesh

Consequently the company has acquired the following Licenses and legal approvals:

Sl. No.	Name of License	Registration No.	Date of License	Renewed up to
1	Certificate of Incorporation	C-160166/2020	9-Mar-20	N/A
2	Certificate for Commencement of Business	92815	9-Mar-20	N/A
3	Bangladesh Bank License	DFIM(L)/41	19-Mar-20	N/A
4	Tax Identification Number (TIN)	225704900074	24-Aug-20	N/A
5	Value Added Tax Registration Certificate	003315458-0101	2-Nov-20	N/A

1.2 Company's activities

SFIL specializes in providing Long term and Short term Finance, Lease Finance, Term Finance, Loan Against Deposit, Personal Loan, Work Order Finance, Receivable Finance, Mortgage Finance, Equity Finance, Syndication Finance, CMSME Finance and Corporate advisory. The company offers attractive savings and deposits products to both institutions and individual clients.

1.3 Subsidiary Company

1.3.1 SFIL Securities Limited (SFILSL)

SFIL Securities Limited (hereinafter referred to as "SFILSL" or "the company") a wholly owned subsidiary company (99.99%) of Strategic Finance and Investments Limited, was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration # C-170009/2021 dated March 21, 2021 as a private limited company under the Companies Act, 1994. The Company is a Trading Right Entitlement Certificate (TREC) holder of both Dhaka Stock Exchange Limited (276) and Chittagong Stock Exchange Limited (154). The principal activities of SFIL Securities Limited are to act as a TREC holder of stock exchanges and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of company in shares, stocks and fixed income securities, etc.

1.4 Islamic Division

1.4.1 SFIL Islamic Finance Wing

SFIL got license from Department of Financial Institutions and Markets (DFIM), Bangladesh Bank as on December 22, 2022 (circular # DFIM(L)/1053/104/2022-3747) to open Islamic Shariah Based Wing. Islamic Finance Wing (IFW) is supervised by independent and experienced Shariah Supervisory Committee. SFIL Islamic Finance Wing offers Mudarabah Term Deposits, Mudaraba Hajj Savings Scheme, Hire Purchase Under Shirkatul Melkn and Bai-Murabaha. Islamic Wing maintains its books of account separately.

2 Basis for preparation and significant accounting policies

2.1 Statement of compliance

The financial statements of SFIL have been prepared on a going concern basis following accrual basis of accounting except for cash flows statement as per DFIM circular No # 11 dated 23 December 2009 issued by Department of Financial Institutions and Markets of Bangladesh Bank with reference to the provisions of Financial Institutions Act 1993 and Bangladesh Bank's other circulars and guidelines or directives and in accordance with International

Financial Reporting Standards (IFRSs), Financial Institutions Act 1993 and the Companies Act 1994.

In several cases, the laws, circulars, guidelines or directives of Bangladesh Bank differ from those of financial reporting standards as promulgated by International Accounting Standards Board (IASB) and as adopted by national standard setter, i.e., The Institute of Chartered Accountants of Bangladesh (ICAB), the requirements of Bangladesh Bank prevails and these financial statements have been prepared by departing from those requirements of IFRSs with a view to comply with the regulatory requirements .

The Company has consistently applied the accounting policies to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards have been considered.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed in detail in note - 2.3

However, these departures with IFRSs have been made by following all of the relevant provisions of IAS 1 and detail disclosures are given in note - 2.3 by following the provision of Para 20 of IAS 1 : Presentation of Financial Statements.

2.2 Presentation of financial statements

The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been excluded in preparing the financial statement.

2.3 Disclosure of departure from few requirements of IAS/IFRS due to mandatory compliance of Bangladesh Bank's requirements

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS-9 "Financial Instruments"	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, the entity shall measure the amount of the loss as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced either directly or through use of an allowance account.	As per DFIM Circular No. 04 dated July 26, 2021, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In Financial Statements, as at 31 December 2022, accumulated provision for leases, loans and advances stand at BDT 12.71 million.
2	Valuation of Investments in quoted and unquoted shares	IFRS-9 "Financial Instruments"	Investment in shares falls either under "at fair value through statement of comprehensive income" or under "available for sale" where any change in the fair value (as measured as per IFRS 13 "Fair Value") at the year-end is taken to statement of comprehensive income or revaluation reserve respectively.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year total market value of all shares are less than the cost price of all shares. As on December 31, 2022 there was BDT 5.29 million and BDT 5.09 million unrealised loss on consolidated and separate investment in marketable securities respectively.
3	Recognition of interest income for SMA and classified lease, loans and advances	IFRS-9 "Financial Instruments"	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per DFIM Circular No. 04 dated July 26, 2021, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	As at 31 December 2022, in Financial Statements interest suspense account was Nil.
4	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.	Financial Statements for 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
5	Measurement of deferred tax asset	IAS 12 "Income Taxes"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against the provision for leases, loans and advances.
6	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 "Presentation of Financial Statements" IFRS 9 "Financial Instruments" IFRS 7 "Financial Instruments: Disclosure"	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement. IAS 1 requires separate line item for intangible assets on the face of statement of financial position. IFRS 9 and IFRS 7 require specific presentation and disclosure relating to all financial instruments.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets. As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 have not been made in the accounts.	Financial Statements for 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
7	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2022 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8	Current/ Non-current distinction	IAS-1 "Presentation of Financial Statement"	As per Para 60 of IAS-1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities	Financial Statements for 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.
9	Off-balance sheet items	IAS 1 "Presentation of Financial Statements"	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (eg. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements for 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.

SL.	Nature of Departure	Title of IAS/IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
10	Impairment of Margin Loan (Loans and receivables)	IFRS-9 "Financial Instruments"	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan may be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this.
11	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1.10: "Presentation of Financial Statements" complete set of financial statements are i) a statement of financial position, ii) a statement of profit or loss and other comprehensive income, iii) a statement of changes in equity, iv) a statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) liquidity statement, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A and annexure-B as separate line item.	Financial Statements for 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13	Other comprehensive income	IAS 1 "Presentation of Financial Statements"	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements for 2022 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.
14	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account.	Financial Statements for 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

2.4 Components of the financial statements

The financial statements comprise of (As per DFIM Circular-11, Dated 23 December 2009) and as per the Para 1.10 of IAS-1: Presentation of Financial Statements:

- a) Consolidated and Separate Balance Sheet as at 31 December 2022;
- b) Consolidated and Separate Profit and Loss account for the year ended 31 December 2022;
- c) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2022;
- d) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2022;
- e) Liquidity Statement for the year ended 31 December 2022;
- f) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2022.

2.5 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standards (IASs)-37: "Provisions, Contingent Liabilities and Contingent Assets" when

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.7 Going concern

The Company has adequate resources to continue in operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statement. The current credit facilities and resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.8 Materiality and aggregation

Each material item as considered by management significant has been presented separately in 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.

2.9 Directors' responsibility statement

The Board of Directors are responsible for the preparation and presentation of these financial statements.

2.10 Statement of Cash flows

The statement of cash flows is prepared using the mixture of direct and indirect method as stipulated in International Accounting Standard (IAS) 7 "Cash Flow Statements", and in accordance with the instruction of Bangladesh Bank.

2.11 Books of account

The Company maintains its books of account for main business in Electronic Form through soft automation.

2.12 Branch accounting

The Company has one branch, with no overseas branches as on 31 December 2022. Accounts of the branch is maintained at the head office from which these accounts are drawn up.

2.13 Revenue recognition

Revenue is only recognised when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers"

- a) identify the contract(s) with a customers;
- b) identify the performance obligations in the contract;
- c) determine the transaction price;
- d) allocate the transaction price to the performance obligations in the contract;
- e) recognise revenue when (or as) the entity satisfies a performance obligation.

2.13.1 Interest income on leases, loans and advances

Interest income is recognized when interest is accrued. No interest on loan (except mortgage loan) is accounted for as revenue where any portion of capital or interest is in arrears for more than 2 months for the loan tenure of which is Short Term Finance within 1 years, interest is in arrears for more than 3 months for the loan tenure of which is within 5 years or in arrears for more than 6 months for the loan tenure of which is more than 5 years. In case of mortgage loan, no interest on loan is accounted for as revenue where any portion of capital or interest is in arrears for more than 9 months. Moreover, the amounts that were previously recognized as revenue in respect of such outstanding loans are also transferred from leases, loans and advances income to interest suspense account.

2.13.2 Fee based income

Fees on services rendered by the company are recognized as and when service are rendered.

2.13.3 Income from investment

Capital gain or loss on investment in shares

Capital gain or loss arising from the sale of investment in shares is accounted on monthly basis.

Dividend income

Dividend is recognized as income when the right to receive income is established.

Income from Coupon bearing Bond

Interest income on coupon bearing bond is recognised as revenue on an accrual basis.

2.14 Operating expenses

Major component of operating expenses other than salary and allowances are office rent, printing and stationery, postage and stamp, telecommunication, legal and professional fees and other miscellaneous expenses. All expenses are recognized on accrual basis of accounting.

2.14.1 Salary and allowances

Salary and allowances comprise basic salary, house rent, conveyance allowance, festival bonus, leave fare assistance etc. All expenses related to salary and allowances are recognized on accrual basis of accounting.

2.15 Recognition and measurement of fixed assets

2.15.1 Assets acquired under own finance

These are recognized initially at cost and subsequently at cost less accumulated depreciation in compliance with the IAS-16, "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any direct cost attributable to bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into use, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the assets, the expenditure is capitalized as an additional cost of the assets.

2.15.2 Depreciation on fixed assets

Depreciation on fixed assets is charged using straight-line method at the following rates starting from the date of acquisition of assets:

Name of Assets	Useful Life (Years)	Rate (%)
Furniture & Fixture	5	20.00%
Office Decoration	6	16.67%
Office Equipment	5	20.00%
IT Equipment	5	20.00%
Motor Vehicle	8	12.50%
Right of Use of Assets	Lease Term	-

Useful life of Motor Vehicle has been changed from 5 years to 8 years to comply with DFIM circular letter # 26, dated: December 21, 2022 and written down value and accumulated Depreciation have been changed accordingly.

Lease Term and Consideration modified for Right of Use of Assets and Lease Liability.

2.15.3 Intangible Assets

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

2.15.4 Amortization on Intangible Assets

Amortization is calculated using the straight line method to write down the cost of intangible assets to their residual values over their estimated useful lives based on the management best estimates of 2 or 5 years.

2.16 Other assets

Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity as per DFIM circular # 11 dated: December 23, 2009 and Provisions will be calculated as per DFIM circular # 10 dated: October 3, 2021.

2.17 Contingent asset and contingent liability

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

2.18 Liquidity statement

The Liquidity Statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the period as per following bases:

- Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their term.
- Investments are on the basis of their residual maturity term.
- Leases, loans and advances are on the basis of their repayment or maturity schedule.
- Fixed assets are on the basis of their useful lives.
- Other assets are on the basis of their adjustment.
- Borrowings from other banks and financial institutions as per their maturity or repayment term.
- Deposits and other accounts are on the basis of their maturity period and behavioral past trend.
- Other long term liability on the basis of their maturity term.
- Provisions and other liabilities are on the basis of their settlement.

2.19 Borrowing costs

Borrowing costs are recognized as expenses in the period in which they incur in accordance with IAS 23 "Borrowing cost".

2.20 Conversion of foreign currency transactions

Foreign currency transactions are translated into BDT at rates prevailing at the respective dates of transactions, while foreign currency monetary assets at the end of the year are reported at the rates prevailing on the balance sheet date.

2.21 Cash and cash equivalent

Cash and cash equivalents comprise cash in hand, bank balances and deposits that are readily convertible to a known amount of cash and that are not subject to significant risk of change in value.

2.22 Provision for leases, loans and advances

Generally, provision against classified leases, loans and advances is made on the basis of quarter end review by the management and instruction contained in DFIM Circular No. 04, dated 26 July 2021. However, at the discretion of management, provision against classified loans and advances may be made on monthly basis. The provisions rates are given below

Particulars	Rates
General Provision on:	
Unclassified of leases, loans and advances except SME	1%
Unclassified of Cottage, Micro, Small and Medium Enterprise(CMSME)	0.25%
Unclassified of Brokerage House, Merchant Bans and Stock Dealers	2%
Special Mention Account of leases, loans and advances	5%
Off-Balance Sheet Exposures	1%

2.23 Interest Suspense account

In compliance with DFIM Circular No. 04, dated 26 July 2021, interests on leases, loans and advances overdue beyond two months period (in case of loan duration is within 1 year), overdue beyond three months period (in case of loan duration is within 5 years) and overdue beyond six months period (in case of loan duration is more than 5 years) are not recognized as revenue and credited to interest suspense account. Interests on mortgage finance overdue beyond nine months period are not recognized as revenue and credited to interest suspense account.

2.24 Corporate Tax

a. Current tax

Provision for current income tax is normally made as prescribed in Finance Act 2022 on the profit made by the Company considering major taxable allowances and disallowances and the same is understated or overstated to that extent. Any shortfall or excess provision will be duly adjusted after final assessment. For the purpose of these financial statements, management has assumed that the existing tax rates will be applicable for income year 2022 as well, which are mentioned below:

Regular Business Tax Rate	Rates
Strategic Finance and Investments Limited - Financial Institution	40%
SFIL Securities Limited - Private Limited Company	27.5%

Other Business Tax Rate	Rates
Dividend Income	20%
Capital gain on sale of marketable securities	10%

b. Deferred tax

The Company accounts for deferred tax as per International Accounting Standards (IASs) 12: "Income Taxes". Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities

for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements.

The Company provides disclosures based on the classes of assets and liabilities related to the temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognized for all taxable temporary differences and it is probable that temporary differences will not reverse in the foreseeable future. Both the Deferred tax assets and liabilities are reviewed at each reporting date considering the probability of benefit or detriment realizable. Deferred tax assets and liabilities are not offset and are presented separately as per Bangladesh Bank directive.

2.25 Term deposits and other deposits accounts

2.25.1 Term Deposits

Term Deposits by customers and Banks/NBFI are recognized when the Company enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date, and initially measured at the consideration received.

2.26 Write-off

Write-off describes a reduction in recognised value. It refers to the recognition of the reduced or zero value of an asset. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The item's potential return is thus cancelled and removed from ("written-off") the Company's balance sheet.

Recovery against debts written off or provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities, properties or advances.

2.27 Provision for liabilities

A provision is recognized in profit and loss account when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.28 Statutory reserves

As per clause no 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of its profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserves is less than the paid up capital of that financial institution. Accordingly, 20% of current year's profit after tax has been transferred to Statutory Reserves Account.

2.29 Earnings per Share (EPS)

SFIL calculates EPS in accordance with the requirement of IAS – 33: "Earnings Per Share", which has been shown on the face of the profit and loss account (Note - 34).

2.30 Minority interest in subsidiaries

A minority interest, which is also referred to as noncontrolling interest (NCI) is ownership of less than 50% of a company's equity by an investor or another company. Minority interest shows on the balance sheet of companies with a majority interest in a company representing the proportion of its subsidiaries owned by minority shareholders. Also, minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

2.31 Capital reserve

As per Bangladesh Securities and Exchange Commission's (BSEC) notification no. BSEC/CMRRCD/2017-357/221/ Admin/89 dated May 22 2019, SFIL Securities Limited has maintained 10% provision on the last year's profit after tax as Capital Reserve and the full amount of such reserve shall be accounted for in computing total capital.

2.32 Events after the reporting period

Where necessary, all the material events after the reporting period have been considered and appropriate adjustments / disclosures have been made in the consolidated and separate financial statements.

