

Bangladesh Finance And Investment Company Limited
Consolidated Balance Sheet
As at 31 December 2016

	Note	31-Dec-16 BDT	31-Dec-15 BDT
PROPERTY AND ASSETS			
Cash			
Cash in hand	3.a	75,057	70,589
Balance with Bangladesh Bank		161,998,454	191,136,804
		162,073,512	191,207,393
Balance with other Banks and Financial Institutions			
Inside Bangladesh	4.a	452,902,547	300,102,171
Outside Bangladesh		-	-
		452,902,547	300,102,171
Money at call and short notice			
		-	-
Investment in Securities			
Government	5.a	-	-
Others		825,437,144	610,650,507
		825,437,144	610,650,507
Lease, Loans and Advances			
In Bangladesh	6.a	13,880,049,696	13,558,886,680
Outside Bangladesh		-	-
		13,880,049,696	13,558,886,680
Fixed Assets including Premises, Furniture and Fixtures			
	7.a	411,923,877	353,728,858
Other Assets			
	8.a	2,048,818,469	1,812,635,926
Non Banking Assets			
	9	212,121,062	212,121,062
Total Assets		<u>17,993,326,305</u>	<u>17,039,332,598</u>
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from other Banks, Financial Institutions and Agents	10.a	4,281,399,455	3,380,965,845
Deposits and other Accounts			
	11.a	9,014,858,577	9,719,874,974
Other Liabilities			
	12.a	2,222,303,962	1,687,980,566
		<u>15,518,561,993</u>	<u>14,788,821,384</u>

Bangladesh Finance And Investment Company Limited
Consolidated Balance Sheet
As at 31 December 2016

	Note	31-Dec-16 BDT	31-Dec-15 BDT
Capital/ Shareholders' Equity			
Share Capital	13.2	1,258,674,750	1,144,249,780
Statutory Reserve	14	222,607,589	194,582,857
General Reserve	15	-	-
Capital Reserve	16.1	33,744,750	33,744,750
Revaluation Surplus on Land & Building	7.b	295,243,020	239,686,658
Retained earnings	16.a	196,542,722	173,254,720
Total Shareholders' Equity		2,006,812,831	1,785,518,766
Total Liabilities & Shareholders' Equity		17,525,374,824	16,574,340,150
Non Controlling Interest	16.b	467,951,480	464,992,447
Total Liabilities		17,993,326,305	17,039,332,598
Net Asset Value per share (NAV)		15.94	15.60

These financial statements should be read in conjunction with the annexed notes 1 to 44.

Bangladesh Finance And Investment Company Limited
Consolidated Balance Sheet
As at 31 December 2016

	Note	31-Dec-16 BDT	31-Dec-15 BDT
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements	17	-	-
Letters of Guarantee		-	104,801,330
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		-	104,801,330
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 and other commitments		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		-	104,801,330
Total Off-Balance Sheet items including contingent liabilities		-	104,801,330

These financial statements should be read in conjunction with the annexed notes 1 to 44.

Company Secretary

Managing Director

Director

Director

Dated, Dhaka
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A. Qasem & Co.
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Consolidated Profit and Loss Account
For the period ended 31 December 2016

	Note	31-Dec-16 BDT	31-Dec-15 BDT
Interest Income	19.a	1,777,649,345	1,842,731,941
Less: Interest paid on Deposits & Borrowings etc.	20.a	1,362,279,370	1,339,955,404
Net Interest Income		415,369,975	502,776,537
Income from Investment in securities	21.a	130,187,706	(3,650,098)
Commission, Exchange and Brokerage	21.b	50,076,660	64,217,810
Other Operating Income	22.a	52,791,066	76,800,410
		233,055,431	137,368,122
Total Operating Income		648,425,406	640,144,660
Salaries and Allowances	23.a	92,961,984	74,453,148
Rent, Taxes, Insurances, Electricity etc.	24.a	21,290,561	19,620,086
Legal & Professional Fees	25.a	3,067,958	3,678,198
Postage, Stamps, Telecommunication etc.	26.a	2,554,308	2,752,140
Stationery, Printings, Advertisements etc.	27.a	4,094,758	12,354,786
Managing Director's Salary and Allowances	28	5,600,000	7,100,000
Directors' Fees and Conveyance	29.a	1,288,750	951,250
Auditors' Fees	29.b	348,306	257,472
Depreciation & Repairs of Assets	30.a	24,341,589	20,760,316
Other Expenses	31.a	52,153,625	68,340,651
Total Operating Expenses		207,701,838	210,268,046
Profit before Provision		440,723,568	429,876,613
Specific provisions for Classified Investment	32	130,498,166	13,308,238
General Provisions for Unclassified Investment	32	(8,744,669)	28,370,593
Provisions for Other Receivables	32	(1,975,000)	11,000,000
Provisions for Investment in Securities	32.a	3,416,454	31,989,522
Total Provision		123,194,951	84,668,354
Total Profit before Provisions for Taxation		317,528,617	345,208,260
Deferred Tax Expenses/(benefit)		(5,278,841)	(9,627,441)
Current Tax Expenses-BD Finance		139,067,124	140,536,369
Current Tax Expenses-BD Securities Ltd.		11,367,627	10,402,997
Current Tax Expenses-BD Capital Holding Ltd.		3,675,970	4,295,853
		148,831,880	145,607,777
Net Profit after Taxation		168,696,737	199,600,483
Attributable to		168,696,737	199,600,483
Shareholder of the Company		165,737,704	194,350,407
Non-controlling Interest		2,959,033	5,250,076
Net Profit available for distribution		165,737,704	194,350,407

