



Message from The Chairman

Bismillahir Rahmanir Rahim
Distinguished Shareholders:
Assalamu Alaikum,

By the grace of Almighty Allah, it is my pleasure to welcome you all here today at this 22nd Annual General Meeting of Fareast Finance & Investment Limited (FFIL). I would like to express my gratitude and regards to all of you for your continued support & patronization over the years.

Like a number of non-bank financial institutions, Fareast Finance & Investment Limited has been experiencing severe liquidity crisis since 2017 followed by negative interest margin, operating losses, huge nonperforming assets resulting depletion of capital, decrease in equity, net operating cash flow, net asset value, earning per share and hence struggling for existence. Fareast Finance & Investment Limited could not give dividends to the honorable shareholders after 2016 and fell into 'Z'- category on April 19, 2018. Bangladesh Securities and Exchange Commission (BSEC) reconstituted the Board of Directors vide Letter under Reference No. SEC/SR-MIC/2021/part-Z/89 dated March 29, 2021 in order to protect the interest of the shareholders of the company.

As on December 31, 2022, Total Non-Performing Loans, Advances & Leases of FFIL stood at Taka 890,37,16,025.00 which is 94.34% of total Portfolio of Taka 943,80,41,064.00 only. Top 10 defaulters holding 67.66% (77.23% with memo interest) of total portfolio and Classified Loans on account of Top 10 defaulted borrowers stood at BDT 899.35 crore (including memo interest) as on 30/06/2023 against which there is collateral securities of BDT 27.24 crore only. Moreover, a good number of defaulted borrowers have already left the country and their present whereabouts are not known. Extending loans, leases, and advances without exercising due diligence, observing credit norms, and maintaining rules & regulations in the past caused (1) an unusually high advance-deposit ratio of 206.62%, (2) non-performing loans of 94.34% as at the close of business on 31/12/2022 and (3) severe liquidity crisis since 2017 which in turn hinders resuming normal commercial operations of the company.

Fareast Finance & Investment Limited [FFIL] recorded Net Loss after Income Tax of BDT 230.65 crore in 2022 as against BDT 419.12 crore in 2021 registering a decrease of BDT 188.47 crore with negative earnings of BDT14.06 per share in 2022 as against BDT 25.55 in 2021 registering an improvement of BDT 11.49 only.

As on 31 December 2022 classified loans, advances & leases stood at 94.34 percent against 89.95 percent as on 31 December 2021 and out of 94.34 percent, 33.97 percent alone is for the loan extended in 2010-2012 to its associate company namely Fareast Stocks & Bonds Limited [FSBL] wherein FFIL holds 50 percent shares.

As on December 31, 2022, provision kept against diminution in the value of investment in shares, available balance in BO Account maintained with FSBL, fixed deposits placed with People's Leasing & Financial Services Limited, classified loans, advances, & leases is BDT677.99 crore against requirement of BDT677.99 crore with no deficit and Cost-of-Borrowing decreased to 8.96 percent as against 9.24 percent in the previous year. As on December 31, 2022, Return on Assets is negative 20.16 percent, which was negative 36.47percent at the end of the year 2021.

The surfacing symptoms are therefore obvious: Fareast Finance & Investment Limited is silently coming up. Registration of our office floor will be done shortly, our asset level solidifying (currently no provision shortfall), cost of borrowing falling (8.96% in 2022 as against 9.24% in the previous year), return on assets, negative though, came down to 20.16% in 2022 from 36.47% at the end of 2021. In case our normal commercial operations can be resumed through mobilization of fresh capital, the company may overcome its bad time and thrive in near future.

The reconstituted Board of Directors together with competent management has been working relentlessly towards sustainability of the company despite the catastrophic impact of novel corona virus, unpredictable situations and unique & critical market and company specific challenges. FFIL is following zero tolerance policy to irregularities & corruption, taking administrative & disciplinary actions against the persons involved in misdeeds as such.

I feel privileged to express my sincere thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, National Board of Revenue and other regulatory authorities for their continued guidance, support, and co-operation.

I would also like to express my heartfelt appreciation to my fellow colleagues in the Board of Directors and members of the management team for their sincerity, all-out efforts, and commitment for salvaging the company and protecting interest of the respected stakeholders as well. I also extend my profound gratitude to our honorable shareholders for their continued trust in the Board of Directors of Fareast Finance & Investment Limited.

Wishing everyone all the best,
Sincerely,



Md. Ashraf Moqbul
Chairman