

Fareast Finance & Investment Limited
Balance Sheet (Un-audited)
as at 30 September 2023

Particulars	Amounts in Taka	
	30-Sep-2023	31-Dec-2022
PROPERTY AND ASSETS		
Cash	23,260,656	23,211,106
In hand (including foreign currencies)	50,000	0
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	23,210,656	23,211,106
Balance with other banks and financial institutions	781,845,563	769,445,501
In Bangladesh	781,845,563	769,445,501
Outside Bangladesh	0	0
Money at call and short notice	0	0
Investments	71,485,572	71,485,572
Government	0	0
Others	71,485,572	71,485,572
Loans, advances and leases	9,307,324,208	9,438,041,064
Loans, cash credits, overdrafts, leases, etc.	9,307,324,208	9,438,041,064
Bills purchased and discounted	0	0
Fixed assets including premises, furniture and fixtures	1,282,758	919,147
Other assets	1,042,642,643	1,037,003,519
Non-business assets	8,433,997	8,433,997
Total assets	11,236,275,397	11,348,539,906
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	3,438,967,291	3,452,887,890
Deposits and other accounts	4,638,961,445	4,567,785,898
Current deposits	0	0
Bills payable	0	0
Savings deposits	0	0
Term deposits	4,638,961,445	4,567,785,898
Bearer certificate of deposit	0	0
Other deposits	0	0
Other liabilities	10,163,543,750	9,644,184,207
Total liabilities	18,241,472,486	17,664,857,995

Particulars	Amounts in Taka	
	30-Sep-2023	31-Dec-2022
Capital/Shareholders' equity	(7,005,197,089)	(6,316,318,089)
Paid up capital	1,640,633,300	1,640,633,300
Statutory reserve	268,954,085	268,954,085
Revaluation reserve	79,495,313	79,495,313
Retained earnings	(8,994,279,787)	(8,305,400,787)
Total liabilities and Shareholders' equity	11,236,275,397	11,348,539,906

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Acceptances and endorsements
Letter of guarantee
Irrevocable letter of credit
Bills for collection
Other contingent liabilities

	0	0
	0	0
	0	0
	0	0
	0	0
	0	0

Other commitments

Documentary credits and short term trade related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving underwriting facilities
Spot and foreign exchange rate contract
Undrawn formal standby facilities, credit lines and other commitments

	0	0
	0	0
	0	0
	0	0
	0	0
	0	0

Total off-balance sheet items including contingent liabilities

	0	0
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Net asset value per share

	(42.70)	(38.50)
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Md. Ashraful Moqbul
Chairman


Ihsanul Aziz
Independent Director


Muhammad Ali Zaryab
Managing Director


Md. Anwar Hussain
Head of Finance & HR


Md. Ramzan Hossain
Company Secretary

Fareast Finance & Investment Limited
Profit and Loss Account (Un-audited)
for the third quarter ended 30 September 2023

Particulars	Amounts in Taka			
	January to Sept. 2023	January to Sept. 2022	July to Sept. 2023	July to Sept. 2022
Interest income on loans, advances and leases	109,785,222	59,473,905	36,511,215	17,320,804
Interest expenses on borrowings, deposits, etc.	(559,364,580)	(537,395,123)	(192,818,775)	(164,419,402)
Net interest income	(449,579,358)	(477,921,218)	(156,307,560)	(147,098,598)
Investment income	2,099,026	1,789,478	382,144	634,630
Commission, exchange and brokerage	0	0	0	0
Other operating income	1,314,374	129,963	920,829	29,224
Total operating income	(446,165,958)	(476,001,777)	(155,004,587)	(146,434,744)
Salary and allowances	15,424,352	16,758,597	4,656,391	5,827,821
Rent, taxes, insurance, electricity, etc.	787,983	1,204,282	306,560	268,062
Legal expenses	3,883,762	1,251,474	791,950	243,799
Postage, stamp, telecommunication, etc.	470,858	366,858	174,189	120,964
Stationery, printing, advertisements, etc.	1,026,232	686,716	107,661	547,710
Managing Director's salary and allowances	5,090,000	5,090,000	1,530,000	1,780,000
Directors' fees	369,600	554,400	123,200	220,000
Auditors' fees	631,700	2,040,450	(211,100)	1,830,150
Charges on losses regarding loans, advances and leases	0	0	0	0
Depreciation and repairs of company's assets	405,661	1,143,733	89,113	161,237
Other operating expenses	3,074,958	5,784,336	632,630	3,241,983
Total operating expenses	31,165,106	34,880,846	8,200,594	14,241,726
Profit/(loss) before provisions	(477,331,064)	(510,882,623)	(163,205,181)	(160,676,470)
Provisions for loans, advances and leases	21,369,439	1,339,713,389	(13,428,327)	661,542,020
Provision for the diminution in the value of investments	237,538	(4,420,245)	277,438	(2,006,035)
Other provisions	189,130,314	94,592,400	189,130,314	0
Total provisions	210,737,291	1,429,885,544	175,979,425	659,535,985
Profit/(loss) before income tax	(688,068,355)	(1,940,768,167)	(339,184,606)	(820,212,455)
Provision for income tax				
Current tax expense	419,805	172,631	76,429	126,926
Deferred tax expense/(income)	390,840	(22,658)	265,938	(243)
	810,645	149,973	342,367	126,683
Net profit/(loss) after income tax	(688,879,000)	(1,940,918,140)	(339,526,973)	(820,339,138)
Earnings per share	(4.20)	(11.83)	(2.07)	(5.00)
Weighted average number of outstanding shares	164,063,330	164,063,330	164,063,330	164,063,330