Bangladesh Finance And Investment Company Limited
Consolidated Profit and Loss Account
For the period ended 31 December 2016

	Note	31-Dec-16 BDT	31-Dec-15 BDT
Appropriations			
Statutory Reserve	14	28,024,732	32,364,521
General Reserve	15	-	-
Retained Earnings		137,712,972	161,985,885
		165,737,704	194,350,407
Earning Per Share (Re-stated 2015)	33a	1.32	1.54

These financial statements should be read in conjunction with the annexed notes 1 to 44

CFO

Company Secretary

Managing Director

Director

Chairman

Dated, Dhaka
.....

A. Qasem & Co.
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Consolidated Cash Flow Statement
For the period ended 31 December 2016

	31-Dec-16 BDT	31-Dec-15 BDT
Cash Flow from Operating Activities		
Interest received	1,845,772,818	1,881,446,142
Interest paid	(1,339,340,206)	(1,470,783,293)
Dividend received	38,319,394	5,154,768
Fees & Commission received	48,788,496	61,225,178
Cash Payments to Employees	(96,020,691)	(81,553,148)
Cash Payments to Suppliers	(6,529,575)	(12,675,460)
Income Tax Paid	(162,852,536)	(123,652,080)
Received from other Operating activities	144,066,174	70,988,176
Payments for other Operating activities	(82,923,001)	(110,717,148)
Operating Profit before changes in Operating Assets & Liabilities	389,280,873	219,433,136
Changes in Operating Assets and Liabilities		
Purchases/Sale of Trading Securities	(214,786,636)	151,591,803
Loans and Lease Finance to Customers	(321,642,670)	(1,681,447,470)
Other Assets	4,386,476	25,853,061
Deposits	(792,805,918)	401,782,969
Other Liabilities	176,735,049	442,586
Sub Total	(1,148,113,698)	(1,101,777,051)
A) Net Cash from Operating Activities	(758,832,826)	(882,343,915)
Cash flows from Investing Activities		
Purchase/sale of non trading securities	-	-
Adjustment of Depreciation	-	-
Proceeds from Sale of fixed assets	1,980,000	754,000
Purchases/sale of Property, Plant & Equipment	(21,439,577)	(22,341,429)
B) Net Cash from Investing Activities	(19,459,577)	(21,587,429)
Cash flows from Financing Activities		
Increase/(decrease) of borrowings	901,958,897	1,032,439,740
Share Capital - Right Issue	-	-
Dividend Paid	-	(57,212,489)
C) Net Cash from Financing Activities	901,958,897	975,227,251
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	123,666,494	71,295,907
E) Cash & Cash Equivalents at the beginning of the period	491,309,565	420,013,657
F) Cash & Cash Equivalents at the end of the period(D+E)	614,976,059	491,309,565
Net Operating Cash Flow per share (NOCFPS)	(6.03)	(7.71)

These financial statements should be read in conjunction with the annexed notes 1 to 44

CFO

Company Secretary

Managing Director

Director

Chairman

Dated, Dhaka
.....

A. Qasem & Co.
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Consolidated Statement of Changes in Shareholders' Equity
For the period ended 31 December 2016

Particulars	Share capital BDT	Statutory reserve BDT	General reserve BDT	Capital reserve BDT	Revaluation Surplus BDT	Retained earnings BDT	Total BDT	Non Controlling Interest BDT	Total Equity BDT
Balance as at 01 January 2016	1,144,249,780	194,582,857	-	33,744,750	239,686,658	173,254,720	1,785,518,766	464,992,446	2,250,511,213
Changes during the period 2016									
Issue of Bonus Share	114,424,970	-	-	-	-	(114,424,970)	-	-	-
Right Share Issue	-	-	-	-	-	-	-	-	-
Cash Dividend	-	-	-	-	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	165,737,704	165,737,704	2,959,033	168,696,737
Capital Reserve	-	-	-	-	-	-	-	-	-
Deferred Tax adjustment	-	-	-	-	(2,314,848)	-	(2,314,848)	-	(2,314,848)
Revaluation Surplus	-	-	-	-	57,871,210	-	57,871,210	-	57,871,210
Transfer to statutory reserve	-	28,024,732	-	-	-	(28,024,732)	-	-	-
	114,424,970	28,024,732	-	-	55,556,362	23,288,002	221,294,066	2,959,033	224,253,099
Balance as at 31 December 2016	1,258,674,750	222,607,589	-	33,744,750	295,243,020	196,542,723	2,006,812,831	467,951,480	2,474,764,312
Balance as at 1 January 2015	1,144,249,780	162,218,336	-	33,744,750	249,673,602	68,481,324	1,658,367,792	459,742,370	2,118,110,163
Changes during the period 2015									
Issue of Bonus Share	-	-	-	-	-	-	-	-	-
Right Share Issue	-	-	-	-	-	-	-	-	-
Cash Dividend	-	-	-	-	-	(57,212,489)	(57,212,489)	-	(57,212,489)
Profit/(Loss) for the period	-	-	-	-	-	194,350,407	194,350,407	5,250,076	199,600,483
Capital Reserve	-	-	-	-	-	-	-	-	-
Deferred Tax adjustment	-	-	-	-	(9,986,944)	-	(9,986,944)	-	(9,986,944)
Revaluation Surplus	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	32,364,521	-	-	-	(32,364,521)	-	-	-
	-	32,364,521	-	-	(9,986,944)	104,773,396	127,150,974	5,250,076	132,401,050
Balance as at 31 December 2015	1,144,249,780	194,582,857	-	33,744,750	239,686,658	173,254,720	1,785,518,766	464,992,446	2,250,511,213