2.33 Financial risk management

SFIL always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity, operations and anti-money laundering. In addition to the industry best practices for assessing, identifying and measuring risks, SFIL also considers guidelines for managing core risks of financial instructions issued by the Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005, DFIM Circular No. 07, dated 4 October 2012 for management of risks and more recently, DFIM Circular No. 03 dated January 24, 2016.

Credit Risk

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum exposure limit of sector or groups, policy for customers' assets maximum exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, adequate insurance coverage for funded assets, vigorous monitoring and follow up by Special Assets Management Team, strong follow up of compliance of credit policies by Internal Control and Compliance Department (ICCD), taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, etc.

The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CEC critically reviews projects from risk point of view. An independent Credit Risk Management Department is in place, at SFIL, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets.

Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and credit spreads will affect the income or the value of financial instruments.

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rates, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior.

SFIL objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation with overall cost effectiveness and innovation.

The Board of Directors has delegated responsibility for operational risk to Management Committee which is responsible for the development and implementation of controls to address operational risk.

SFIL has also established an internal control & compliance department (ICCD) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

Money Laundering and Terrorist Financing Risk

To mitigate the risks, SFIL, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), put in place a strict compliance program consisting of the following components:

- Development and implementation of internal policies, procedures and controls to identify and report instances of money laundering and terrorism financing;
- A dedicated structure and sub-structure within the organisation, headed by a Central Compliance Unit (CCU) for proactively managing AML and CFT compliance;
- Appointment of a Chief Anti Money Laundering Compliance Officer (CAMLCO) to lead AML/CFT efforts throughout the company;
- Independent audit functions including internal and external audit function to test the programs;
- Ongoing employee training programs.

2.34 General Notes

- These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- Figures of the year 2021 have been rearranged whenever considered necessary to ensure comparability with the current year.
- Figures in these notes and annexed financial statements have been rounded off to the nearest Taka / BDT.

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
3.00 Cash in hand				
Cash in hand (including foreign currencies) (Note-3.01)	100,000	100,000	130,000	100,000
Balance with Bangladesh Bank and its agent (including foreign currencies) (Note-3.02)	32,614,509	34,363,788	32,614,509	34,363,788
	32,714,509	34,463,788	32,744,509	34,463,788
3.01 Cash in hand (including foreign currencies)				
Local Currency	100,000	100,000	130,000	100,000
Foreign Currency	-	-	-	-
	100,000	100,000	130,000	100,000
3.02 Balance with Bangladesh Bank and its agent (including foreign currencies)				
Local Currency	32,614,509	34,363,788	32,614,509	34,363,788
Foreign Currency	-	-	-	-
	32,614,509	34,363,788	32,614,509	34,363,788

3.03 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with Financial Institution Act, 1993 & Financial Institution Regulations, 1994 and FID Circular No. 06, dated November 06, 2003, FID Circular No. 02, dated November 10, 2004. DFIM Circular No. 01, dated January 12, 2017, DFIM Circular No. 03, dated June 21, 2020, DFIM Circular No. 27, dated August 23, 2021.

Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank. Total Term Deposit means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposit, received from individuals and institutions (except Bank & financial Institutions).

Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on total liabilities, including CRR of 1.5% on total Term Deposit. SLR maintained in liquid assets in the form of cash in hand (notes & coin in Taka), balance with Bangladesh Bank and other banks and Financial Institutions, unencumbered treasury bill and treasury bond and any other assets approved by Government Circular issued by Gazette or Bangladesh Bank.

a) Cash Reserve Requirement (CRR)				
Required reserve	29,526,680	32,676,249	29,526,680	32,676,249
Actual reserve maintained	32,352,969	34,405,132	32,352,969	34,405,132
Surplus/(deficit)	2,826,290	1,728,883	2,826,290	1,728,883

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
b) Statutory Liquidity Reserve (SLR)				
Required reserve (including CRR)	107,516,533	115,596,577	107,516,533	115,596,577
Actual reserve maintained (including CRR)	2,837,840,524	3,139,615,084	2,837,840,524	3,139,615,084
Surplus/(deficit)	2,730,323,991	3,024,018,507	2,730,323,991	3,024,018,507
4.00 Balance with other Banks and Financial Institutions				
A. Inside of Bangladesh				
Local Currency (Note - 4.01)	2,835,139,096	3,559,027,420	2,840,458,989	3,590,276,936
Foreign Currency (Note - 4.02)	-	-	-	-
	2,835,139,096	3,559,027,420	2,840,458,989	3,590,276,936
4.01 Local Currency				
Interest bearing SND/HPA account (Note - 4.01.01)	54,360,152	36,017,420	59,680,045	67,266,936
Fixed Deposit Receipt account (Note - 4.01.02)	2,780,300,000	3,523,010,000	2,780,300,000	3,523,010,000
Mobile Financial Services - Nagad	3,032	-	3,032	-
EXIM Bank Limited - Mudaraba SND account	475,912	-	475,912	-
	2,835,139,096	3,559,027,420	2,840,458,989	3,590,276,936
4.01.01 Interest bearing SND/HPA account				
Padma Bank Limited	29,975,267	25,240,016	33,437,179	56,489,533
Eastern Bank Limited	90,181	93,913	90,181	93,913
The Premier Bank Limited	20,503,509	164,890	20,503,509	164,890
Standard Chartered Bank	3,729,450	10,514,492	3,729,450	10,514,492
NRB Bank Limited	61,745	4,109	61,745	4,109
IFIC Bank Limited	-	-	1,857,981	-
	54,360,152	36,017,420	59,680,045	67,266,936
4.01.02 Fixed Deposit Receipt account				
The Premier Bank Limited	1,150,300,000	1,933,010,000	1,150,300,000	1,933,010,000
Padma Bank Limited	1,630,000,000	1,590,000,000	1,630,000,000	1,590,000,000
	2,780,300,000	3,523,010,000	2,780,300,000	3,523,010,000
4.02 Foreign Currency				
Interest bearing short term foreign currency account				
Padma Bank Limited	-	-	-	-
4.03 Maturity grouping of balance with other banks and financial institutions				
Up to 1 month	484,363,184	886,017,420	487,250,464	917,266,936
Over 1 month but not more than 3 months	1,160,475,912	520,000,000	1,162,908,525	520,000,000
Over 3 months but not more than 6 months	990,300,000	220,000,000	990,300,000	220,000,000
Over 6 months but not more than 1 year	100,000,000	-	100,000,000	-
Over 1 year but not more than 5 years	100,000,000	1,933,010,000	100,000,000	1,933,010,000
Over 5 years	-	-	-	-
	2,835,139,096	3,559,027,420	2,840,458,989	3,590,276,936
5.00 Money at call and short notice	-	-	-	-
6.00 Investments				
Government Securities	-	-	-	-
Other Investments				
Investment in marketable securities (Note - 6.01)	258,028,162	58,009,610	268,620,279	58,009,610
Investment in bond-Strategic Finance Ltd.(Note-6.02)	1,210,000,000	1,100,000,000	1,210,000,000	1,100,000,000
	1,468,028,162	1,158,009,610	1,478,620,279	1,158,009,610
	1,468,028,162	1,158,009,610	1,478,620,279	1,158,009,610

SFIL		SFIL Group	
Amount in BDT		Amount in BDT	
31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021

6.01 Investment in marketable securities
Details of marketable securities are given below:

Business segments	SFIL		SFIL Group	
	Cost Price	Market Price	Cost Price	Market Price
Pharmaceuticals & Chemicals	31,690,471	32,567,368	31,690,471	32,567,368
Food & Allied	2,471,134	2,463,825	2,766,326	2,738,736
Fuel & Power	9,771,049	8,746,223	9,771,049	8,746,223
Telecommunication	2,513,436	2,353,175	2,513,436	2,353,175
Textile	2,586,966	2,560,800	2,586,966	2,560,800
Bank	208,867,105	203,827,079	218,833,934	213,625,079
Insurance	128,000	418,509	128,000	418,509
Corporate Bond	-	-	330,097	315,900
	258,028,162	252,936,979	268,620,279	263,325,790

6.02 Investment in bond - Strategic Finance Limited

As per Bangladesh Bank No Objection Letter (No.: DFIM(BS)1057/35/2020-2116, dated: November 29, 2020), Strategic Finance & Investments Limited invested BDT 100 Crore to Non-Convertible Redeemable Coupon Bearing Bond which is issued by Strategic Finance Limited and approved by Bangladesh Securities and Exchange Commission (BSEC) and Interest Income of BDT 10 Crore for the year 2021 and BDT 11 Crore for the year 2022 have been capitalized respectively.

7.00 Leases, loans and advances

Corporate Finance	205,730,030	56,311,172	205,730,030	56,311,172
Lease Finance	719,964,749	776,148,846	719,964,749	776,148,846
Loan Finance	925,694,779	832,460,017	925,694,779	832,460,017
Consumer Finance				
House Finance	186,612,303	54,643,784	186,612,303	54,643,784
Car Lease	38,604,751	10,121,207	38,604,751	10,121,207
Loan Against Deposit	2,069,349	835,255	2,069,349	835,255
Personal Loan	4,371,447	2,352,200	4,371,447	2,352,200
	231,657,850	67,952,446	231,657,850	67,952,446
SME Finance				
Lease Finance, SMALL	21,578,660	28,684,698	21,578,660	28,684,698
Loan Finance, SMALL	6,588,207	4,660,570	6,588,207	4,660,570
Lease Finance, MID	8,665,675	5,174,967	8,665,675	5,174,967
Loan Finance, MID	27,177,897	61,670,979	27,177,897	61,670,979
	64,010,438	100,191,214	64,010,438	100,191,214
Channel Finance				
Work Oder Financing	-	9,893,901	-	9,893,901
	-	9,893,901	-	9,893,901
	1,221,363,067	1,010,497,578	1,221,363,067	1,010,497,578
7.01 Maturity wise grouping				
On Demand	-	-	-	-
Not more than 3 months	115,206,034	119,828,070	115,206,034	119,828,070
More than 03 Months to 01 Year	152,097,380	170,225,047	152,097,380	170,225,047
More than 01 Year to 05 Years	747,447,670	644,076,278	747,447,670	644,076,278
More than 05 Years	206,611,983	76,368,184	206,611,983	76,368,184
	1,221,363,067	1,010,497,578	1,221,363,067	1,010,497,578
7.02 Classification wise leases, loans and advances/ investments				
Unclassified				
Standard	1,221,363,067	980,580,936	1,221,363,067	980,580,936
Special Mention Accounts (SMA)	-	29,916,642	-	29,916,642
	1,221,363,067	1,010,497,578	1,221,363,067	1,010,497,578

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Classified				
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Bad/loss	-	-	-	-
	-	-	-	-
	1,221,363,067	1,010,497,578	1,221,363,067	1,010,497,578
7.03 Leases, Loan and advances on the basis of significant concentration				
a) Leases, Loan and advances to the institutions in which Directors have interest	-	5,174,967	-	5,174,967
b) Leases, Loan and advances to Chief Executive and other senior executives	6,099,998	7,379,511	6,099,998	7,379,511
c) Leases, Loan and advances to customer groups:				
i) House finance	182,699,908	50,490,818	182,699,908	50,490,818
ii) Car Loan	36,606,889	7,492,587	36,606,889	7,492,587
iii) Personal loan	4,181,706	1,956,962	4,181,706	1,956,962
iv) Loan against deposits (LAD)	2,069,349	632,569	2,069,349	632,569
v) Small and medium enterprises	70,018,265	-	70,018,265	-
vi) Special program loan (BB refinancing scheme)	-	-	-	-
vii) Staff loan	-	-	-	-
viii) Industrial Leases, Loan & advances (Note-7.03(d))	919,686,952	937,370,165	919,686,952	937,370,165
ix) Other loans and advances	-	-	-	-
	1,221,363,067	1,010,497,578	1,221,363,067	1,010,497,578
d) Details of Industrial Leases, Loan and advances				
1) Trade and Commerce	-	71,564,880	-	71,564,880
2) Industries				
i) Garments and Knitwear	31,993,539	-	31,993,539	-
ii) Textile	197,831,170	212,924,863	197,831,170	212,924,863
iii) Jute and Jute -products	-	-	-	-
iv) Food Production and Processing industry	72,709,320	-	72,709,320	-
v) Plastic Industry	-	-	-	-
vi) Leather and Leather Goods	12,440,725	-	12,440,725	-
vii) Iron, Steel and Engineering	9,158,717	19,288,451	9,158,717	19,288,451
viii) Pharmaceuticals and Chemicals	-	-	-	-
ix) Cement and Allied Industry	-	-	-	-
x) Telecommunication and IT	-	-	-	-
xi) Paper, printing and Packaging	-	-	-	-
xii) Glass, Glassware and Ceramic Industry	-	-	-	-
xiii) Ship Manufacturing Industry	59,066,498	-	59,066,498	-
xiv) Electronics and Electrical Products	3,430,669	-	3,430,669	-
xv) Power, Gas, water and Sanitary Service	-	-	-	-
xvi) Transport and Aviation	-	-	-	-
3) Agriculture	3,603,072	4,402,014	3,603,072	4,402,014
4) House Finance	164,995,939	461,489,597	164,995,939	461,489,597
5) Others				
i) Loan to Subsidiaries Companies	-	-	-	-
ii) Others	364,457,303	167,700,359	364,457,303	167,700,359
	919,686,952	937,370,165	919,686,952	937,370,165
7.04 Leases, Loan and advances-geographical location wise				
Dhaka	1,221,363,067	1,010,497,578	1,221,363,067	1,010,497,578
	1,221,363,067	1,010,497,578	1,221,363,067	1,010,497,578
7.05 Particulars of Leases, Loan and advances				
i) Leases, Loan and advances considered good in respect of which the Bank/ FI is fully se-cured.	498,707,195	853,076,514	498,707,195	853,076,514
ii) Leases, Loan and advances considered good for which the Bank/FI holds no other secu-riety than the debtor's personal security.	138,289,621	-	138,289,621	-

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
iii) Leases, Loan and advances considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors.	576,086,441	141,732,675	576,086,441	141,732,675
iv) Loan adversely classified; for which no provision is created.	-	-	-	-
v) Leases, Loan and advances due by directors or officers of the Bank/ FI or any of them either jointly or separately with any other persons.	8,279,811	15,688,390	8,279,811	15,688,390
vi) Leases, Loan and advances due by companies and firms in which the directors of the Bank/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 year to directors and managers or officers of the Bank/ FI or any of them either severally or jointly with any other persons.	-	-	-	-
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank/ FI have interests as directors, partners or managing agents or, in case of private companies as members.	-	-	-	-
ix) Due from other Bank and Financial Institution companies	-	-	-	-
	1,221,363,067	1,010,497,578	1,221,363,067	1,010,497,578
x) Information in respect of classified Leases, Loan and advances:				
a) Classified loans, advances and leases for which interest/ profit not credited to income	-	-	-	-
b) Amount of provision kept against loans classified as bad/loss as at the Balance Sheet date	-	-	-	-
c) Amount of interest credited to the interest suspense account	-	-	-	-
xi) Cumulative amount of written off Leases, Loan and advances:				
Opening Balance	-	-	-	-
Amount written off during the period	-	-	-	-
Amount received off during the year	-	-	-	-
Balance of written off loans and advances yet to be recovered	-	-	-	-
The amount of written off Leases, Loan and advances for which law suits have been filed	-	-	-	-
8.00 Fixed Assets including Land, Building, Furniture and Fixtures				
Freehold Assets (Note- 8.01)	14,012,276	17,220,247	17,810,966	17,220,247
Lease Hold Assets (Note- 8.02)	14,333,186	18,922,546	15,799,467	20,033,900
Intangible Assets (Note-8.03)	12,746,351	1,603,266	33,128,684	21,603,266
	41,091,813	37,746,060	66,739,116	58,857,414
Details are given in Annexure-A and Annexure-B				
8.01 Freehold assets				
A. Cost				
Opening Balance	21,044,301	11,235,666	21,044,301	11,235,666
Add : Addition during the year	900,785	9,808,635	5,432,903	9,808,635
	21,945,086	21,044,301	26,477,204	21,044,301
Less: Adjustment / Disposal during the year	-	-	-	-
	21,945,086	21,044,301	26,477,204	21,044,301