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Fareast Finance & Investment Limited
Cash Flow Statement (Un-audited)
for the third quarter ended 30 September 2023

Particulars	Amounts in Taka	
	30-Sep-2023	30-Sep-2022
Cash flows from operating activities		
Interest received	96,652,045	57,684,721
Interest paid	(291,133,769)	(349,134,808)
Dividend received	2,099,026	863,157
Fees and commission received	0	0
Recoveries of loan previously written-off	8,112,768	5,712,205
Income taxes paid	(1,327,053)	(804,758)
Received from other operating activities	1,037,615	129,963
Payments for other operating activities	(11,877,530)	(30,998,240)
Cash generated from operating activities before changes in operating assets and liabilities	(196,436,898)	(316,547,760)
Increase/decrease in operating assets and liabilities		
Statutory deposit	0	0
Trading securities	0	0
Loans, advances and leases	130,716,856	203,250,615
Other assets	317,499	345,452
Deposit and other accounts	71,175,547	(57,722,963)
Net drawdown of short term loans	(279,860,516)	12,476,829
Other liabilities on account of customers	30,642,349	67,364,949
Trading liabilities	0	0
Other liabilities	(9,782,129)	198,627,023
	(56,790,394)	424,341,905
Net cash from operating activities	(253,227,292)	107,794,145
Cash flows from investing activities		
Proceeds from sale of securities	0	24,420,830
Payments for purchase of securities	0	0
Purchase of fixed assets including premises, furniture and fixtures	(539,800)	(591,948)
Proceeds from sale of fixed assets including premises, furniture and fixtures	276,786	0
(Increase)/decrease regarding purchase and sale of subsidiary	0	0
Net cash used in investing activities	(263,014)	23,828,882
Cash flows from financing activities		
Receipt of borrowings from other banks, financial institutions and agents	300,346,619	49,828,202
Repayment of borrowings from other banks, financial institutions and agents	(34,406,701)	(137,366,052)
Receipt against issue of share capital	0	0
Increase/(decrease) in revaluation reserve	0	0
Dividend paid in cash	0	0
Net cash from financing activities	265,939,918	(87,537,850)
Net increase/(Decrease) in cash and cash equivalents	12,449,612	44,085,177
Effects of exchange rate changes on cash and equivalents	0	0
Cash and cash equivalents at beginning of the year	792,656,607	681,657,948
Cash and cash equivalents at the end of the period	805,106,219	725,743,125

Particulars	Amounts in Taka	
	30-Sep-2023	30-Sep-2022

Cash and cash equivalents at the end of the period

Cash in hand (including foreign currencies)	50,000	50,000
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	23,210,656	23,211,286
Balance with other banks and financial institutions	781,845,563	702,481,839
Money at call and short notice	0	0
	805,106,219	725,743,125
Net operating cash flow per share	(1.54)	0.66


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Company Secretary

Fareast Finance & Investment Limited
Statement of Changes in Equity (Un-audited)
for the third quarter ended 30 September 2023