These financial statements should be read in conjunction with the annexed notes 1 to 44

CFO

Company Secretary

Managing Director

Director

Chairman

Dated, Dhaka
.....

A. Qasem & Co.
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Balance Sheet
As at 31 December 2016

	Note	31-Dec-16 BDT	31-Dec-15 BDT
PROPERTY AND ASSETS			
Cash	3		
Cash in hand		48,130	37,819
Balance with Bangladesh Bank		161,998,454	191,136,804
		162,046,585	191,174,623
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		271,938,816	256,187,314
Outside Bangladesh		-	-
		271,938,816	256,187,314
Money at call and short notice		-	-
Investment in Securities	5		
Government		-	-
Others		274,788,322	304,464,251
		274,788,322	304,464,251
Lease, Loans and Advances	6		
In Bangladesh		13,891,813,341	13,282,163,418
Outside Bangladesh		-	-
		13,891,813,341	13,282,163,418
Fixed Assets including Premises, Furniture and Fixtures	7	398,660,398	334,257,034
Other Assets	8	1,694,262,943	1,606,764,348
Non Banking Assets	9	212,121,062	212,121,062
Total Assets		<u>16,905,631,466</u>	<u>16,187,132,051</u>
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from other Banks financial Institutions and Agents	10	4,076,684,063	3,217,341,183
Deposits and other Accounts	11	9,014,858,577	9,719,874,974
Term Deposits		8,589,367,036	9,225,486,873
Other Deposits		118,582,499	58,248,031
Advance Rent & Installments		306,909,042	436,140,069
Bills Payable		-	-
Other Liabilities	12	1,907,923,663	1,539,430,750
Total Liabilities		<u>14,999,466,302</u>	<u>14,476,646,907</u>

Bangladesh Finance And Investment Company Limited
Balance Sheet
As at 31 December 2016

	<u>Note</u>	<u>31-Dec-16</u> <u>BDT</u>	<u>31-Dec-15</u> <u>BDT</u>
Capital/ Shareholders' Equity			
Share Capital	13.2	1,258,674,750	1,144,249,780
Statutory Reserve	14	222,607,589	194,582,857
General Reserve	15	-	-
Revaluation Surplus on Land & Building	7.1	295,243,020	239,686,658
Retained earnings	16	129,639,805	131,965,848
Total Shareholders' Equity		<u>1,906,165,164</u>	<u>1,710,485,143</u>
Total Liabilities & Shareholders' Equity		<u>16,905,631,466</u>	<u>16,187,132,051</u>
Net Asset Value per share (NAV)		15.14	14.95

These financial statements should be read in conjunction with the annexed notes 1 to 44.

CFO

Company Secretary

Managing Director

Director

Chairman

Dated, Dhaka
.....

A. Qasem & Co.
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Balance Sheet
As at 31 December 2016

	<u>Note</u>	<u>31-Dec-16</u> <u>BDT</u>	<u>31-Dec-15</u> <u>BDT</u>
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	-	104,801,330
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		<u>-</u>	<u>104,801,330</u>
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 and other commitments		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		<u>-</u>	<u>-</u>
Total Off-Balance Sheet items including contingent liabilities		<u>-</u>	<u>104,801,330</u>

These financial statements should be read in conjunction with the annexed notes 1 to 44

CFO

Company Secretary

Managing Director

Director

Chairman

Dated, Dhaka
.....

A. Qasem & Co.
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Profit and Loss Account
For the period ended 31 December 2016