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
B. Accumulated depreciation				
Opening Balance	3,824,054	665,582	3,824,054	665,582
Add : Charged during the year	4,108,757	3,158,471	4,842,185	3,158,471
	7,932,810	3,824,054	8,666,238	3,824,054
Less: Adjustment / Disposal during the year	-	-	-	-
	7,932,810	3,824,054	8,666,238	3,824,054
C. Written down value (A-B)	14,012,276	17,220,247	17,810,966	17,220,247
8.02 Lease Hold Assets				
A. Cost				
Opening Balance	25,807,926	25,807,926	26,984,654	25,807,926
Add : Addition during the year	-	-	950,943	1,176,728
	25,807,926	25,807,926	27,935,597	26,984,654
Less: Adjustment / Disposal during the year	(7,532,961)	-	(7,532,961)	-
	18,274,965	25,807,926	20,402,636	26,984,654
B. Accumulated depreciation				
Opening Balance	6,885,380	1,723,795	6,950,754	1,723,795
Add : Charged during the year	5,024,648	5,161,585	5,620,664	5,226,959
	11,910,028	6,885,380	12,571,418	6,950,754
Less: Adjustment / Disposal during the year	(7,968,249)	-	(7,968,249)	-
	3,941,779	6,885,380	4,603,169	6,950,754
C. Written down value (A-B)	14,333,186	18,922,546	15,799,467	20,033,900
8.03 Intangible Assets				
A. Cost				
Opening Balance	1,620,330	-	21,620,330	-
Add : Addition during the year	16,812,768	1,620,330	17,337,634	21,620,330
	18,433,098	1,620,330	38,957,964	21,620,330
Less: Adjustment / Disposal during the year	(4,799,143)	-	(4,799,143)	-
	13,633,955	1,620,330	34,158,821	21,620,330
B. Accumulated depreciation				
Opening Balance	17,064	-	17,064	-
Add : Charged during the year	870,540	17,064	1,013,073	17,064
	887,604	17,064	1,030,138	17,064
Less: Adjustment / Disposal during the year	-	-	-	-
	887,604	17,064	1,030,138	17,064
C. Written down value (A-B)	12,746,351	1,603,266	33,128,684	21,603,266
9.00 Other assets				
Non income generating assets				
Advances, Deposits and prepayments (Note-9.01)	44,760,598	69,288,572	105,773,400	130,082,871
Income generating assets				
Interest and other receivables (Note-9.02)	142,645,030	99,132,525	142,645,030	99,132,525
Receivable with Brokerage House	53,534	87,307	18,190	87,307
Investment in Subsidiary Company - SFILSL	109,997,000	109,997,000	-	-
	297,456,162	278,505,404	248,436,620	229,302,704
9.01 Advances, Deposits and Prepayments				
Advance Income Tax (Note-9.01.01)	42,855,862	44,890,143	43,455,782	45,256,199
Advance to Supplier & Others	320,199	1,035,000	320,199	1,373,242
Security Deposit for Office Rent	-	-	180,000	90,000
Advance for IPO Investment	-	22,037,500	-	22,037,500

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Prepayment for Stamp Expense	51,123	40,066	51,123	40,066
Receivable from Broker (Dealer Account)	-	-	7,882	-
Dividend Receivable	1,533,414	1,285,864	1,533,414	1,285,864
Security Deposit with Stock Exchange & others (Note-9.01.02)	-	-	60,225,000	60,000,000
	44,760,598	69,288,572	105,773,400	130,082,871
9.01.01 Advance Income Tax				
The amount of advance income tax are (a) Payment made through payment order under section 64 of the Income Tax Ordinance 1984 and (b) Tax deduction at source (TDS). TDS mainly deduction of tax at sources (i) By FI on income arisen from deposits (TDR) (ii) Against interest income on bank balances (iii) from Dividend income and (iv) Tax deduction at source (TDS) made through payment order under section 52K and 68B of the Income Tax Ordinance 1984.				
9.01.02 Security Deposit with Stock Exchange & others				
Security Deposit - DSE	-	-	30,000,000	30,000,000
Security Deposit - CSE	-	-	30,000,000	30,000,000
Security Deposit - CDBL	-	-	200,000	-
Clearing House Deposit - CSE	-	-	25,000	-
	-	-	60,225,000	60,000,000
9.02 Interest and other receivables				
Interest receivables-Fixed Deposit	139,769,298	96,666,412	139,769,298	96,666,412
Interest receivables- SND & HPA account	186,843	21,669	186,843	21,669
Interest receivables-Non-Convertible Bond	2,688,889	2,444,444	2,688,889	2,444,444
	142,645,030	99,132,525	142,645,030	99,132,525
10.00 Borrowings from other banks, financial institutions and agents				
Inside Bangladesh (Note-10.01)	47,273,343	4,583,307	47,273,343	4,583,307
Outside Bangladesh	-	-	-	-
	47,273,343	4,583,307	47,273,343	4,583,307
10.01 Inside Bangladesh				
Unsecured Lease Liability				
Vehicle Lease - IDLC Finance Limited	3,478,772	4,583,307	3,478,772	4,583,307
	3,478,772	4,583,307	3,478,772	4,583,307
Unsecured Short Term Loan				
Overdraft - NRB Bank Limited	14,997	-	14,997	-
	14,997	-	14,997	-
Secured Long Term Loan				
NRB Bank Limited	43,779,574	-	43,779,574	-
	43,779,574	-	43,779,574	-
Total Borrowings	47,273,343	4,583,307	47,273,343	4,583,307
10.02 Maturity grouping of borrowings from other banks, financial institutions & agents				
Payable on demand	-	88,309	-	88,309
Up to 1 month	2,251,760	178,610	2,251,760	178,610
Over 1 month but within 3 months	186,918	272,970	186,918	272,970
Over 3 months but within 1 year	7,598,171	564,645	7,598,171	564,645
Over 1 year but within 5 years	37,236,494	3,478,772	37,236,494	3,478,772
Over 5 years	-	-	-	-
	47,273,343	4,583,307	47,273,343	4,583,307
11.00 Deposits and other accounts				
Term deposits (Note-11.01)	4,571,918,295	4,820,116,031	4,571,918,295	4,820,116,031
Other deposits (Note-11.02)	1,526,592	227,272	1,526,592	227,272
	4,573,444,887	4,820,343,303	4,573,444,887	4,820,343,303

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
11.01 Term deposits				
Regular Term Deposit (Note-11.01.01)	1,878,702,764	1,789,202,373	1,878,702,764	1,789,202,373
Regular Day Wise Deposit (Note-11.01.02)	1,646,895,378	1,572,058,778	1,646,895,378	1,572,058,778
Monthly Saving Scheme - Individual	4,256,354	1,670,615	4,256,354	1,670,615
Millionaire Deposit Scheme - Individual	3,213,541	1,084,266	3,213,541	1,084,266
Insured Millionaire Scheme - Individual	50,258	-	50,258	-
Monthly Earner Deposit (Note-11.01.03)	31,800,000	1,000,000	31,800,000	1,000,000
Quarterly Earner Deposit (Note-11.01.04)	1,007,000,000	1,455,100,000	1,007,000,000	1,455,100,000
	4,571,918,295	4,820,116,031	4,571,918,295	4,820,116,031
11.01.01 Regular Term Deposit				
Regular Term Deposit - Corporate	1,368,905,978	1,674,638,079	1,368,905,978	1,674,638,079
Regular Term Deposit - Individual	509,796,785	114,564,294	509,796,785	114,564,294
	1,878,702,764	1,789,202,373	1,878,702,764	1,789,202,373
11.01.02 Regular Day Wise Deposit				
Regular Day Wise Deposit - Bank & NBF	1,590,000,000	1,150,000,000	1,590,000,000	1,150,000,000
Regular Day Wise Deposit - Corporate	2,154,804	383,566,797	2,154,804	383,566,797
Regular Day Wise Deposit - Individual	54,740,575	38,491,981	54,740,575	38,491,981
	1,646,895,378	1,572,058,778	1,646,895,378	1,572,058,778
11.01.03 Monthly Earner Deposit				
Monthly Earner Deposit - Corporate	11,700,000	-	11,700,000	-
Monthly Earner Deposit - Individual	20,100,000	1,000,000	20,100,000	1,000,000
	31,800,000	1,000,000	31,800,000	1,000,000
11.01.04 Quarterly Earner Deposit				
Quarterly Earner Deposit - Bank & NBF	1,000,000,000	1,450,000,000	1,000,000,000	1,450,000,000
Quarterly Earner Deposit - Individual	7,000,000	5,100,000	7,000,000	5,100,000
	1,007,000,000	1,455,100,000	1,007,000,000	1,455,100,000
11.01.05 Group-wise break -up of term deposits				
Government	-	-	-	-
Bank	2,590,000,000	2,600,000,000	2,590,000,000	2,600,000,000
Insurance	20,552,000	13,097,875	20,552,000	13,097,875
Other institutions	1,362,208,782	2,045,107,001	1,362,208,782	2,045,107,001
Individuals	599,157,513	161,911,155	599,157,513	161,911,155
	4,571,918,295	4,820,116,031	4,571,918,295	4,820,116,031
11.01.06 Maturity analysis of Term deposits				
Payable on demand	-	-	-	-
Up to 1 month	572,404,108	712,056,713	572,404,108	712,056,713
Over 1 month but within 6 months	1,822,215,585	1,502,791,747	1,822,215,585	1,502,791,747
Over 6 months but within 1 year	1,163,904,449	1,595,312,690	1,163,904,449	1,595,312,690
Over 1 year but within 5 years	1,013,364,659	1,009,954,881	1,013,364,659	1,009,954,881
Over 5 years but within 10 years	29,494	-	29,494	-
Over 10 years	-	-	-	-
	4,571,918,295	4,820,116,031	4,571,918,295	4,820,116,031
11.02 Other deposits				
Non-Interest Bearing Security Deposit	1,526,592	227,272	1,526,592	227,272
	1,526,592	227,272	1,526,592	227,272
12.00 Other liabilities				
Withholding Tax payable	9,994,341	3,201,813	10,045,440	3,211,876
Withholding VAT payable	263,029	1,435,102	277,127	1,459,480
Excise Duty	2,762,650	709,150	2,762,650	709,150
Interest payable- (Note - 12.01)	60,623,154	63,891,589	60,623,154	63,909,034

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Audit fee payable	132,250	115,000	212,750	155,250
Payable for CIB Fee	26,490	20,835	26,490	20,835
Payable for Client's Legal Fees	647,714	144,555	647,714	144,555
Payable for Stamp Charge	35,332	-	35,332	-
Payable to suppliers and others	6,012,381	4,228,006	7,387,407	4,396,574
Provision for current tax	35,475,765	55,006,891	36,115,079	55,556,891
Deferred Tax Liability (Note - 12.02)	1,306,225	1,063,923	1,340,192	1,083,535
Unearned Revenue	235,277	229,225	235,277	229,225
Interest Suspense	-	76,641	-	76,641
Employees Gratuity Fund	1,723,997	-	1,723,997	-
Lease Liability - Right of Use of Assets (Note-12.03)	11,499,070	15,649,214	13,044,115	16,825,942
Provision for doubtful accounts and future losses (Note-12.04)	17,799,097	15,058,000	18,002,404	15,058,000
	148,536,771	160,829,943	152,479,127	162,836,988
12.01 Interest payable				
Regular Term Deposit (Note-12.01.01)	44,069,908	31,107,861	44,069,908	31,107,861
Regular Day Wise Deposit (Note-12.01.02)	11,720,479	29,679,743	11,720,479	29,679,743
Monthly Earner Deposit (Note-12.01.03)	83,276	3,853	83,276	3,853
Quarterly Earner Deposit (Note-12.01.04)	3,796,670	3,093,257	3,796,670	3,093,257
Unsecured Lease Liability (Note-12.01.05)	6,087	6,874	6,087	24,319
Long Term Loan	946,733	-	946,733	-
	60,623,154	63,891,589	60,623,154	63,909,034
12.01.01 Regular Term Deposit				
Regular Term Deposit - Corporate	24,713,267	28,507,079	24,713,267	28,507,079
Regular Term Deposit - Individual	19,356,641	2,600,782	19,356,641	2,600,782
	44,069,908	31,107,861	44,069,908	31,107,861
12.01.02 Regular Day Wise Deposit				
Regular Day Wise Deposit - Bank & NBF	10,103,125	16,417,361	10,103,125	16,417,361
Regular Day Wise Deposit - Corporate	25,714	12,451,150	25,714	12,451,150
Regular Day Wise Deposit - Individual	1,591,640	811,232	1,591,640	811,232
	11,720,479	29,679,743	11,720,479	29,679,743
12.01.03 Monthly Earner Deposit				
Monthly Earner Deposit - Corporate	14,040	-	14,040	-
Monthly Earner Deposit - Individual	69,236	3,853	69,236	3,853
	83,276	3,853	83,276	3,853
12.01.04 Quarterly Earner Deposit				
Quarterly Earner Deposit - Bank & NBF	3,777,778	3,069,444	3,777,778	3,069,444
Quarterly Earner Deposit - Individual	18,892	23,813	18,892	23,813
	3,796,670	3,093,257	3,796,670	3,093,257
12.01.05 Unsecured Lease Liability				
Lease Liability - Motor Vehicle	6,087	6,874	6,087	6,874
Lease Liability - Right of Use of Assets	-	-	-	17,445
	6,087	6,874	6,087	24,319

SFIL		SFIL Group	
Amount in BDT		Amount in BDT	
31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021

12.02 Deferred tax liability

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

Particulars	Accounting Base Carrying Amount	Tax Base Carrying Amount	Taxable/ (Deductible) temporary difference
Deferred tax liability is arrived at as follows:			
Fixed assets net of depreciation as on 31 December 2022			
Furniture & Fixture	2,581,594	3,349,277	(767,684)
Office Decoration	4,840,355	5,662,517	(822,162)
Office Equipment	1,825,208	2,470,670	(645,461)
IT Equipments	4,765,119	3,181,953	1,583,166
Motor Vehicle	4,162,958	3,010,560	1,152,398
IT Software	12,746,351	6,692,931	6,053,420
Taxable Temporary Difference (A)	30,921,586	24,367,908	6,553,678
Taxable Temporary Difference for 2021 (A)			(1,395,181)

Lease liability
Right of Use of Assets

Unearned Revenue
Gratuity Provision

Deductible Temporary Difference (B)

Total (A+B)

Deferred tax liability at 31 December 2022

Deferred tax liability at 31 December 2021

SFIL	
	(11,499,070)
	10,170,227
	(1,328,842)
	(235,277)
	(1,723,997)
	(3,288,116)
	3,265,562
	1,306,225
	1,063,923

Deferred tax liability at 31 December 2022

Deferred tax liability at 31 December 2021

SFIL Group	
	1,340,192
	1,083,535

Applicable tax rate for Business or Profession (2022)

SFIL	SFILSL
40%	27.50%

12.03 Lease Liability - Right of Use of Assets

Lease liability - Right of Use of Assets derived from present value of all rental payments for corporate head office and principal branch. When measuring lease liabilities, SFIL discounted lease payments using its incremental borrowing rate (9%).