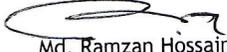
Particulars	Paid up capital	Statutory reserve	Revaluation reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka
Balance at 01 January 2023	1,640,633,300	268,954,085	79,495,313	(8,305,400,787)	(6,316,318,089)
Net profit for the period ended 30 Sept. 2023	0	0	0	(688,879,000)	(688,879,000)
Dividend (Bonus shares)	0	0	0	0	0
Cash dividend	0	0	0	0	0
Balance as at 30 September 2023	1,640,633,300	268,954,085	79,495,313	(8,994,279,787)	(7,005,197,089)
Balance at 01 January 2022	1,640,633,300	268,954,085	79,495,313	(5,998,895,300)	(4,009,812,602)
Net profit for the period ended 30 Sept. 2022	0	0	0	(1,940,918,140)	(1,940,918,140)
Dividend (Bonus shares)	0	0	0	0	0
Cash dividend	0	0	0	0	0
Balance as at 30 September 2022	1,640,633,300	268,954,085	79,495,313	(7,939,813,440)	(5,950,730,742)


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Fareast Finance & Investment Limited
Selected explanatory notes to the accounts

1. Legal status and nature of the company

Fareast Finance & Investment Limited ("the company") was incorporated in Bangladesh as a public limited company with limited liability on 21 June 2001 under the Companies Act, 1994. The company was authorized to commence business in Bangladesh as per Certificate of Commencement dated 21 June 2001.

The company obtained license from Bangladesh Bank as a Financial Institution under the Financial Institutions Act, 1993 to operate as a leasing and financing company on 03 July 2001.

2. Basis of preparation

These third quarterly financial statements for the period ended 30 September 2023 have been prepared based on International Accounting Standard (IAS)-34: "Interim Financial Reporting".

These interim financial statements should be read in conjunction with the published financial statements for the year ended 31 December 2022, as they provide an update to previously reported information.

3. Basis of presentation

The presentation of financial statements has been made in accordance with the DFIM Circular No. 11 dated 23 December 2009 issued by the Department of Financial Institutions and Markets of Bangladesh Bank. All financial information presented in Bangladesh Taka (BDT) which has been rounded off to the nearest Taka.

4. Accounting policies and methods of computations

Accounting policies and methods of computations followed in preparing these financial statements are consistent with those used in the annual financial statements, prepared and published for the year ended 31 December 2022.

5. Shareholders' equity

Amounts in Taka	
30.09.2023	31.12.2022

5.1. Paid up capital

Ordinary shares: 164,063,330 ordinary shares of Tk.10 each	1,640,633,300	1,640,633,300
Share premium	0	0
Preference shares	0	0
Total	1,640,633,300	1,640,633,300

5.2. Raising of share capital

Fareast Finance & Investment Limited raised its share capital as follows:

Date of issue	Type of issue of paid up capital	Number of share	Face value per share	Value of share	Cumulative paid up capital
21-Jun-2001	Opening capital	500,000	100	50,000,000	50,000,000
25-May-2004	Bonus share	75,000	100	7,500,000	57,500,000
12-Aug-2004	Right share	875,001	100	87,500,100	145,000,100
23-Apr-2006	Bonus share	290,000	100	29,000,000	174,000,100
24-Jul-2007	Bonus share	217,500	100	21,750,000	195,750,100
23-Sep-2010	Bonus share	1,174,500	100	117,450,000	313,200,100
23-Nov-2010	Right share	5,000,000	10	50,000,000	363,200,100
23-Dec-2010	Right share	50,848,010	10	508,480,100	871,680,200
29-Mar-2011	Bonus share	17,433,604	10	174,336,040	1,046,016,240
16-May-2012	Bonus share	10,460,162	10	104,601,620	1,150,617,860
14-Aug-2013	IPO share	45,000,000	10	450,000,000	1,600,617,860
25-Mar-2015	Bonus share	4,001,544	10	40,015,440	1,640,633,300
Total		164,063,330		1,640,633,300	

Face value of the share has been denominated to Tk.10 from Tk.100 per share by the shareholders in their third Extra Ordinary General Meeting held on 20 October 2010.

As at 30 September 2023, the company has no preference share and hence conversion of preference share to ordinary share is not applicable.

Amounts in Taka	
30.09.2023	31.12.2022

5.3. Statutory reserve

According to the Rule 6 of The Financial Institutions Regulation, 1994, the company transfers 20% of its net profit for the respective year to statutory reserve. Detailed movement of the reserve is as follows:

Opening balance	268,954,085	268,954,085
Add: Transferred during the period	0	0
Closing balance	268,954,085	268,954,085

5.4. Revaluation reserve

Revaluation reserve includes proportionate revaluation reserve of Fareast Stocks & Bonds Limited. In the year 2010, Fareast Stocks & Bonds Limited revalued its membership of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) based on the prevailing market price. In the year 2012, Fareast Stocks & Bonds Limited further reassessed its membership of DSE and CSE. In the year 2018, Fareast Stocks & Bonds Limited further adjusted its membership of DSE and CSE and hence, proportionate revaluation is reduced from investment in associate. Details are as follows:

Opening balance	79,495,313	79,495,313
Increase/(decrease) in revaluation reserve	0	0
Closing balance	79,495,313	79,495,313

5.5. Retained earnings

Opening balance	(8,305,400,787)	(5,998,895,300)
Less: Cash dividend paid	0	0
Less: Issue of bonus shares	0	0
Add: Net profit for the period	(688,879,000)	(2,306,505,487)
Less: Transfer to statutory reserve	0	0
Add: Prior year adjustment	0	0
Closing balance	(8,994,279,787)	(8,305,400,787)

6. Net Asset Value (NAV) Per Share

Net asset (total assets less total liabilities) (A)	(7,005,197,089)	(6,316,318,089)
Total number of ordinary shares outstanding (B)	164,063,330	164,063,330
Net Asset Value (NAV) Per Share (A/B)	(42.70)	(38.50)

7. Deferred tax

Deferred tax has been calculated based on deductible taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of BAS 12: "Income Taxes". Deferred tax asset is arrived at as follows:

Particulars	Carrying amount at balance sheet	Tax base	(Taxable)/deductible temporary difference
Assets			
Fixed assets net of depreciation excluding land	1,282,758	7,185,398	5,902,640
Liabilities	0	0	0
Total	1,282,758	7,185,398	5,902,640
Applicable tax rate			37.50%
Deferred tax asset as on 30 September 2023			2,213,490
Deferred tax asset made as on 31 December 2022			2,604,330
Deferred tax expense required for the period ended on 30 September 2023			390,840

8. Earning Per Share (EPS)

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

Amounts in Taka	
30.09.2023	30.09.2022

Basic earnings per share

Basic earnings per share is calculated based on weighted average number of ordinary shares outstanding for the period ended 30 September 2023 and profit for the same period.

Net profit/(loss) after income tax (A)	(688,879,000)	(1,940,918,140)
Weighted average number of outstanding shares (B)	164,063,330	164,063,330
Earnings per share (Basic) (A/B)	(4.20)	(11.83)

Diluted earnings per share

No diluted earnings per share are required to be calculated for the period ended 30 September 2023, as there was no scope for dilution during the period under review.

9. Net Operating Cash Flows Per Share (NOCFPS)

Net cash flows from operating activities (A)	(253,227,292)	107,794,145
Total number of ordinary shares outstanding (B)	164,063,330	164,063,330
Net Operating Cash Flows Per Share (NOCFPS) (A/B)	(1.54)	0.66

10. Reconciliation of profit/(loss) before income tax with cash flows from operating activities

Profit/(loss) before income tax	(688,068,355)	(1,940,768,167)
Less: Profit from sale of shares of securities	0	(926,321)
Less: Income taxes paid	(1,327,053)	(804,758)
Add: Adjustments for non-cash items:		
Depreciation of company's assets	176,162	834,686
Provisions for loans, advances and leases	21,369,439	1,339,713,389
Provision for the diminution in the value of investments	237,538	(4,420,245)
Provisions for other assets	189,130,314	94,592,400
(Increase)/decrease in loans, advances and leases	130,716,856	203,250,615
(Increase)/decrease in other assets	317,499	345,452
Increase/(decrease) in deposit and other accounts	71,175,547	(57,722,963)
Increase/(decrease) in net drawdown of short term loans	(279,860,516)	12,476,829
Increase/(decrease) in other liabilities on account of customers	30,642,349	67,364,949
Increase/(decrease) in other liabilities	(9,782,129)	198,627,023
Increase/(decrease) in accruals	282,045,057	195,231,256
Net cash flows from operating activities	(253,227,292)	107,794,145

11. Events after the Reporting Period

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

12. Reasons for significant deviation of net profit/(loss) between two quarters

The major reasons for having deviation of net profit/(loss) between two quarters are the provisions for loans, advances and leases and interest suspense which was made following the DFIM Circular No. 04 dated 26 July 2021 issued by Bangladesh Bank in this regard and interest spread.

13. Approval of third quarterly report

The third quarterly financial statements for the period ended 30 September 2023 were approved by the Board of Directors in its 245th meeting held on 23 October 2023.

14. General

The third quarterly financial statements for the period ended 30 September 2023 are prepared without considering share of profit/(loss) of associate company namely Fareast Stocks & Bonds Limited (50% shareholding). The third quarterly financial statements for the period ended 30 September 2023 are unaudited. These comparative figures have been restated and rearranged whenever considered necessary to ensure comparability with the current financial statements.



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