	Note	31-Dec-16 BDT	31-Dec-15 BDT
Interest Income	19	1,760,435,258	1,786,509,733
Less: Interest paid on Deposits & Borrowings etc.	20	1,337,901,289	1,317,377,675
Net Interest Income		422,533,969	469,132,057
Income from Investment in securities	21	71,380,748	(74,967,345)
Commission, Exchange and Brokerage		576,000	1,000,000
Other Operating Income	22	54,174,557	78,393,946
		126,131,306	4,426,602
Total Operating Income		548,665,274	473,558,659
Salaries and Allowances	23	73,484,744	51,053,075
Rent, Taxes, Insurances, Electricity etc.	24	18,884,145	17,358,496
Legal & Professional Fees	25	2,201,948	2,814,685
Postage, Stamps, Telecommunication etc.	26	1,795,308	1,901,070
Stationery, Printings, Advertisements etc.	27	3,790,705	11,637,020
Managing Director's Salary and Allowances	28	5,600,000	7,100,000
Directors' Fees and Conveyance	29	984,000	580,000
Auditors' Fees		241,500	136,722
Depreciation & Repairs of NBFIs' Assets	30	17,819,810	13,114,748
Other Expenses	31	30,172,677	22,452,478
Total Operating Expenses		154,974,836	128,148,294
Profit before Provision		393,690,438	345,410,365
Specific provisions for Classified Investment		130,498,166	13,308,238
General Provisions for Unclassified Investment		(8,744,669)	28,370,593
Provisions for Other Receivables		(1,975,000)	11,000,000
Provisions for Investment in Securities		-	-
Total Provision	32	119,778,497	52,678,831
Total Profit before Provisions for Taxation		273,911,941	292,731,534
Deferred Tax Expenses/(benefit)		(5,278,841)	(9,627,441)
Current Tax Expenses		139,067,124	140,536,369
		133,788,283	130,908,928
Net Profit after Taxation		140,123,659	161,822,606
Appropriations			
Statutory Reserve	14	28,024,732	32,364,521
General Reserve	15	-	-
Retained Earnings	16	112,098,927	129,458,085
		140,123,659	161,822,606
Earning Per Share (Re-stated 2015)	33	1.11	1.29

These financial statements should be read in conjunction with the annexed notes 1 to 44

CFO

Company Secretary

Managing Director

Director

Chairman

Dated, Dhaka
.....

A. Qasem & Co.
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Cash Flow Statement
For the period ended 31 December 2016

	<u>Note</u>	<u>31-Dec-16</u> <u>BDT</u>	<u>31-Dec-15</u> <u>BDT</u>
Cash Flow from Operating Activities			
Interest received	34	1,825,273,809	1,825,268,759
Interest paid	35	(1,311,667,417)	(1,452,962,509)
Dividend received		18,535,610	4,229,818
Fees & Commission received		576,000	1,000,000
Cash Payments to Employees		(79,084,744)	(58,153,075)
Cash Payments to Suppliers		(5,770,705)	(12,332,850)
Income Tax Paid		(153,711,496)	(107,984,350)
Received from other Operating activities	36	107,019,695	(803,217)
Payments for other Operating activities	37	(57,505,396)	(46,835,445)
Operating Profit before changes in Operating Assets & Liabilities		343,665,356	151,427,132
Changes in Operating Assets and Liabilities			
Purchases/Sale of Trading Securities		29,675,929	100,181,212
Loans and Lease Finance to Customers		(609,649,922)	(1,735,387,477)
Other Assets	38	63,047,270	29,950,630
Deposits		(705,016,397)	401,738,144
Other Liabilities	39	24,704,494	6,076,690
Sub Total		(1,197,238,626)	(1,197,440,801)
A) Net Cash from Operating Activities		(853,573,270)	(1,046,013,669)
Cash flows from Investing Activities			
Purchase/sale of non trading securities		-	-
Proceeds from Sale of fixed assets		1,980,000	754,000
Purchases/sale of Property, Plant & Equipments		(21,126,146)	(24,966,871)
B) Net Cash from Investing Activities		(19,146,146)	(24,212,871)
Cash flows from Financing Activities			
Increase/(decrease) of borrowings		859,342,879	1,200,192,526
Dividend Paid		-	(57,212,489)
C) Net Cash from Financing Activities		859,342,879	1,142,980,037
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(13,376,537)	72,753,496
E) Cash and cash equivalents at the beginning of the period		447,361,938	374,608,441
F) Cash and cash equivalents at the end of the period (D+E)	40	433,985,401	447,361,938
Net Operating Cash Flow per share		(6.78)	(9.14)

These financial statements should be read in conjunction with the annexed notes 1 to 44

CFO

Company Secretary

Managing Director

Director

Chairman

Dated, Dhaka
.....

A. Qasem & Co.
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Statement of Changes in Shareholders' Equity
For the period ended 31 December 2016

Particular	Share capital BDT	Statutory reserve BDT	General reserve BDT	Revaluation Surplus BDT	Retained earnings BDT	Total BDT
Balance as at 01 January 2016	1,144,249,780	194,582,857	-	239,686,658	131,965,848	1,710,485,143
Changes during the period 2016						
Issue of Bonus Share	114,424,970	-	-	-	(114,424,970)	-
Profit/(Loss) for the period	-	-	-	-	140,123,659	140,123,659
Transfer to statutory reserve	-	28,024,732	-	-	(28,024,732)	-
Deferred Tax adjustment	-	-	-	(2,314,848)	-	(2,314,848)
Revaluation of Land	-	-	-	57,871,210	-	57,871,210
	114,424,970	28,024,732	-	55,556,362	(2,326,043)	195,680,021
Balance as at 31 December 2016	1,258,674,750	222,607,589	-	295,243,020	129,639,805	1,906,165,164
Balance as at 1 January 2015	1,144,249,780	162,218,336	-	249,673,602	59,720,253	1,615,861,971
Changes during the period 2015						
Cash Dividend	-	-	-	-	(57,212,489)	(57,212,489)
Profit/(Loss) for the period	-	-	-	-	161,822,606	161,822,606
Transfer to statutory reserve	-	32,364,521	-	-	(32,364,521)	-
Deferred Tax adjustment	-	-	-	(9,986,944)	-	(9,986,944)
	-	32,364,521	-	(9,986,944)	72,245,595	94,623,173
Balance as at 31 December 2015	1,144,249,780	194,582,857	-	239,686,658	131,965,848	1,710,485,143

These financial statements should be read in conjunction with the annexed notes 1 to 44

CFO

Company Secretary

Managing Director

Director

Chairman

Dated, Dhaka
.....