12.04 Provision for doubtful accounts and future losses

General provision (Note-12.04(i))	12,707,905	11,661,770	12,707,905	11,661,770
Specific provision	-	-	-	-
Provision for diminutions in value of investments	5,091,192	2,786,230	5,294,499	2,786,230
Other Provisions	-	610,000	-	610,000
	17,799,097	15,058,000	18,002,404	15,058,000

12.04 (i) Product wise break up of general provision

Corporate Finance (12.04.01)	10,211,889	9,214,600	10,211,889	9,214,600
Consumer Finance (12.04.02)	2,316,579	679,524	2,316,579	679,524
SME Finance (12.04.03)	179,438	1,742,911	179,438	1,742,911
Channel Finance	-	24,735	-	24,735
	12,707,905	11,661,770	12,707,905	11,661,770

12.04.01 Corporate Finance

Lease Finance	2,021,969	563,112	2,021,969	563,112
Loan Finance	8,189,920	8,651,488	8,189,920	8,651,488
	10,211,889	9,214,600	10,211,889	9,214,600

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
12.04.02 Consumer Finance				
House Finance	1,866,123	546,438	1,866,123	546,438
Car lease	386,048	101,212	386,048	101,212
Loan Against Deposit	20,694	8,353	20,694	8,353
Personal Loan	43,714	23,522	43,714	23,522
	2,316,579	679,524	2,316,579	679,524
12.04.03 SME Finance				
Lease Finance, SMALL	73,358	71,712	73,358	71,712
Loan Finance, SMALL	16,471	11,651	16,471	11,651
Lease Finance, MID	21,664	12,937	21,664	12,937
Loan Finance, MID	67,945	1,646,610	67,945	1,646,610
	179,438	1,742,911	179,438	1,742,911
13.00 Share capital				
Authorized				
250,000,000 ordinary shares of Tk.10/- each	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
Issued, subscribed and paid up				
102,500,000 ordinary shares of Tk.10/- each	1,025,000,000	1,000,000,000	1,025,000,000	1,000,000,000

The Shareholders of the company approved 2.50% stock dividend for the year ended on December 31, 2021, in the 2nd Annual General Meeting (AGM) of Strategic Finance and Investments Limited, held on May 28, 2022. Accordingly, after completion of all the regulatory formalities duly, the number of Ordinary Shares of the company stands at 102,500,000 and the paid-up capital stands at BDT 1,025,000,000.

Details of shares holding position are as under:

Sponsor Shareholders:	31-Dec-2022			31-Dec-2021
	Percentage (%)	No. of Shares	BDT	BDT
A. Individual Sponsors				
Ms. Anjuman Ara Shahid	2%	2,050,000	20,500,000	20,000,000
Mr. Raheeb Safwan Sarafat Chowdhury	2%	2,050,000	20,500,000	-
	4%	4,100,000	41,000,000	20,000,000
B. Institutional Sponsors				
Canadian Maple Strategic Wealth Management LP	48%	49,200,000	492,000,000	480,000,000
Strategic Finance Limited	20%	20,500,000	205,000,000	200,000,000
Padma Bank Securities Ltd.	20%	20,500,000	205,000,000	200,000,000
Strategic Equity Management Ltd.	6%	6,150,000	61,500,000	60,000,000
Statisticker Inc.	2%	2,050,000	20,500,000	20,000,000
Unique Hotel & Resorts Ltd.	-	-	-	20,000,000
	96%	98,400,000	984,000,000	980,000,000
Total Shareholdings	100%	102,500,000	1,025,000,000	1,000,000,000

13.01 Capital Adequacy Ratio (CAR)

As per section 4(GHA) of the Financial Institution Regulation 1994 and subsequently updated vide DFIM Circular No. 5, dated July 24, 2011, the minimum paid up capital of the Financial Institution (FI) shall be Taka 100 crore; Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined by the Bangladesh Bank under the Risk-Based Assets of the company. The surplus eligible capital of the SFIL at the close of business on 31 December 2022 were Taka 66.88 crore and 31 December 2021 were Taka 71.72 crore respectively.

Core Capital (Tier-1) / Shareholders' Equity

Paid-up capital (Note-13)	1,025,000,000	1,000,000,000	1,025,000,000	1,000,000,000
Share premium	-	-	-	-
Statutory reserves (Note-14)	25,307,562	18,498,661	25,307,562	18,498,661
Other Reserve (Note-15)	-	-	-	-
Capital Reserve	-	-	114,809	-
General reserves	-	-	-	-
Dividend equalization reserves	-	-	-	-
Retained earnings (Note-16)	76,230,246	73,994,645	64,740,163	75,142,739
Non-controlling interest	-	-	2,690	3,031
Sub-Total	1,126,537,808	1,092,493,306	1,115,165,224	1,093,644,431

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Supplementary Capital (Tier -II)				
General Provision (Unclassified loans up to specified limit + SMA + Off Balance Sheet exposure)	11,707,905	11,381,770	11,707,905	11,381,770
Assets Revaluation Reserves up to 50%	-	-	-	-
Revaluation Reserve for Securities up to 45%	-	-	-	-
All others preference shares	-	-	-	-
Others (if any other item approved by Bangladesh Bank)	-	-	-	-
Sub-Total	11,707,905	11,381,770	11,707,905	11,381,770
A) Total capital	1,138,245,713	1,103,875,076	1,126,873,129	1,105,026,201
Total assets including off -balance sheet exposures	5,895,792,808	6,139,249,859	5,888,362,580	6,142,408,029
B) Total risk weighted assets	4,694,329,080	3,866,491,816	4,692,798,442	3,838,400,470
C) Required capital based on risk weighted assets (10% on B)	469,432,908	386,649,182	469,279,844	383,840,047
D) Surplus (A-C)	668,812,805	717,225,895	657,593,285	721,186,154
E) Capital Adequacy Ratio (%)	24.25%	28.55%	24.01%	28.79%
F) Core Capital to RWA (%)	24.00%	28.26%	23.76%	28.49%
G) Supplementary Capital to RWA (%)	0.25%	0.29%	0.25%	0.30%
14.00 Statutory reserves				
Opening balance	18,498,661	3,906,114	18,498,661	3,906,114
Add: Transferred from profit	6,808,900	14,592,548	6,808,900	14,592,548
Closing balance	25,307,562	18,498,661	25,307,562	18,498,661
15.00 Other Reserves				
Foreign Exchange Reserve				
Opening balance	-	7,388,000	-	7,388,000
Add: Foreign exchange Gain/(loss) for the year	-	(7,388,000)	-	(7,388,000)
Closing balance	-	-	-	-
16.00 Retained earnings				
Opening balance	73,994,645	15,624,454	75,142,739	15,624,454
Add: Prior year adjustment	-	-	39,223	-
Add: Profit/(loss) for the year	34,044,502	72,962,738	21,481,911	74,110,832
Less: Appropriation to statutory reserve	(6,808,900)	(14,592,548)	(6,808,900)	(14,592,548)
Less: Transfer to capital reserve	-	-	(114,809)	-
Less: 2.50% Stock Dividend	(25,000,000)	-	(25,000,000)	-
Closing balance	76,230,246	73,994,645	64,740,163	75,142,739
Other Income generated from foreign exchange gain has been considered under "Retained Earnings". Please check Note – 21 for further details.				
17.00 Interest income				
Corporate Finance				
Lease Finance	11,042,124	2,308,094	11,042,124	2,308,094
Loan Finance	94,345,968	55,287,593	94,345,968	55,287,593
	105,388,092	57,595,687	105,388,092	57,595,687
Consumer Finance				
House Finance	12,109,502	3,190,731	12,109,502	3,190,731
Car lease	2,827,868	720,978	2,827,868	720,978
Loan against Deposit	101,318	54,922	101,318	54,922
Personal Loan	467,849	23,225	467,849	23,225
	15,506,536	3,989,856	15,506,536	3,989,856
SME Finance				
Lease Finance, SMALL	2,668,029	3,012,361	2,668,029	3,012,361
Loan Finance, SMALL	375,354	119,020	375,354	119,020
Lease Finance, MID	569,655	607,914	569,655	607,914
Loan Finance, MID	4,914,407	2,699,338	4,914,407	2,699,338
	8,527,445	6,438,632	8,527,445	6,438,632
Channel Finance				
Work Oder Financing	680,374	328,898	680,374	328,898
	680,374	328,898	680,374	328,898
	130,102,448	68,353,073	130,102,448	68,353,073

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Treasury				
Fixed deposit accounts	278,270,927	305,270,032	278,898,459	305,270,032
SND / HP Account	2,731,113	3,764,518	3,459,391	6,204,897
Foreign Currency account	-	12,335,022	-	12,335,022
BO Accounts	536,384	-	536,384	-
Profit on Mudaraba SND account	1,702	-	1,702	-
	281,540,125	321,369,572	282,895,936	323,809,952
	411,642,573	389,722,644	412,998,384	392,163,024
18.00 Interest on deposits and borrowings etc.				
Interest on Regular Term deposit (Note-18.01)	126,487,716	131,198,061	126,487,716	131,198,061
Interest on Regular Day Wise deposit (Note-18.02)	117,957,583	112,625,475	117,957,583	112,625,475
Interest Expense on Monthly Saving Scheme - Individual	203,922	47,615	203,922	47,615
Interest Expense Millionaire Deposit Scheme - Individual	155,960	34,018	155,960	34,018
Interest Expense Insured Millionaire Scheme - Individual	302	-	302	-
Interest Expense on Monthly Earner Deposit (Note-18.03)	1,304,690	40,353	1,304,690	40,353
Interest Expense on Quarterly Earner deposit (Note-18.04)	117,937,588	89,012,257	117,937,588	89,012,257
Unsecured Lease Liability (Note- 18.05)	1,600,790	2,081,615	1,727,039	2,099,060
Interest Expense on Bank Overdraft	305,516	-	305,516	-
Interest Expense on Long Term Loan	4,037,344	-	4,037,344	-
	369,991,411	335,039,394	370,117,661	335,056,839
18.01 Interest on regular term deposit				
Regular Term Deposit - Corporate	99,994,416	125,576,785	99,994,416	125,576,785
Regular Term Deposit - Individual	26,493,301	5,621,277	26,493,301	5,621,277
	126,487,716	131,198,061	126,487,716	131,198,061
18.02 Interest on regular day wise deposit				
Regular Day Wise Deposit - Bank & NBFI	102,890,625	98,581,378	102,890,625	98,581,378
Regular Day Wise Deposit - Corporate	11,206,913	12,837,638	11,206,913	12,837,638
Regular Day Wise Deposit - Individual	3,860,045	1,206,459	3,860,045	1,206,459
	117,957,583	112,625,475	117,957,583	112,625,475
18.03 Interest Expense on Monthly Earner Deposit				
Monthly Earner deposit - Corporate	435,240	-	435,240	-
Monthly Earner deposit - Individual	869,450	40,353	869,450	40,353
	1,304,690	40,353	1,304,690	40,353
18.04 Interest Expense on Quarterly Earner Deposit				
Quarterly Earner Deposit - Bank & NBFI	117,508,333	88,819,444	117,508,333	88,819,444
Quarterly Earner Deposit - Individual	429,254	192,813	429,254	192,813
	117,937,588	89,012,257	117,937,588	89,012,257
18.05 Unsecured Lease Liability				
Vehicle Lease - IDLC Finance Limited	366,886	512,257	366,886	512,257
Right of Use of Assets	1,233,903	1,569,358	1,360,153	1,586,803
	1,600,790	2,081,615	1,727,039	2,099,060
19.00 Income from investment				
Capital gain on sale of marketable securities	29,085	32,900,181	29,085	32,900,181
Dividend Income - Marketable securities	1,889,739	2,290,228	1,895,039	2,290,228
Income from Non-Convertible Bond	110,244,444	100,222,222	110,244,444	100,222,222
	112,163,268	135,412,631	112,168,568	135,412,631
20.00 Commission, Exchange and Brokerage Income				
Commission & Brokerage	-	-	578,549	-
	-	-	578,549	-
21.00 Other operating income				
Fees and documentations (Note-21.01)	1,843,193	1,341,594	1,843,193	1,341,594
Account opening & BO account maintenance fee	-	-	8,500	-
IPO service charge	-	-	130	-
Miscellaneous Income	-	14,471,113	-	14,471,113
	1,843,193	15,812,708	1,851,823	15,812,708

Other income is recognized when the company generates income from any activities other than the businesses activities. During the year ended 31 December 2021, the company recognized foreign exchange gain derived from conversion of share capital repatriated by the shareholder. Due to sudden appreciation of USD against BDT, the company received excess Bangladeshi Taka after converting the USD. This excess BDT was recognized as "Miscellaneous Income".

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
21.01 Fees and documentations				
<u>Corporate finance</u>				
Lease Finance	487,930	386,570	487,930	386,570
Loan Finance	199,217	506,302	199,217	506,302
	687,147	892,872	687,147	892,872
<u>Consumer Finance</u>				
House Finance	670,004	197,209	670,004	197,209
Car lease	199,890	103,403	199,890	103,403
Personal Loan	-	1,130	-	1,130
	869,893	301,742	869,893	301,742
<u>SME Finance</u>				
Lease Finance, SMALL	103,236	64,000	103,236	64,000
Loan Finance, SMALL	146,630	-	146,630	-
Lease Finance, MID	36,287	57,980	36,287	57,980
Loan Finance, MID	-	25,000	-	25,000
	286,153	146,980	286,153	146,980
	1,843,193	1,341,594	1,843,193	1,341,594
22.00 Salary and allowances				
Salary and allowances	46,044,951	34,051,360	53,069,464	34,091,360
Festival bonus	3,605,713	2,571,250	3,605,713	2,571,250
Provident fund contribution	1,512,736	1,613,814	1,512,736	1,613,814
Gratuity Fund	1,373,997	-	1,373,997	-
	52,537,397	38,236,424	59,561,910	38,276,424
23.00 Rent, taxes, insurance, electricity etc.				
Office rent	-	-	-	-
Insurance	141,837	147,050	141,837	147,050
Utilities	1,292,755	1,242,169	1,547,091	1,242,169
	1,434,592	1,389,219	1,688,928	1,389,219
24.00 Legal and professional fees	1,383,278	2,074,514	1,424,745	2,074,514
25.00 Postage, stamp, telecommunication etc.				
Postage and courier	2,364	6,870	2,364	6,870
Stamp charges	6,300	25,784	19,782	34,924
Telephone bill	38,814	40,289	68,523	40,289
Internet & Connectivity	357,933	112,429	580,288	112,429
	405,411	185,372	670,957	194,512
26.00 Stationery, printing, advertisement etc.				
Printing and stationery	530,794	462,078	635,824	462,078
Advertisement	1,115,410	1,010,709	1,115,410	1,027,089
	1,646,204	1,472,787	1,751,234	1,489,167
27.00 Managing director's salary and allowance				
Basic Salary	4,200,000	4,200,000	4,200,000	4,200,000
Allowances	4,884,000	4,884,000	4,884,000	4,884,000
Festival Bonus	700,000	700,000	700,000	700,000
Provident fund contribution	420,000	560,000	420,000	560,000
Gratuity Fund	350,000	-	350,000	-
	10,554,000	10,344,000	10,554,000	10,344,000
28.00 Directors' fees	87,214	118,294	87,214	118,294
29.00 Auditors' fees	166,750	207,000	247,250	247,250
30.00 Depreciation and repair of Company's assets				
Repairs and maintenance	400,075	180,153	400,075	180,153
Software maintenance	666,424	-	666,424	-
Depreciation & Amortization	9,010,469	8,337,120	10,482,448	8,402,494
	10,076,968	8,517,273	11,548,946	8,582,647