A. Qasem & Co.
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Liquidity Statement
Assets and Liabilities Maturities Analysis
As at 31 December 2016

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Assets						
Cash in hand	48,130					48,130
Balance with Bangladesh Bank	161,998,454					161,998,454
Balance with other banks and financial institutions	759,780	17,957,946	253,221,090			271,938,816
Money at Call and Short Notice						-
Investment in securities	264,788,322	-	-	10,000,000		274,788,322
Investment (Loans and Advances)	407,539,443	971,909,760	1,833,834,280	8,951,842,403	1,726,687,455	13,891,813,341
Fixed Assets including premises, furniture and fixtures etc.				99,840,767	298,819,631	398,660,398
Other Assets	53,434,452	313,161,817	257,573,443	18,648,516	1,051,444,714	1,694,262,943
Non-banking Assets				212,121,062		212,121,062
Total Assets (i)	888,568,583	1,303,029,523	2,344,628,813	9,292,452,748	3,076,951,800	16,905,631,466
Liabilities						
Financing (Borrowing) from other banks, financial institutions and agents	491,473,343	388,669,528	999,052,059	2,197,489,133	-	4,076,684,063
Deposits and other accounts	289,989,518	796,898,582	1,150,204,913	6,608,715,443	169,050,121	9,014,858,577
Provision and other liabilities	105,273,538	66,043,100	124,814,714	320,952,121	1,290,840,190	1,907,923,663
Total Liabilities (ii)	886,736,398	1,251,611,210	2,274,071,686	9,127,156,697	1,459,890,311	14,999,466,302
Net Liquidity Gap (i-ii)	1,832,184	51,418,313	70,557,128	165,296,051	1,617,061,489	1,906,165,164

These financial statements should be read in conjunction with the annexed notes 1 to 44

CFO

Company Secretary

Managing Director

Director

Chairman

Dated, Dhaka
.....

A. Qasem & Co.
Chartered Accountants

Bangladesh Finance And Investment Company Limited
Notes to the consolidated and separate financial statements
For the year ended 31 December 2016

1. Legal status and nature of the company

1.1 Domicile, legal form and country of incorporation

Bangladesh Finance and Investment Company Limited (BD Finance) is a Non-Banking Financial Institution engaged in lease, loan and investment financing operation. The Company having its registered office at Baitul Hossain Building, 27 Dilkusha C/A, Dhaka-1000, Bangladesh, was incorporated in Bangladesh on 10 May 1999 as a Public Limited Company under the Companies Act 1994. The license was issued from Bangladesh Bank on 22 December 1999 under the Financial Institutions Act 1993. The operational activities was started on 15 February 2000 through signing the first lease agreement on that day. Presently the Company is operating through five branch offices at Dhaka, Chittagong and Sylhet. The Company went for Initial Public Offering on 14.06.2007 and its shares were listed in both Dhaka Stock Exchange and Chittagong Stock Exchange on 06.09.2007 & 28.08.2007 respectively .

1.2 Principal activities and nature of operation

The Company provides lease finance for capital machinery to various industries including construction equipment, energy generating equipment, office equipment, medical equipment, transport etc. The company also provides term finance, short term finance, syndication finance, working capital finance, SME loan, women entrepreneur loan, factoring of accounts receivables, bill discounting, distributor finance, work order finance, assignment base finance, home loan, loan against deposit and personal loan to the enterprises, professionals and others.

1.3 Subsidiary companies

1.3.1 BD Finance Securities Limited

BD Finance Securities Limited, a 57.36% owned subsidiary company of Bangladesh Finance And Investment Company Limited was incorporated on 28 December 2010 as a public limited company under Companies Act 1994 with authorized share capital of Tk. 500 crore. The main objective of the Company is to act as a member of stock exchanges, 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, debentures etc.

1.3.2 BD Finance Capital Holdings Limited

BD Finance Capital Holdings Limited, a fully owned (99.93% Share) subsidiary company of Bangladesh Finance And Investment Company Limited was incorporated on 10 August 2011 as a public limited company under Companies Act 1994 with authorized share capital of Tk. 200 crore. The main objective of the Company is to carry on the business of Merchant Banking, fund management, managing portfolio investments, financial consultancy services etc.

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

The financial statements of company are made up to 31 December each year and are prepared under the historical cost convention and in accordance with the Financial Institution Act 1993 and Bangladesh Bank Circular DFIM circular No. 11 dated 23 December, 2009. Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act. 1994, the Securities & Exchange Rules 1987 and other laws & regulations applicable in Bangladesh.

All figures appeared in the Financial Statements are rounded off to the nearest Taka.

2.1.1 Basis of consolidation of operations of subsidiary

The financial statements of the Company and its subsidiary, as mentioned in note no. 1.3, have been consolidated in accordance with Bangladesh Accounting Standard 27 "Consolidated and Separate Financial Statements". The consolidation of the financial statement has been made after eliminating all material inter company balances, income and expenses arising from inter company transactions.