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
31.00 Other expenses				
Training	68,587	72,632	81,365	75,632
Renewal & Registration fees	409,390	674,341	3,613,190	1,146,177
Employee Engagement Program	827,648	79,335	827,648	79,335
Conveyance	313,316	226,475	345,861	254,620
Travelling Expenses	36,600	-	36,600	-
Business Development Expense	1,077,778	1,040,678	1,103,653	1,040,678
Computer accessories	171,366	115,926	208,079	115,926
Fuel expense	372,500	273,004	372,500	273,004
Vehicle maintenance/Registration	5,197,434	5,098,622	5,735,982	5,098,622
Office maintenance	1,336,089	1,129,991	1,621,667	1,144,166
Entertainment	153,455	235,719	188,112	235,719
Bank charges	105,286	27,081	113,584	28,979
Excise duty	2,961,650	2,383,000	3,009,650	2,398,000
Vendor Commission	14,222	117,778	14,222	117,778
Business Promotion Expenses	611,688	694,381	611,688	694,381
Security Guard Services	323,400	316,800	640,200	316,800
Recruitment Expenses	32,760	29,751	32,760	29,751
CSR Expenses	110,000	115,000	110,000	115,000
BO Maintenance	23,785	72,944	23,785	72,944
Verification fee	7,986	417	7,986	417
Marketing Expense	696,251	8,600	696,251	8,600
Meeting expense	127,701	98,656	127,701	98,656
CDBL Charges	-	-	6,546	-
Howla and Laga Charge	-	-	45,144	-
Contribution to Investor's protection fund	-	-	200,120	-
	14,978,892	12,811,128	19,774,295	13,345,182
32.00 Provisions for lease, loans & investments				
Provision for lease, loan and advances	1,046,135	7,772,079	1,046,135	7,772,079
General provision	1,046,135	7,772,079	1,046,135	7,772,079
Specific provision	-	-	-	-
Provision for diminution in value of investments	2,304,962	2,786,230	2,508,269	2,786,230
Other provisions	(610,000)	610,000	(610,000)	610,000
	2,741,097	11,168,309	2,944,404	11,168,309
33.00 Provision for taxation				
Current tax expense/ (income) (Note - 33.01)	25,359,016	46,586,720	25,448,331	47,136,720
Deferred tax expense/ (income) (Note - 33.02)	242,302	(165,190)	295,881	(145,578)
	25,601,318	46,421,530	25,744,212	46,991,142
33.01 Current tax expense/ (income)				
Current tax expense/ (income) for the year 2022	27,494,801	46,586,720	27,584,116	47,136,720
Revised tax expense/ (income) for the year 2021 (Note-33.01.01)	(1,313,943)	-	(1,313,943)	-
Revised tax expense/ (income) for the year 2020(Note-33.01.02)	(821,842)	-	(821,842)	-
	25,359,016	46,586,720	25,448,331	47,136,720
33.01.01 Revised tax expense/ (income) for the year 2021				
Tax Provisions made in Accounts	46,586,720	-	46,586,720	-
Assessed Tax	45,272,777	-	45,272,777	-
Revised tax expense/ (income)	(1,313,943)	-	(1,313,943)	-
During the year 2022, Tax for the year 2021 has been finally assessed by Tax Authority for BDT 45,272,777.				
33.01.02 Revised tax expense/ (income) for the year 2020				
Tax Provisions made in Accounts	8,420,171	-	8,420,171	-
Assessed Tax and Interest	7,598,329	-	7,598,329	-
Revised tax expense/ (income)	(821,842)	-	(821,842)	-
During the year 2022, Tax for the year 2020 has been finally assessed by Tax Authority for BDT 7,083,045 and interest charged BDT 515,284.				

33.02 Deferred Tax Expense / (Income)

Particular	31-Dec-22	31-Dec-21	Deferred Tax Expense/ (Income)
Deferred Tax Liability	1,306,225	1,063,923	242,302
Deferred Tax Assets	-	-	-
Deferred Tax Expense/ (Income) of SFIL	1,306,225	1,063,923	242,302
		31-Dec-22	31-Dec-21
Deferred Tax Expense/ (Income) of SFILSL		53,579	19,612

34.00 Earnings Per Share (EPS)

Earnings Per Share as shown in the face of the Profit and Loss Account is calculated in accordance with International Accounting Standard (IAS) 33: "Earnings Per Share".

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Net Profit After Tax	34,044,502	72,962,738	21,481,568	74,110,863
Number of ordinary shares outstanding	102,500,000	102,500,000	102,500,000	102,500,000
Earnings Per Share (EPS)	0.33	0.71	0.21	0.72

Previous year EPS has been restated by the current year's outstanding shares.

35.00 Net Asset Value (NAV) per share

	SFIL		SFIL Group	
	Amount in BDT		Amount in BDT	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Net Assets (total assets less total liabilities)	1,126,537,808	1,092,493,306	1,115,165,224	1,093,644,431
Number of ordinary shares outstanding	102,500,000	102,500,000	102,500,000	102,500,000
Net Asset Value (NAV) per share	10.99	10.66	10.88	10.67

Net Asset Value (NAV) per share

Previous year NAV per share has been restated by the current year's outstanding shares.

36.00 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per International Accounting Standard 24: "Related Party Disclosures."

Details of transactions with related parties and balances with them as at 31 December, 2022 were as follows:

Sl No.	Name of the Related Party	Transaction nature	Relationship	Balance as at 31 Dec 2021	Addition	Adjustment	Balance as at 31 Dec 2022
1	Tamim Marzan Huda	Vehicle lease	Director of Shareholding Company	1,877,578	193,449	622,632	1,448,395
2	Tamim Marzan Huda	Term Deposit	Director of Shareholding Company	1,031,443	87,090	1,118,533	-
3	Tamim Marzan Huda	Loan Against Deposit	Director of Shareholding Company	202,686	294,797	497,484	-
4	Tamim Marzan Huda	Monthly Saving Scheme	Director of Shareholding Company	57,080	66,926	150	123,855
5	Tamim Marzan Huda	Millionaire Deposit Scheme	Director of Shareholding Company	-	545,415	300	545,115
6	Alternative Investment Fund of Bangladesh	Term Deposit	Fund managed by Shareholding Company	849,420,986	56,484,296	920,000	904,985,282
7	SEML FBLSL Growth Fund	Term Deposit	Fund managed by Shareholding Company	206,934,063	13,664,088	360,000	220,238,151
8	SEML Lecture Equity Management Fund	Term Deposit	Fund managed by Shareholding Company	82,773,625	5,466,415	90,000	88,150,040
9	Strategic Finance & Investments Limited Employees Provident Fund	Term Deposit	Provident Fund of Strategic Finance & Investments Limited	4,256,055	4,216,607	24,175	8,448,486
10	Strategic Finance Limited	Investment in Bond	Shareholding Company	1,102,444,444	110,244,444	-	1,212,688,889
	Total			2,248,997,960	191,263,526	3,633,273	2,436,628,213

SFIL		SFIL Group	
Amount in BDT		Amount in BDT	
31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021

37.00 Employees' details

No. of employee received BDT 3,000 per month
No. of employee received more than BDT 3,000 per month

-	-	-	-
71	70	78	71
71	70	78	71

38.00 Disclosure of Audit Committee

Particulars of audit committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the Bangladesh Bank's DFIM circular # 13, dated: October 26, 2011.

The Audit Committee of the Board of Directors consisted of the following members of the Board:

Name	Status at the Company	Status at Committee
Mr. Riaduzzaman Ridoy	Nominee Director of Padma Bank Securities Ltd.	Chairman
Mr. William H. Derrenger	Nominee Director of Canadian Maple Strategic Wealth Management LP.	Member
Mr. Shoriful Islam	Nominee Director of Strategic Finance Ltd.	Member
Mr. Ehsanul Kabir	Nominee Director of Strategic Equity Management Ltd.	Member
Mr. Mohammad Shariat Ullah	Nominee Director of Padma Bank Securities Ltd.	Member

39.00 Event after the Reporting Period

- The board of directors in its 47th Meeting held on March 30, 2023 has approved the financial statements and authorized the same for issue.
- The board of directors in its 47th Meeting held on March 30, 2023 has recommended to the shareholders at 0% of Cash Dividend and 3% Stock Dividend for the year ended 31 December 2022.
- No other adjusting event had occurred till date of signing the financial statements which recognize adjustment under IAS -10 "Events after Reporting Period".



Chairman



Director



Managing Director & CEO



Company Secretary

Place: Dhaka

Dated: 06 APR 2023

Strategic Finance & Investments Limited and its Subsidiary

Consolidated Schedule of Fixed Assets including land, building, furniture and fixtures

As at 31 December 2022

Particulars	COST					DEPRECIATION					Written down value as at 31.12.2022
	Balance as at 01.01.2022	Addition during the year	Adjustment / Disposal the year	Balance as at 31.12.2022	Rate (%)	Balance as at 01.01.2022	Charged during the year	Adjustment / Disposal the year	Balance as at 31.12.2022		
Freehold Assets	21,044,301	5,432,903	-	26,477,204		3,824,054	4,842,185	-	8,666,238	17,810,966	
Furniture & Fixture	4,274,214	399,341	-	4,673,555	20.00	889,627	912,968	-	1,802,595	2,870,960	
Office Decoration	7,328,587	1,522,432	-	8,851,018	16.67	1,266,800	1,411,081	-	2,677,881	6,173,137	
Office Equipment	3,330,580	899,327	-	4,229,907	20.00	878,716	805,783	-	1,684,499	2,545,409	
IT Equipments	6,110,921	2,611,803	-	8,722,724	20.00	788,910	1,712,354	-	2,501,264	6,221,460	
Lease Hold Assets	26,984,654	950,943	(7,532,961)	20,402,636		6,950,754	5,620,664	(7,968,249)	4,603,169	15,799,467	
Motor Vehicle	5,880,000	-	-	5,880,000	20.00	1,571,267	1,139,250	(993,475)	1,717,042	4,162,958	
Right of Use of Assets	21,104,654	950,943	(7,532,961)	14,522,636	-	5,379,487	4,481,414	(6,974,774)	2,886,127	11,636,508	
Intangible Assets	21,620,330	17,337,634	(4,799,143)	34,158,821		17,064	1,013,073	-	1,030,138	33,128,684	
WIP-Software	1,124,143	3,675,000	(4,799,143)	-	-	-	-	-	-	-	
Registration fee - DSE & CSE	20,000,000	-	-	20,000,000	-	-	-	-	-	20,000,000	
IT Software	496,187	13,662,634	-	14,158,821	20.00	17,064	1,013,073	-	1,030,138	13,128,684	
Total as at December 31, 2022	69,649,285	23,721,480	(12,332,104)	81,038,661	-	10,791,872	11,475,923	(7,968,249)	14,299,545	66,739,116	
Total as at December 31, 2021	37,043,592	12,605,694	-	49,649,285	-	2,389,377	8,402,494	-	10,791,872	38,857,414	

Amount in BDT

Strategic Finance & Investments Limited
Schedule of Fixed Assets including land, building, furniture and fixtures
 As at 31 December 2022

Amount in BDT

Particulars	C O S T			D E P R E C I A T I O N					Written down value as at 31.12.2022	
	Balance as at 01.01.2022	Addition during the year	Adjustment / Disposal the year	Balance as at 31.12.2022	Rate (%)	Balance as at 01.01.2022	Charged during the year	Adjustment / Disposal the year		Balance as at 31.12.2022
Freehold Assets	21,044,301	900,785	-	21,945,086		3,824,054	4,108,757	-	7,932,810	14,012,276
Furniture & Fixture	4,274,214	56,088	-	4,330,301	20.00	889,627	859,080	-	1,748,708	2,581,594
Office Decoration	7,328,587	-	-	7,328,587	16.67	1,266,800	1,221,431	-	2,488,232	4,840,355
Office Equipment	3,330,580	45,881	-	3,376,461	20.00	878,716	672,537	-	1,551,253	1,825,208
IT Equipments	6,110,921	798,816	-	6,909,737	20.00	788,910	1,355,708	-	2,144,618	4,765,119
Lease Hold Assets	25,807,926	-	(7,532,961)	18,274,965		6,885,380	5,024,648	(7,968,249)	3,941,779	14,333,186
Motor Vehicle	5,880,000	-	-	5,880,000	12.50	1,571,267	1,139,250	(993,475)	1,717,042	4,162,958
Right of Use of Assets	19,927,926	-	(7,532,961)	12,394,965	-	5,314,114	3,885,398	(6,974,774)	2,224,737	10,170,227
Intangible Assets	1,620,330	16,812,768	(4,799,143)	13,633,955		17,064	870,540	-	887,604	12,746,351
WIP-Software	1,124,143	3,675,000	(4,799,143)	-	-	-	-	-	-	-
IT Software	496,187	13,137,768	-	13,633,955	20.00	17,064	870,540	-	887,604	12,746,351
Total as at December 31, 2022	48,472,557	17,713,553	(12,332,104)	53,854,006	-	10,726,498	10,003,944	(7,968,249)	12,762,193	41,091,813
Total as at December 31, 2021	37,043,592	11,428,966	-	48,472,557	-	2,389,377	8,337,120	-	10,726,498	37,746,060

Strategic Finance & Investments Limited

FINANCIAL HIGHLIGHTS

As at 31 December 2022

Amount in BDT (mn)

Sl No.	Key Indicators	2022	2021
1	Paid-up capital	1,025.00	1,000.00
2	Total capital	1,126.54	1,092.49
3	Capital surplus	668.81	717.23
4	Total assets	5,895.79	6,078.25
5	Total term deposits	4,571.92	4,820.12
6	Total loans, advances and leases	1,221.36	1,010.50
7	Total contingent liabilities and commitments	-	61.00
8	Credit deposit ratio	0.27	0.21
9	Percentage of classified loans against total loan & advance	0.00%	0.00%
10	Profit after tax and provision	34.04	72.96
11	Amount of classified loans during current year	-	-
12	Provisions kept against classified loans	-	-
13	Provisions surplus against classified loan	-	-
14	Cost of fund	7.53%	7.49%
15	Interest earnings assets	5,266.50	5,669.52
16	Non-interest earnings assets	629.29	408.72
17	Return on investment (ROI)	3.02%	6.68%
18	Return on assets (ROA)	0.58%	1.20%
19	Income from investment	112.16	135.41
20	Earnings Per Share (EPS)	0.33	0.71
21	Net income per share	0.41	0.53
22	Market price per share	-	-
23	Price Earnings (P/E) ratio	-	-