The total profits of the Company and its subsidiary are shown in the Consolidated Profit and Loss Account with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as 'Non-controlling Interest'.

All assets and liabilities of the Company and of its subsidiary are shown in the consolidated balance sheet. The interest of non-controlling shareholder of the subsidiary are shown separately in the consolidated balance sheet under the heading 'Non-controlling Interest'.

2.2 Basis of measurement

This financial statements have been prepared based on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.3 Disclosure of deviations from few requirements of BAS/BFRS due to mandatory compliance of Bangladesh Bank's requirements

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of BAS and BFRS. As such the Company has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of Bangladesh Bank.

Bangladesh Bank has issued templates for financial statements which shall strictly be followed by all banks and 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 be included in the Single Comprehensive Income (SCI) Statement. As such the company does not prepare the other comprehensive income statement.

As per Bangladesh Bank guidelines financial instruments are categorized, recognized and measured differently from those prescribed in BAS 39. As such some disclosures and presentation requirements of BFRS 7 and BAS 32 have not been made in the accounts.

2.4 Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2.5 Comparative Information

As guided in paragraph 36 and 38 of BAS 1 Presentation of Financial Statements, comparative information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

Previous year/period figures has been rearranged to conform with the current year/period presentation.

2.6 Reporting period

These financial statements cover from 1 January 2016 to 31 December 2016

2.7 Functional and presentation currency

These financial statements are presented in company's functional currency i.e. in Bangladeshi Taka.

2.8 Cash flow statements

Paragraph 102 of BAS 1 presentation of financial statements requires that a cash flow statements are to be prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with a basis to asses the ability of the enterprise to generate cash and cash equivalents and the needs of the enterprise to utilize those cash flows.

Cash flow statements has been prepared under the Direct method, classified by Operating, Investing and Financing activities as prescribed in paragraph 10 and 18 (a) of BAS 7 Statement of Cash Flows and in accordance with the instruction of Bangladesh Bank.

2.9 Statement of Changes in Equity

The Statement of changes in Equity reflects information about the increase or decrease in net assets or wealth.

2.10 Accounting for leases

Lease transactions are accounted for under finance method as per BAS 17 since assets leased to customer under agreements transfer substantially all the risk and rewards associated with ownership, other than legal title, to the customer.

As per BAS 17, in case of finance lease, the aggregate lease rental receivables including unguaranteed residual value throughout the lease term are recorded as gross rental receivables while the excess of gross rental receivables over the total acquisition cost including interest during the period of acquiring the lease equipment constitutes the unearned interest income. The unearned interest income is amortized to revenue on a monthly basis over the lease term yielding a constant rate of return over the period.

Unrealized income is suspended where necessary in accordance with the requirements of relevant circular issued by the Department of Financial Institutions & Market (DFIM) of Bangladesh Bank.

2.11 Accounting for term finance & other finances

Books of accounts for term finance operation are maintained based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealized principal for long-term finance, real estate finance, car loans and other finances are accounted for as term finance assets of the Company. Interest earnings are recognized as operational revenue periodically.

2.12 Recognition of Property, Plant and Equipment and Depreciation

2.12.1 i) Property, plant and equipment are stated at cost less accumulated depreciation. The cost of the assets is the cost of acquisition or construction together with purchase price and other directly attributable costs for bringing the assets to working conditions for their intended use inclusive of inward freight, duties and non refundable taxes as per Bangladesh Accounting Standard (BAS) 16: Property, Plant and Equipment.

ii) Subsequent expenditure on fixed assets

Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognized as an expense as and when they are incurred.

2.12.2 Depreciation is provided on a new asset for the period in use in the year of purchase. Full month's depreciation has been charged on additions irrespective of date when the related assets are put into use. Depreciation is calculated on the cost of the assets in order to write-off such amounts over the estimated useful life of such assets. BD Finance followed the Straight-line method of depreciation and annual rates are as under:

Building	10%
Office equipment	25%
Office Renovation	20%
Furniture and fixtures	20%
Motor vehicles	20%
Other assets	20%

2.12.3 On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Income Statement, which is determined with reference to the net book value of the assets and net sales proceeds.

2.13 Intangible Assets

i) Components

The main item included in intangible asset is software.

ii) Basis of recognition

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 BAS 38: Intangible Assets. Accordingly, this asset is stated in the Balance Sheet at cost less accumulated amortization and accumulated impairment losses, if any.

iii) Subsequent expenditure

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

iv) Amortization

Intangible asset is amortized on straight line basis at 25% to write off the cost of intangible assets.

2.14 Cash & Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, term deposits and investment in call loan that are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

2.15 Investments in Securities

Investments are valued in compliance with FID Circular no .08, dated 03 august, 2002 in lieu of BAS-39. All investment securities are initially recognized at cost.

Investment in securities are classified broadly in two categories and accounted for as under:

a. Investment in quoted securities:

These securities are bought and held primarily for the purpose of selling them in near term. These are reported at cost. Adequate provision is made for excess of cost over market value.

b. Investment in un-quoted securities:

Investment in un-quoted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities

2.16 Statutory reserve

NBFIs are required to transfer 20% of the profit to statutory reserve before declaration of dividend as per Financial Institutions Regulations, 1994. Bangladesh Finance And Investment Company Limited (BD Finance) transfers 20% on post tax profit in compliance with the regulation.

2.17 General Reserve

Generally fund from Retained Earnings is transferred to General Reserve once in a year with the consent of the Board of Directors.

2.18 Retirement Benefit

(a) Provident Fund

The company has introduced recognized contributory provident fund scheme effective from March 2008 for its permanent employees. The Provident fund is administered by a Board of Trustees and is funded by contribution partly from the employees and partly from the Company at a predetermined rate.

(b) Gratuity

Gratuity fund benefit are given to the staff of BD Finance in accordance with the company's service rules. The gratuity is calculated on the basis of sum equal to 30 (thirty) days basic pay for every confirmed employee who completed his continuous service for Five (5) years and 60 (sixty) days basic for employees whose service is completed for 10 (ten) years or more and as per BAS-19 "Employee Benefits" and payable as per the modalities of the rules. Gratuity so calculated are transfer to the Gratuity fund and charged to expenses of the Company.

2.19 Provision for investments and advances

Provision for investments and advances is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on two principles (1) Bangladesh Accounting Standards (BAS) 37; Provisions, contingent liabilities and contingent assets, and (2) Bangladesh Bank guidelines.

BD Finance's methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank Guidelines. Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank FID Circular no. 06 dated 20 August 2006. The classification rates are given below:

Particulars	Rate
General provision on:	
Unclassified loans and advances-Non-SME	1%
Unclassified loans and advances-SME	0.25%
Special mention account	5%
Specific provision on:	
Substandard loans and advances	20%
Doubtful loans and advances	50%
Bad/loss loans and advances	100%

2.20 Income Tax

2.20.1 Current tax

Provision for current income tax has been made @ 40.00% as prescribed in the Finance Act 2015 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure in compliance with BAS-12.

2.20.2 Deferred tax

Pursuant to Bangladesh Accounting Standard (BAS) 12: Income Taxes, deferred tax is provided for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Adequate provision has been made in calculating temporary timing differences.

2.21 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.22 Revenue recognition

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will follow to the company and in accordance with Bangladesh Accounting Standard (BAS) 18: "Revenue" unless otherwise mentioned or otherwise guided by the separate BAS/BFRS.

Interest income from loans and other sources is recognized on an accrual basis of accounting on effective interest method.

2.22.1 Lease income

The excess of aggregate rental receivable over the cost of lease constitutes the total unearned interest income at the commencement of the contract. This income is allocated over the period of lease that reflect a constant periodic return on net investment.

2.22.2 Income from Term Finance

Interest income on Term Finance is recognized on Accrual Basis. Interest portion of the installments that become receivable is credited to the Profit and Loss Account.

2.22.3 Fees base income, etc.

Fees base income, etc. are taken to income on realization basis.

2.22.4 Dividend income

Dividend income from shares is recognized when the shareholders' legal rights to receive payments have been established i.e. during the period in which dividend is declared in the Annual General Meeting. Dividend declared but not received is recognized as deemed dividend.

2.22.5 Gain on Sale of Securities

Capital gain on sale of securities listed in the stock exchanges is recognized only when the securities are sold in the market.

2.23 Borrowing Costs

Borrowing costs are recognized as expense in the year in which they are incurred unless capitalization is permitted under Bangladesh Accounting Standard (BAS) 23: "Borrowing Costs".

2.24 Interest Suspense Account

Accrued interest on lease, term finance, real estate finance, hire purchase agreement classified as Special Mentioned Account, Sub-Standard, Doubtful and Bad loan are not recognized as income rather transferred to interest suspense accounts as complied with Bangladesh Bank guidelines. Recovery of overdue credited to interest suspense account is recognized as income on realization basis.

2.25 Litigation

The Company has no party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loan/lease repayment. The Company, however, provides adequate provision against such doubtful finance.

2.26 Proposed dividend

Proposed dividend has been shown separately under the shareholders' equity in accordance with Bangladesh Accounting Standards (BAS)-10 " Events After the Reporting Period".

BAS 1: Presentation of Financial Statements, also requires the dividend proposed after the reporting period but before the financial statements are authorized for issue, be disclosed in the notes to the financial statement. Accordingly, the Company has disclosed the amount of proposed dividend in notes .

2.27 Earnings Per Share (EPS)

The Company calculates Earnings Per Share (EPS) in accordance with BAS 33: Earnings Per Share, which has been shown on the face of Profit and Loss Account, and the computation of EPS is stated in Note 33.

Basic Earnings

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of Ordinary Shares outstanding during the period

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the period.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the period.

Diluted Earnings Per Share

No diluted EPS is required to be calculated for the period, as there was no scope for dilution during the period under review.

2.28 Contingent liabilities and contingent assets

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

2.29 Risk and uncertainty for use of estimates (Provisions)

The preparation of Financial Statements in conformity with Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during the reporting period and on the dates of the financial statements. Due to inherent uncertainty involved in making estimates, actual results reported could differ from those estimates.

In accordance with the guidelines as prescribed by Bangladesh Accounting Standards (BAS) 37: Provisions, contingent liabilities and contingent assets, provisions are recognized in the following situations:

- a. When the Company has an obligation as a result of past events;
- b. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. Reliable estimate can be made of the amount of the obligation.