ABOUT

SFIL SECURITIES LIMITED

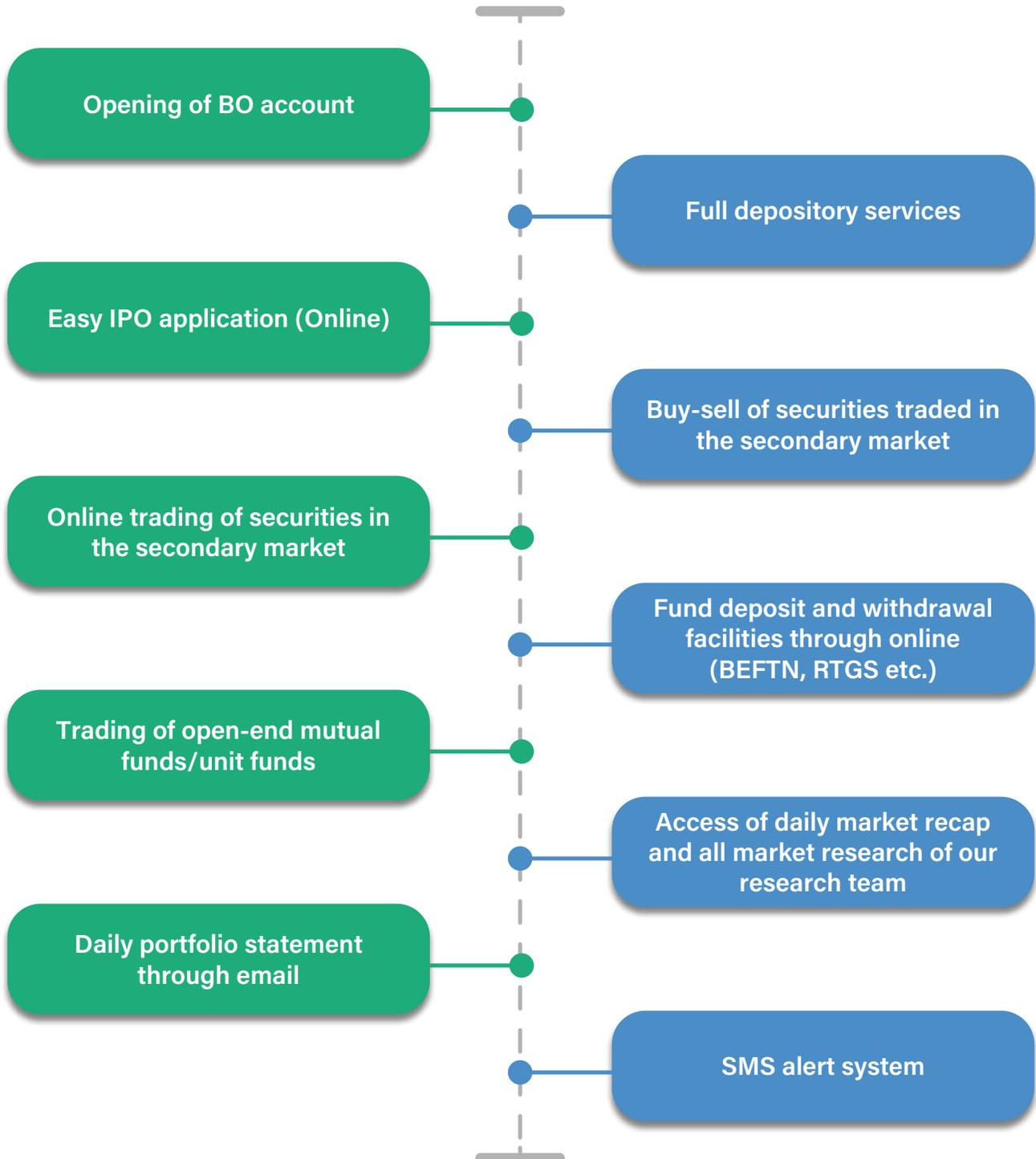
SFIL Securities Limited (SFILSL), a wholly owned subsidiary of Strategic Finance & Investments Limited (SFIL), was incorporated on March 21, 2021 as a private limited company under the Companies Act, 1994. SFIL is a renowned Non-Bank Financial Institution (NBFI) licensed by Bangladesh Bank having institutional investors from Canada, USA and Bangladesh.

SFILSL is a Stock Broker & Stock Dealer licensed by Bangladesh Securities and Exchange Commission (BSEC). The Company started its brokerage operation in April 28, 2022. The main objective of the Company is to act as a TREC Holder of stock exchanges to operate the Central Depository System (CDS) and to carry on the business of brokers, jobbers or dealers in stocks, shares, securities, commodities, commercial papers, bonds, obligations and debentures etc.

The Company has been committed to providing superior brokerage services with a view to bringing positive changes in the capital market by utilizing state-of-the-art technology and applying good corporate governance. It's a TREC Holder of both the stock exchanges in Bangladesh - Dhaka Stock Exchange Limited (TREC # 276) and Chittagong Stock Exchange PLC (TREC # 154). It's also a full-service Depository Participant (DP) of Central Depository Bangladesh Limited (CDBL). As a consortium of international institutional investor-originated organizations, it is devoted to catering brokerage services with the utmost professionalism through smooth operational process, flawless technological support, uncompromising regulatory compliance, corporate governance, and international best practices within the company.

**Stock Broker of both
Dhaka Stock Exchange Limited (DSE)
&
Chittagong Stock Exchange PLC (CSE)**

OUR SERVICES



MANAGEMENT PROFILE

SFIL Securities Limited



S. M. FERDAUS HUSSAIN

Managing Director & CEO (Current Charge)

Mr. Hussain joined SFIL Securities on January 2022. Prior to his joining, he was the Head of Finance, Operations and Company Secretary at UniCap Securities Limited. He started his career as a Trainee Executive at Union Capital Limited back in 2008. He also played a pivotal role as a part of the senior management team at Sheltech Brokerage Limited. He completed his EMBA in Accounting & Information Systems (AIS) from the University of Dhaka. He also achieved his BBA major in Finance from East West University with a Magna Cum Laude award in Convocation 2008. He completed Advanced Certificate in Business Administration (ACBA) from IBA, DU.

SHARIF MD. BAIZID

Manager – Finance & Accounts

Mr. Sharif Md. Baizid joined SFIL Securities Limited (SFILSL) in January 2022 and currently holds the position of Manager – Finance & Accounts. Prior to joining SFILSL, he worked at LankaBangla Asset Management Company Limited in the Finance & Accounts department. He started his career back in 2014 as an Audit Supervisor at Nurul Faruk Hasan & Co., Chartered Accountants. Mr. Baizid completed Bachelor of Business Studies and Master of Business Studies Major in Accounting & Information Systems (AIS) from Jagannath University, Dhaka. He is also pursuing CA (Advanced Level) under the Institute of Chartered Accountants of Bangladesh (ICAB).



Directors' Report to the Shareholders' of SFIL Securities Limited (SFILSL)

It is a pleasure and a privilege on behalf of SFILSL's Board of Directors to present the Directors' Report and Auditor's Report, along with the Audited Financial Statements of SFIL Securities Limited, for the year ended 31 December, 2022.

Bangladesh's stock market had passed a dismal year due to the worldwide economic crisis stemming from the war between Russia and Ukraine. On top of that the country's economy has been under pressure of rising inflation, volatility in the foreign exchange market, depleting foreign reserves, widened trade deficit, and the energy crisis. Dhaka Stock Exchange (DSEX), the key index of the Dhaka Stock Exchange, dropped by 8.1% in 2022 while daily average turnover fell by 35%. At the end of July 2022, the Bangladesh Securities and Exchange Commission (BSEC) set the floor price of every stock to halt the freefall of market indices amid global economic uncertainties. Due to the imposition of floor prices, the daily average turnover has decreased significantly. However, the stock market regulator removed the floor price restrictions from 169 scrips on December 21, 2022, to enhance liquidity on the market, but put 1% lower circuit breaker on those scrips.

During the year 2022 SFILSL obtained Stock Broker, Stock Dealer, and DP license from Bangladesh Securities and Exchange Commission (BSEC). The company started its trading activities on April 28, 2022. As a newly established brokerage, SFILSL primarily focused on capacity building, process development, strengthening internal control & compliance, and digitalization of trading services. It's exploring new business avenues and continuously hunting for potential customers both at individual and institutional levels throughout the year. In the year the company posted a Net Loss after Tax of BDT 12.5 million due to the stock market being bearish and trading also sluggish in 2022. Going forward, we are focusing on building a strong client base to increase income from trading commissions- the main source of income of brokerage firms.

Outlook for 2023

The capital market is expected to remain volatile in 2023 due to the underlying local and global economic factors and the slashed GDP growth forecast of Bangladesh for FY'23. Adding to that, the floor price mechanism may impact the markets' liquidity and shatter investors' confidence. However, some bright sights are there as blue-chip companies may attract investors due to their lucrative valuation levels or high dividend yield.

Books of Accounts

The Financial Statements of the company have been prepared in accordance with the International Accounting Standards (IASs)/ International Financial Reporting Standards (IFRSs) and other applicable rules and regulations. The appropriate accounting policies have been consistently applied in preparing financial statements and accounting estimates based on reasonable and prudent judgment. In preparing financial statements, information has been obtained from the books of accounts which have been maintained properly.

Auditors Appointment

Pursuant to Section 210 of the Companies Act, 1994, Howladar Yunus & Co. (Member firm of Grant Thornton International Ltd.), Chartered Accountants, has been appointed as the auditors of the Company for the year 2023 in its 2nd Annual General Meeting.

Going Concern

There are no significant doubts upon SFIL Securities Limited's ability to continue as a going concern.

Acknowledgment

I would like to thank the honorable shareholders, board members, and employees for their continuous support and cooperation. Special thanks to our parent company, Strategic Finance & Investments Limited (SFIL), for providing full support as and when required for the company to grow and expand.

On behalf of the Board of Directors, I would also like to thank the Bangladesh Securities and Exchange Commission (BSEC), the Dhaka Stock Exchange Limited (DSE), the Chittagong Stock Exchange PLC (CSE), and the Central Depository Bangladesh Limited (CDBL), who were involved in the journey of our Company by providing exemplary cooperation, support, and guidance.

Sd/-

Mashrib Zahid
Chairman

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SFIL SECURITIES LIMITED**

Howladar Yunus & Co.
House - 14 (Level 4 & 5)
Road - 16A, Gulshan - 1
Dhaka - 1212
Bangladesh
T: +880 2 58815247**Opinion**

We have audited the accompanying Financial Statements of SFIL Securities Limited which comprise the Statement of Financial Position as at 31 December 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information disclosed in Note 1 to 41 to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

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 Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Byelaws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Our opinion on the financial statements does not cover 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, as explained in note # 3 to the Financial Statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance

Chartered Accountants

Member firm of Grant Thornton International Ltd.

Grant Thornton International Ltd (GTIL) and the member firms are not worldwide partnership. GTIL and member firm is a separate legal entity. Services are delivered independently by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and not liable for one another's acts or omissions.

with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books.
- c) The statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income, dealt with by the report is in agreement with the books of account and returns.

Howladar Yunus & Co.

Chartered Accountants
Firm Registration No: N/A



Farhana Sultana FCA

Enrolment No: 1619
Dated: 06 APR 2023
Dhaka
DVC No: 2304061619AS476179

SFIL Securities Limited
Statement of Financial Position

As at 31 December 2022

Particulars	Notes	Amount in BDT	
		31-Dec-2022	31-Dec-2021
Assets			
Non-current assets			
Property, plant & equipment	4.00	3,798,690	-
Intangible assets	5.00	20,382,332	20,000,000
Right of use assets	6.00	1,466,281	1,111,354
Security deposits with stock exchanges	7.00	60,000,000	60,000,000
Total Non-Current Assets (A)		85,647,304	81,111,354
Current assets			
Advances, deposits and prepayments	8.00	405,000	428,242
Advance income tax	9.00	599,920	366,057
Investment	10.00	10,592,118	-
Accounts receivable	11.00	7,882	-
Cash and cash equivalents	12.00	5,349,893	31,249,517
Total Current Assets (B)		16,954,813	32,043,816
Total Assets (A+B)		102,602,116	113,155,170
Equity & Liabilities			
Capital & reserves			
Share capital	13.00	110,000,000	110,000,000
Retained earnings	14.00	(11,490,396)	1,148,125
Capital reserve	15.00	114,813	-
Shareholders equity (C)		98,624,416	111,148,125
Non-current liabilities			
Lease liabilities - Non current portion	16.00	766,958	772,526
Deferred tax liabilities	17.00	33,967	19,612
Total Non-Current Liabilities (D)		800,925	792,138
Current liabilities			
Accounts payable	18.00	1,490,870	226,263
Lease liabilities - Current portion	19.00	778,088	404,202
Provision for taxation	20.00	639,315	550,000
Provision for diminution in value of investments	21.00	203,307	-
Other liabilities	22.00	65,197	34,442
Total Current Liabilities (E)		3,176,775	1,214,907
Total Equity & Liabilities (C+D+E)		102,602,116	113,155,170

The annexed notes form an integral part of these financial statements



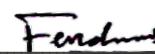
Director



Director



Director



Managing Director & CEO
(Current Charge)

Signed in terms of our separate report of even date annexed.



Farhana Sultana FCA, Enrollment no. 1619
Partner
Howladar Yunus & Co., Chartered Accountants
DVC No. 2304061619AS476179
Date: 06 APR 2023
Dhaka

SFIL Securities Limited

Statement of Profit or Loss and other Comprehensive Income

For the year ended 31 December 2022

Particulars	Notes	Amount in BDT	
		31-Dec-2022	31-Dec-2021
Operating income			
Brokerage commission income	23.00	578,549	-
Brokerage commission expenses	24.00	(251,811)	-
Net brokerage commission income		326,738	-
Interest income	25.00	1,355,811	2,440,380
Interest expenses	26.00	(126,249)	(17,445)
Net interest income		1,229,562	2,422,935
Other operational income	27.00	8,630	-
Income from investment	28.00	5,300	-
Total operating income		1,570,230	2,422,935
Operating expenses		(13,786,964)	(705,197)
Salary and allowances	29.00	7,024,513	40,000
Utility expenses	30.00	254,337	-
Legal & professional fees	31.00	41,467	-
Postage & telephone expense	32.00	265,546	9,140
Stationery, printing, advertisement	33.00	105,030	16,380
Audit fee	34.00	80,500	40,250
Repairs, maintenance and depreciation	35.00	1,471,978	65,374
Other expenses	36.00	4,543,593	534,054
Operating profit/(loss) before provisions & tax		(12,216,733)	1,717,737
Other Provisions		(203,307)	-
Provision for diminution in value of investment		203,307	-
Profit/(loss) before tax (PBT)		(12,420,040)	1,717,737
Income tax	37.00	(142,894)	(569,612)
Current tax expense		89,315	550,000
Deferred tax expense		53,579	19,612
Profit/(loss) after tax (PAT)		(12,562,933)	1,148,125
Earnings Per Share (EPS)			
Basic	40.00	(1.14)	0.10

The annexed notes form an integral part of these financial statements

Director

Director

Director

Managing Director & CEO
(Current Charge)

Signed in terms of our separate report of even date annexed.

Farhana Sultana FCA, Enrollment no. 1619
Partner
Howladar Yunus & Co., Chartered Accountants
DVC No. 2304061619AS476179
Date: 06 APR 2023
Dhaka

SFIL Securities Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Amount in BDT

Particulars	Share Capital	Capital Reserve	Retained Earnings	Total Equity
Balance at March 21, 2021	-	-	-	-
Changes in equity for 2021				
Share capital	110,000,000	-	-	110,000,000
Total comprehensive income for the year	-	-	1,148,125	1,148,125
Balance at December 31, 2021	110,000,000	-	1,148,125	111,148,125
Changes in equity for 2022				
Prior year adjustment	-	-	39,224	39,224
Total comprehensive income for the year	-	-	(12,562,933)	(12,562,933)
Transfer to capital reserve	-	114,813	(114,813)	-
Balance at December 31, 2022	110,000,000	114,813	(11,490,396)	98,624,416

The annexed notes form an integral part of these financial statements



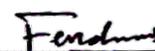
Director



Director



Director



Managing Director & CEO
(Current Charge)

SFIL Securities Limited
Statement of Cash Flows
For the year ended 31 December 2022

Particulars	Amount	
	31-Dec-2022	31-Dec-2021
Cash Flows from operating activities:		
Interest received	1,355,811	2,440,380
Dividend received	4,240	-
Paid to employees	(6,468,215)	-
Client deposits/(withdrawals)	31,546,340	-
DSE/CSE (payment)/received	(29,717,036)	-
Paid for other operating expenses	(7,216,244)	(429,602)
	(10,495,104)	2,010,778
Other operating activities:		
Security deposit	(315,000)	(60,090,000)
Advance	-	(305,205)
Income Tax paid	(143,488)	(366,057)
	(458,488)	(60,761,262)
Net cash used in operating activities	(10,953,592)	(58,750,483)
Cash Flows from investing activities:		
Investment in shares	(10,568,274)	-
Acquisition of assets	(4,377,757)	(20,000,000)
Net Cash used in investing activities	(14,946,031)	(20,000,000)
Cash Flows from financing activities:		
Issuance of share capital	-	110,000,000
Repayment of lease liability	-	-
Net Cash flow from financing activities	-	110,000,000
Net increase in Cash and Cash Equivalents	(25,899,624)	31,249,517
Cash & Cash Equivalent at the beginning of the year	31,249,517	-
Cash & Cash Equivalent at the end of the year	5,349,893	31,249,517

The annexed notes form an integral part of these financial statements



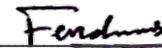
Director



Director



Director



Managing Director & CEO
(Current Charge)

SFIL Securities Limited
Notes to the Financial Statements

For the year ended 31 December 2022

1.00 Company and its activities

1.01 Legal status of the company

SFIL Securities Limited (herein after referred to as "SFILSL" or "the company") was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration # C-170009/2021 dated March 21, 2021 as a private limited company, limited by shares having its registered address at Rangs RL Square, Level - 3, Plot - Kha 201/1, 203, 205/3, Bir Uttam Rafiqul Islam Avenue, Badda, Dhaka-1212, Bangladesh under the Companies Act, 1994. The Company is a Trading Right Entitlement Certificate (TREC) holder of both Dhaka Stock Exchange Limited (276) and Chittagong Stock Exchange Limited (154). The company is a wholly owned subsidiary of Strategic Finance & Investments Limited, a Non-Banking Financial Institution incorporated in Bangladesh under the Bangladesh Bank.

Consequently the company has acquired the following Licenses and legal approvals:

Sl. No.	Name of License	Registration No.	Date of Issuance
1	Certificate of Incorporation	C-170009/2021	21-Mar-21
2	TIN Certificate	639890182391	21-Mar-21
3	VAT registration Certificate	003882195-0101	09-Jun-21
4	TREC Certificate - DSE	DSE TREC No. 276	01-Sep-21
5	TREC Certificate - CSE	CSE TREC No. 154	19-Sep-21
6	Stock Broker - DSE	3.1/DSE-276/2022/611	27-Mar-22
7	Stock Dealer - DSE	3.1/DSE-276/2022/612	27-Mar-22
8	Stock Broker - CSE	3.2/CSE-154/2022/345	27-Mar-22
9	DP - CDBL	CDBL-DP-472	10-Apr-22

1.02 Principal activities of the company

The principal activities of SFIL Securities Limited are to act as a TREC holder of stock exchanges and to carry on the business of broker, dealers in stocks, shares, securities, bonds, debentures. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of company in shares, stocks and fixed income securities, etc.

2.00 Basis of preparation of financial statements

2.01 Components of the financial statements

The financial statements comprise of :

- a) Statement of Financial Position as at 31 December 2022;
- b) Statement of Profit or Loss and other Comprehensive Income for the year from 01 January 2022 to 31 December 2022;
- c) Statement of Changes in Equity for the year from 01 January 2022 to 31 December 2022;
- d) Statement of Cash Flows for the year from 01 January 2022 to 31 December 2022; and
- e) Notes to the Financial Statements.

2.02 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000 and other applicable laws and regulations.

2.03 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

2.04 Functional and presentation currency

The financial statements are presented in Bangladesh Taka (BDT/Taka/Tk.) currency, which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.

2.05 Use of estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the year end. Provisions and accrued expenses are recognized in the financial statements in line with International Accounting Standard (IAS) 37: "Provisions, Contingent Liabilities and Contingent Assets" when

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the year in which the estimates are revised.

2.06 Going concern

The Company has adequate resources to continue in operation for foreseeable future. For this reason the Directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.07 Reporting year

The financial year of the Company has been determined to be from 01 January to 31 December each year. These financial statements cover the period from 01 January 2022 to 31 December 2022.

2.08 Date of authorization

These financial statements have been authorized for issue by the Board of Directors on March 29, 2023.

2.09 Statement of cash flows

Cash and cash equivalents consist of cash in hand, bank balances and short-term liquid investments that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Cash flow statement has been prepared in accordance with the International Accounting Standards (IASs) 7, "Cash flow statement" under direct method.

2.10 Comparative information

The Company incorporated on 21 March 2021 and the previous year financial statements prepared for the first time covering the period from 21 March 2021 to 31 December 2021. However, comparative figures and account titles in the financial statements have been arranged/reclassified wherever considered necessary in the next financial year.

3.00 Significant accounting policies

3.01 Property, plant & equipment

i) Recognition and measurement

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per "IAS 16: Property, plant and equipment". The cost of acquisition of an asset comprises its purchase price and any direct attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into use, such as repairs and maintenance is normally charged off as revenue expenditure in the year in which it incurs. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the assets, the expenditure is capitalized as an additional cost of the assets.

ii) Depreciation

Depreciation is calculated using 'Straight Line Method' at the following rates so as to write off the assets over their expected useful life. Depreciation is charged based on the month of the year of acquisition while no depreciation is charged in the month of disposal.

<u>Category of Assets</u>	<u>Useful Life</u>	<u>Rate %</u>
Furniture & Fixtures	5	20%
Office Decoration	6	16.67%
Office Equipment	5	20%
IT Equipment	5	20%
Right of Use of Assets	Lease Term	-

3.02 Intangible assets and amortization of intangible assets

An intangible asset shall only be recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with IAS 38: Intangible Assets. Accordingly, these assets are stated in the statement of financial position at cost less accumulated amortization. Software & License is amortized over a period of three (03) years.

3.03 Revenue recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise the revenue during the year and in accordance with the IFRS-15 "Revenue from Contracts with Customers".

i) Brokerage commission

Brokerage commission is recognized as income when a selling or buying order executed.

ii) Interest income

Interest income on bank deposit which is recognized as it accrues, using the effective interest method.

iii) Dividend income and gain/(loss) on sale of marketable securities

Dividend income is recognized when the right to receive or payment is established whereas gain or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

3.04 Investment in securities

Investments in listed securities are carried at cost. Adequate provision has been made considering accumulated unrealized loss of investments (where market price is less than cost) as guided by BSEC. No gains are recognized in the profit and loss account.

3.05 Leases

The Company has adopted IFRS 16. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Under IFRS 16, the company recognizes right-of-use assets and lease liabilities for all leases.

3.06 Related party disclosure

As per International Accounting Standard (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 its related parties. Related party disclosures have been given in note 41.

3.07 Provision for expenses

Provision for expenses is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made.

3.08 Provision for tax

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Ordinance, 1984. It is measured using tax rates enacted or substantively enacted at the reporting date. Applicable tax rate for the Company for the year 2022 is declared by Finance Act 2022.

Deferred tax

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12: "Income Taxes". 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. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements.

3.09 Earnings Per Share

This has been calculated in compliance with the requirements of "IAS 33: Earnings Per Share" by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

4.00 Property, plant & equipment

Reconciliation of carrying amount

In taka	Furniture & Fixtures	Office Decoration	Office Equipment	IT Equipment	Total
Cost					
Balance at 01 January 2021	-	-	-	-	-
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
Balance at 31 December 2021	-	-	-	-	-
Cost					
Balance at 01 January 2022	-	-	-	-	-
Additions	343,254	1,522,432	853,446	1,812,987	4,532,119
Disposal	-	-	-	-	-
Balance at 31 December 2022	343,254	1,522,432	853,446	1,812,987	4,532,119
Accumulated depreciation					
Balance at 01 January 2021	-	-	-	-	-
Depreciation	-	-	-	-	-
Disposal	-	-	-	-	-
Balance at 31 December 2021	-	-	-	-	-
Accumulated depreciation					
Balance at 01 January 2022	-	-	-	-	-
Depreciation	53,887	189,649	133,246	356,646	733,428
Disposal	-	-	-	-	-
Balance at 31 December 2022	53,887	189,649	133,246	356,646	733,428
Carrying amounts					
At 01 January 2021	-	-	-	-	-
At 31 December 2021	-	-	-	-	-
At 31 December 2022	289,367	1,332,783	720,200	1,456,341	3,798,690

5.00 Intangible assets

Reconciliation of carrying amount

In taka	TREC License	Software & License	Total
Cost			
Balance at 01 January 2021	-	-	-
Additions	20,000,000	-	20,000,000
Disposal	-	-	-
Balance at 31 December 2021	20,000,000	-	20,000,000
Cost			
Balance at 01 January 2022	20,000,000	-	20,000,000
Additions	-	524,866	524,866
Disposal	-	-	-
Balance at 31 December 2022	20,000,000	524,866	20,524,866
Accumulated depreciation			
Balance at 01 January 2021	-	-	-
Depreciation	-	-	-
Disposal	-	-	-
Balance at 31 December 2021	-	-	-
Accumulated depreciation			
Balance at 01 January 2022	-	-	-
Depreciation	-	142,534	142,534
Disposal	-	-	-
Balance at 31 December 2022	-	142,534	142,534
Carrying amounts			
At 01 January 2021	-	-	-
At 31 December 2021	20,000,000	-	20,000,000
At 31 December 2022	20,000,000	382,332	20,382,332

6.00 Right of use assets

Reconciliation of carrying amount

In taka	Total
Cost	
Balance at 01 January 2021	-
Additions	1,176,728
Disposal	-
Balance at 31 December 2021	1,176,728
Cost	
Balance at 01 January 2022	1,176,728
Additions	950,943
Disposal	-
Balance at 31 December 2022	2,127,671
Accumulated depreciation	
Balance at 01 January 2021	-
Depreciation	65,374
Disposal	-
Balance at 31 December 2021	65,374
Accumulated depreciation	
Balance at 01 January 2022	65,374
Depreciation	596,016
Disposal	-
Balance at 31 December 2022	661,390
Carrying amounts	
At 01 January 2021	-
At 31 December 2021	1,111,354
At 31 December 2022	1,466,281

This represents the lease agreement for the office premises and presented as per IFRS 16. At present, The entity has finance lease for office premises where agreement is more than 1 year. As such the amount is recognized as right of use asset for the year as per IFRS 16 and modified restatement policy is followed during initial recognition of IFRS 16.

For details please find Annexure-A

	Note	Amount	
		31-Dec-22	31-Dec-21
7.00 Security deposits with stock exchanges			
Security deposit-DSE		30,000,000	30,000,000
Security deposit-CSE		30,000,000	30,000,000
		60,000,000	60,000,000
8.00 Advances, deposits and prepayments			
<u>Advances</u>			
Advance against office interior works		-	338,242
		-	338,242
<u>Deposits</u>			
Security deposit for office rent		180,000	90,000
Security deposit - CDBL		200,000	-
Clearing house deposit - CSE		25,000	-
		405,000	90,000
		405,000	428,242

The Company deposited taka 30,000,000 both in DSE and CSE as security deposit as a requirement for acquiring of TREC certificate from both the Exchanges.

9.00 Advance income tax			
Opening balance		366,057	-
Addition:			
Advance tax paid during the year		104,325	-
Advance tax deducted at source		162,242	366,057
Tax deducted at source on turnover		89,315	-
		355,882	366,057
		721,939	366,057
Less: Adjustment during the year		122,019	-
		599,920	366,057
10.00 Investment			
Investment in listed securities - Dealer account	10.01	10,592,118	-
		10,592,118	-

All investments in marketable securities are valued on an aggregate portfolio basis at cost price at the balance sheet date. Sufficient provision has been maintained as per BSEC guidelines against this unrealized loss. Please see the note 10.01 for details.

10.01 Investment in listed securities - Dealer account

Particulars	Cost Price	Market Price as on 31.12.2022	Unrealized Gain/ (Loss)
Bank	9,966,829	9798000	(168,829)
Corporate Bond	330,097	315900	(14,197)
Food & Allied	295,192	274911	(20,281)
	10,592,118	10,388,811	(203,307)

11.00 Accounts receivable			
Receivable from Broker (Dealer Account)		7,882	-
		7,882	-
12.00 Cash and cash equivalents			
Cash in hand		30,000	-
Cash at bank	12.01	5,319,893	31,249,517
		5,349,893	31,249,517
12.01 Cash at bank			
Padma Bank Limited (A/C No.: 0113000418139)		3,461,912	31,249,517
IFIC Bank Limited (CCA) (A/C No.: 0190060624041)		1,825,553	-
IFIC Bank Limited (Dealer) (A/C No.: 0190060601021)		32,429	-
		5,319,893	31,249,517

	Note	Amount	
		31-Dec-22	31-Dec-21
13.00 Share capital			
Authorized Capital			
25,000,000 ordinary shares of Taka 10 each		250,000,000	250,000,000
Issued, Subscribed and Paid-up Capital			
11,000,000 ordinary shares of Taka 10 each fully paid		110,000,000	110,000,000
Detail of Shareholding Position of the Company			

Name of the Shareholders	No. of Shares	% of share holding	31-Dec-2022	31-Dec-2021
Strategic Finance & Investments Limited	10,999,700	9999.73%	109,997,000	109,997,000
Mr. Mohammad Shajedul Haque Mredha	100	0.09%	1,000	1,000
Mr. Mohammad Razibuzzaman Khan	100	0.09%	1,000	1,000
Mr. Md. Alimul Razi	100	0.09%	1,000	1,000
	11,000,000	100.00	110,000,000	110,000,000

14.00 Retained earnings			
Opening balance		1,148,125	-
Add: Prior year adjustment		39,224	
		1,187,350	-
Add: Profit during the year		(12,562,933)	1,148,125
		(11,375,584)	1,148,125
Less: Transfer to capital reserve		(114,813)	-
Closing balance		(11,490,396)	1,148,125

15.00 Capital reserve			
Opening balance		-	-
Add: Addition during the year		114,813	-
		114,813	-
Less: Adjustment during the year		-	-
Closing balance		114,813	-

As per Risk Based Capital Adequacy Rules, 2019, Part B [rule (1)(b); rule 5(2)] shall maintain a mandatory provision at least @ 10% of profit after tax of last year as capital reserve.

16.00 Lease liabilities - Non current portion			
Opening balance		772,526	-
Add: Addition during the year		950,943	1,176,728
		1,723,469	1,176,728
Less: Conversion to short term		956,511	404,202
Closing balance		766,958	772,526

Lease liabilities derived from present value of all rental payments for office. When measuring lease liabilities, SFIL Securities Limited discounted lease payments using its incremental borrowing rate (9%).

17.00 Deferred tax liabilities

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

Particulars	Accounting Base Carrying Amount	Tax Base Carrying Amount	Taxable/(deductible) temporary difference
Deferred tax liability is arrived as follows:			
Fixed assets net of depreciation	4,181,022	3,978,742	202,281
Lease liabilities	(1,545,045)	-	(1,545,045)
Right of use Assets	1,466,281	-	1,466,281
Total	4,102,258	3,978,742	123,516

Applicable tax rate		27.50%
Deferred tax liability as on 31 December 2022		33,967
Deferred tax expense accounted as on 31 December 2022		53,579

	Note	Amount	
		31-Dec-22	31-Dec-21
18.00	Accounts payable		
	Payable to clients	18.01 279,187	-
	Payable to DSE & CSE	18.02 1,078,496	-
	Liabilities for expenses	18.03 133,187	226,263
		1,490,870	226,263
18.01	Payable to clients		
	DSE-Broker	271,305	-
	DSE-Dealer	7,882	-
		279,187	-
18.02	Payable to DSE & CSE		
	DSE-Broker	1,078,496	-
	DSE-Dealer	-	-
	CSE-Broker	-	-
		1,078,496	-
18.03	Liabilities for expenses		
	Accrued expenses	50,784	168,568
	Interest payable - lease liability	-	17,445
	Audit fees payable	80,500	40,250
	CDBL	1,903	-
		133,187	226,263
19.00	Lease liabilities - Current portion		
	Opening balance	404,202	-
	Add: Conversion from long term	956,511	404,202
		1,360,713	404,202
	Less: Paid during the year	582,626	-
	Closing balance	778,088	404,202
20.00	Provision for taxation		
	Opening Balance	550,000	-
	Add: Provision during the year	89,315	550,000
		639,315	550,000
	Less: Adjustment during the year	-	-
	Closing balance	639,315	550,000
21.00	Provision for diminution in value of investments		
	Opening Balance	-	-
	Add: Provision during the year	203,307	-
		203,307	-
	Less: Adjustment during the year	-	-
	Closing balance	203,307	-
22.00	Other liabilities		
	Withholding Tax payable	51,099	10,063
	Withholding VAT payable	14,098	24,378
		65,197	34,442
23.00	Brokerage commission income		
	DSE-Broker	546,513	-
	DSE-Dealer	31,937	-
	CSE-Broker	99	-
		578,549	-
24.00	Brokerage commission expenses		
	Service charge paid to CDBL	6,546	-
	Laga charges	24.01 44,644	-
	Howla charges	24.02 500	-
	Contribution to investor's protection fund	200,120	-
		251,811	-

	Note	Amount	
		31-Dec-22	31-Dec-21
24.01	Laga charges		
	DSE-Broker	42,081	-
	DSE-Dealer	2,558	-
	CSE-Broker	6	-
		44,644	-
24.02	Howla charges		
	DSE-Broker	100	-
	DSE-Dealer	400	-
	CSE-Broker	-	-
		500	-
25.00	Interest income		
	Interest on SND account	728,279	2,440,380
	Interest on FDR	627,532	-
		1,355,811	2,440,380
26.00	Interest expenses		
	Interest on loan	-	-
	Interest on lease liability	126,249	17,445
		126,249	17,445
27.00	Other operational income		
	Account opening fee	5,700	-
	BO account maintenance fee	2,800	-
	IPO service charge	130	-
		8,630	-
28.00	Income from investment		
	Capital gain	-	-
	Dividend income	5,300	-
		5,300	-
29.00	Salary and allowances		
	Salary and allowances	7,024,513	40,000
		7,024,513	40,000
30.00	Utility expenses		
	Utilities	254,337	-
		254,337	-
31.00	Legal & professional fees		
	Legal and professional fees	41,467	-
		41,467	-
32.00	Postage & telephone expense		
	Stamp	13,482	9,140
	Telephone and mobile bill	29,709	-
	Internet & email	222,355	-
		265,546	9,140
33.00	Stationery, printing, advertisement		
	Printing and stationery	105,030	-
	Advertisement	-	16,380
		105,030	16,380
34.00	Audit fee		
	Audit fee	80,500	40,250
		80,500	40,250
35.00	Repairs, maintenance and depreciation		
	Repairs and maintenance	-	-
	Depreciation and amortization	1,471,978	65,374
		1,471,978	65,374

	Note	Amount	
		31-Dec-22	31-Dec-21
36.00 Other expenses			
Training		12,778	3,000
Conveyance		32,545	28,145
Application fee - DSE & CSE		-	200,000
Renewal & registration		3,203,800	271,836
Entertainment		34,657	-
Computer accessories		36,713	-
Vehicle maintenance & registration		538,548	-
Office security service		316,800	-
Office cleaning service		145,258	-
Office maintenance		125,428	-
Business development		25,875	-
Books & periodicals		2,030	-
Bank charges		8,299	1,898
Excise duty		48,000	15,000
Overtime		12,862	-
Miscellaneous expense		-	14,175
		4,543,593	534,054
37.00 Income tax			
Current tax expense		89,315	550,000
Deferred tax expense		53,579	19,612
		142,894	569,612
38.00 Employee details			
No. of employee received below than BDT 3,000 per month and BDT 36,000 annually		-	-
No. of employee received more than BDT 3,000 per month and BDT 36,000 annually		7	1
		7	1

39.00 Events after the reporting period

- The Board of Directors in its 16th meeting held on March 29, 2023 has approved the financial statements and authorized the same for issue.
- The Board of Directors in its 16th meeting held on March 29, 2023 has recommended no cash and stock dividend to the shareholders for the period ended December 31, 2022.
- No other adjusting event had occurred till date of signing the financial statements which recognize adjustment under IAS-10 "Events after Reporting Period".

40.00 Earnings Per Share (EPS)

Net profit after Tax	(12,562,933)	1,148,125
Number of Ordinary Shares Outstanding	11,000,000	11,000,000
Earnings Per Share (EPS)	(1.14)	0.10

Earnings per Share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)".

41.00 Related party disclosures

The names of the related parties and nature of these transactions have been set out in accordance with the provision of IAS 24: Related Party Disclosures.

Name of related party	Country	Nature of relationship	Nature of transaction	Balance outstanding as at 31 December	
				2022	2021
Strategic Finance & Investments Ltd.	Bangladesh	Parent Company	Bo Account	35,344	-



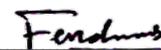
Director



Director



Director



Managing Director & CEO
(Current Charge)

SFIL Securities Limited

As at and for the year ended 31 December 2022

Annexure-A

Leases

See accounting policy in Note 3.05

A. Leases as lessee (IFRS 16)

SFIL Securities Limited has leased two commercial office space in Century Centre, Pragati Shoroni measuring 1,700 square feet from Century Reality Limited under operating lease. Lease period covers 2 years 4 months, with an option to renew for further on expiry of present period. The details of leased property is as follows:

Demised property	Address	Effective date of agreement	Expiry date of agreement	Area (Sq. F)
Commercial office space	8th Floor, Century centre, Kha-225, Pragati Sharani, Dhaka	1-Jul-2022	31-Oct-2024	1,700

SFIL Security Limited provides 3 months advance of BDT 180,000 of three months rent as security deposit to lessors that is refundable at the end of the lease agreement.

The Company is restricted from entering into any sublease arrangements. Previously this lease was classified as operating lease under IAS 17. Information about lease for which the entity is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as Right-of-use assets.

In taka	Total
2022	
Balance at 1 January	1,111,354
Addition during the year	950,943
Depreciation charge for the years	596,016
Balance at 31 December	1,466,281

(ii) Amount recognised in profit and loss

2022-Leases under IFRS 16

Interest on lease liabilities	126,249
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(iii) Amount recognised in statement of cash flow

In Taka

Total cash outflow for leases	653,685
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B. Leases as lessor

SFIL Securities Limited did not provide any lease facility to other entity.

Uniform Components of Financial Reporting and Disclosures

Schedule - B

Annexure - B

(see rule 3 of Risk Based Capital Adequacy) Rules, 2019

Name of the Intermediary : SFIL Securities Limited	As on date: 31 December, 2022
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Area of Operation : Stock Broker & Stock Dealer

Item	Assets	Note Reference	Amount as in Balance Sheet
1	Cash and Bank Balances		5,349,893
	Cash in Hand	12.00	30,000
	Cash at Bank in Company's account	12.01	3,461,912
	Cash at Bank in trading accounts (Stock Dealer A/C)	12.01	32,429
	Cash at Bank accounts for clients (consolidated customer account)	12.01	1,825,553
	Cash at Bank at IPO Account		-
	Investment in FDR		-
2	Amounts Receivable from Exchange, Depository and CCP		60,225,000
	Cash deposits with Exchanges (as margin) (mandatory/excess)		
	Mandatory	7.00	60,000,000
	Excess over mandatory		
	Cash deposits with Clearing House (as margin) (mandatory/ excess)		
	Mandatory	8.00	25,000
	Excess over mandatory		
	Cash deposit with depository (as per rule) (mandatory/ excess)		
	Mandatory	8.00	200,000
	Excess over mandatory		
3	Amounts Receivable from Securities Trading		7,882
	Receivable from DSE (categorize as A,B,G,N,Z and DVP)		
		Receivable against A,B,G and N category	
		Receivable against Z category	
		Receivable against DVP category	
	Receivable from CSE (categorize as A,B,G,N,Z and DVP)		
		Receivable against A,B,G and N category	

Item	Assets		Note Reference	Amount as in
				Balance Sheet
		Receivable against Z category		
		Receivable against DVP category		
	Receivable from Stock Broker/Stock Dealer		11.00	7,882
	Receivable from Merchant Banker			
	Receivable from selling agents			
	Receivable from others			
4	Amounts receivable from margin clients-			-
	Receivable to Clients having no margin or full erosion of equity(e.g.no equity against debit balance)			
	Receivable to Clients fall under force sale condition(e.g. equity is>DB but < 125% of DB)			
	Receivable to Clients fall under force sale condition(e.g. equity is>125% of DB but <150% of DB)			
	Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)			
5	Amounts Receivable from other Clients-			-
		Receivable after securities trading		
		Receivable arises from fee, commission & charges		
6	Amounts receivable from securities dealer (if subsidiary)			-
7	Amounts Receivable arises from short sale			-
8	Proprietary positions in securities and specified investments			10,592,118
	Proprietary positions in Equity securities			
		Value of "A" category instruments	10.01	10,262,020
		Value of "B/G/N/..." category instruments		
		Value of "Z" category instruments		
		Value of "OTC" category instruments		
		Value of Non-Listed Instruments		

Item	Assets		Note Reference	Amount as in
				Balance Sheet
	Proprietary positions in MFs & CISs including AFs			
		Value of listed funds		
		Value of non- listed funds		
		Value of AIFs		
	Proprietary positions in Debt Instruments & ABSs			
		Value of listed debt instruments	10.01	330,097.14
		Value of no- listed debt instruments		
	Proprietary positions in strategic investments			
		Value of listed strategic investments		
		Value of no- listed strategic investments		
		Value of ABSs		
	Proprietary Positions in money market Instruments			
		Value of Govt. & BB instruments		
		Value of commercial paper		
	Own subscription in IPOs but not yet allotted			
	Other assets			
9	Proprietary positions in Derivatives			
10	Other assets arising from:			180,000
	Receivable against Advisory Fees, Commission, etc.			
	Prepaid expenses		8.00	
	Security deposits		8.00	180,000
11	Advance /Investment in Associated undertakings (long term):			599,920
	Advance to Subsidiaries			
	Advance to Associated Companies			
	Advance to Directors & Staffs			
	Other Advances			
	Advance Income Tax		9.00	599,920
12	Fixed assets (net off Depreciation & amortization):			3,798,690
	Land & Land Development			
	Building & Other structures			
	Other tangible assets		4.00	3,798,690

Item	Assets	Note Reference	Amount as in
			Balance Sheet
13	Intangible Assets:		20,382,332
	Software	5.00	382,332
	Goodwill, Patents and other Intangible Assets	5.00	20,000,000
14	Value of investment in Exchange (against Membership Value)		
15	Other Long Term Assets:		1,466,281
	Long Term Investments		
	Long Term Prepayments & Deposits		
	Deferred Tax Assets		
	Others (clearly specified in notes)		
	Right of use Asset	6.00	1,466,281
16	Total assets	(aggregate of amount in items 1 to 15)	102,602,116
	Liabilities:		
17	Short positions in securities held for own account		
18	Payable to Clients	18.01	279,187
19	Short Term Business Liabilities:		778,088
	Payable to Banks, if not for trading & investment (current portion of long term liabilities)		
	Payable to FIs, if not for trading & Investment (current portion of long term liabilities)		
	Payable to Banks & FIs for Loan against Margin Financing & Investment (full amount)		
	Payable obligation against sub-debt, preference shares(current portion)		
	Payable to associate companies or persons		
	Lease Liabilities(short term)	19.00	778,088
20	Amounts payable to clearing houses/ Exchanges/Depository, etc.		1,080,399
	Payable to Exchanges	18.02	1,078,496
	Payable to Clearing House		
	Payable to Depository	18.03	1,903
	Payable to Brokers		
21	Other Liabilities and Provisions:		1,073,069
	Accruals & Accounts payable		
	Provision for taxation, Deferred tax and other deferred liabilities	17 & 20	673,281
	Provision for Margin Loan		
	Provision for Gratuity, PF & others Provision for Tax & VAT		
	Interest Suspense against Margin Loan		
	Liabilities for Expenses	18.03	131,284

Item	Assets		Note Reference	Amount as in
				Balance Sheet
	Interest Payable			
	Provision for contingent liabilities and floating losses (Provision for diminution in value of investment)		21.00	203,307
	Others (Withholding tax & VAT payable)		22.00	65,197
	Security deposits			
22	Any others (need to Specified)			
23	Non- current Loan Liabilities			766,958
	Long term loan liabilities (other than current portion amount)			
	Approved subordinated debt (other than current portion amount)			
	Approved Redeemable Preference shares (other than current portion amount)			
	Long term Lease Liabilities		16.00	766,958
24	Shareholders Equity:			98,624,416
	Share Capital		13.00	110,000,000
	Share Premium			
	General Reserve			
	Capital Reserve		15.00	114,813
	Dividend Equalization Reserve			
	Revaluation Reserve			
	Adjustment for diminution in value of portfolio holdings			
	Others Reserves			
	Retained Earnings		14.00	(11,490,396)
25	Total Liabilities & Shareholders Equity	(aggregate of amounts in item 17 to 24)		102,602,116

3rd Annual General Meeting

PROXY FORM

I/We of
..... being a member of Strategic
Finance and Investments Limited and a holder of shares hereby appoint Mr./
Mrs. of
..... as my/our proxy to vote for me/us and on me/our behalf at the 3rd
Annual General Meeting of the company to be held on May 30, 2023 (Tuesday) at 3:00 p.m. and at any adjournment
thereof.

Signed this day of May, 2023

Detail of Proxy
Signature:
Name:

Detail of Member
Signature:
Name:
Folio Number:

NOTE:

- This form of proxy, duly completed, must be deposited at least 72 hours before the meeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.
- Signature of the shareholders should agree with the specimen signature registered with the Company and Depository Register.



3rd Annual General Meeting

ATTENDANCE SLIP

I hereby record my attendance at the 3rd Annual General Meeting of Strategic Finance and Investments Limited being held on May 30, 2023 (Tuesday) at 3:00 p.m. as a holder of shares of the Company.

Detail of Proxy
Signature:
Name:

Detail of Member
Signature:
Name:
Folio Number:

NOTE:

Signature of the shareholder should agree with the specimen signature registered with the Company and Depository Register.



Bond of Transparency



Strategic Finance and Investments Limited

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