2.30 BASEL II & its implementation

To cope with the international best practices and to make the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' have been introduced from January 01, 2011 on test basis by the Bangladesh Bank. At the end of test run period, Basel Accord regime has started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)" have come fully into force from January 01, 2012 with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital, and Disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance. As per CAMD guidelines, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10%. In line with CAMD guideline's requirement, BD Finance has already formed BASEL Implementation Committee to ensure timely implementation of BASEL II accord.

2.31 Status of compliance of Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards

In addition to compliance with local regulatory requirements, in preparing the Consolidated Financial Statements and Separate Financial Statements, BD Finance applied following BAS and BFRS:

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	N/A
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyper-inflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied *
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied *
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied *
Investment Property	40	N/A
Agriculture	41	N/A

Name of the BFRS	BFRS No.	Status
Share Base payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied

N/A= Not Applicable

* As the regulatory requirements differ with the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements (please see note 2.3).

ANNEXURE-A

Bangladesh Finance And Investment Company Limited
Fixed Asset Schedule
For the year ended 31 December 2016

Particulars	C O S T					Rate of Depreciation	D E P R E C I A T I O N				Written Down Value at 31 December 2016
	Balance as on 1 January 2016	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the period	Balance at 31 December 2016		Balance as on 1 January 2016	Transfer/ Adjustment during the year	Charge for the year	Balance at 31 December 2016	
Land	297,200,000	57,871,210	-	-	355,071,210	-	-	-	-	-	355,071,210
Building	5,398,790		-	-	5,398,790	10%	3,239,279	-	539,880	3,779,159	1,619,631
Furniture & Fixture	22,489,864		5,700,185	-	28,190,049	20%	12,645,484	-	4,062,039	16,707,523	11,482,526
Office Equipment	17,232,243		4,948,021	170,000	22,010,264	25%	10,284,503	170,000	3,692,891	13,807,394	8,202,871
Office Renovation	5,390,693		4,611,938	-	10,002,631	20%	4,927,344	-	975,572	5,902,916	4,099,715
Motor Vehicle	33,544,686		5,866,000	3,356,272	36,054,414	20%	16,111,796	3,356,272	5,223,601	17,979,125	18,075,289
Other Assets	182,667		-	-	182,667	20%	182,667	-	-	182,667	-
System and Software	1,820,000		-	-	1,820,000	25%	1,610,836	-	100,008	1,710,844	109,156
31 December 2016	383,258,943	57,871,210	21,126,144	3,526,272	458,730,026		49,001,909	3,526,272	14,593,991	60,069,628	398,660,398
31 December 2015	362,014,967	-	24,966,871	3,722,895	383,258,943		41,188,705	3,709,549	11,522,754	49,001,909	334,257,034

		31-Dec-16	31-Dec-15
		BDT	BDT
3 Cash			
Cash in hand	(Notes :3.1)	48,130	37,819
Balance with Bangladesh Bank	(Notes : 3.2)	161,998,454	191,136,804
		162,046,585	191,174,623
3.a Cash in Hand (Consolidated)			
BD Finance		48,130	37,819
BD Finance Securities Limited		20,000	19,652
BD Finance Capital Holdings Limited		6,927	13,118
		75,057	70,589
3.1 Cash In hand (including foreign currencies)			
In local currency		48,130	37,819
In foreign currency		-	-
		48,130	37,819
3.2 Balance with Bangladesh Bank (including foreign currencies)			
In local currency		161,998,454	191,136,804
In foreign currency		-	-
		161,998,454	191,136,804
3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)			
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the 5th schedule of the Financial Institutions Act, 1993 and subsequent FID Circular # 06, dated November 06, 2003, FID Circular # 02 dated November 10, 2004 respectively.			
3.4 Cash Reserve Ratio (CRR): 2.5% of Average Demand and Time Liabilities			
Required Reserve		145,378,622	174,702,069
Actual Reserve held with Bangladesh Bank (local currency)		161,998,454	191,136,804
Surplus		16,619,832	16,434,735
3.5 Statutory Liquidity Ratio (SLR): 5% (including 2.5% CRR) of Average Demand and Time Liabilities			
Required Reserve		406,041,963	430,015,743
Actual Reserve held (Note- 3.6)		433,985,401	447,361,938
Surplus		27,943,438	17,346,195
3.6 Held for Statutory Liquidity Ratio			
Cash in hand		48,130	37,819
Balance with Bangladesh Bank		161,998,454	191,136,804
Balance with other bank and Financial Institutions	(Note-4)	271,938,816	256,187,314
		433,985,401	447,361,938
4 Balance with other Banks and Financial Institutions			
Inside Bangladesh (Note - 4.1)		271,938,816	256,187,314
Outside Bangladesh (Note - 4.2)		-	-
		271,938,816	256,187,314

	31-Dec-16 BDT	31-Dec-15 BDT
4.a Balance with other Banks and Financial Institutions (Consolidated)		
BD Finance	271,938,816	256,187,314
BD Finance Securities Limited	164,143,845	34,311,354
BD Finance Capital Holdings Limited.	16,819,886	9,603,503
	452,902,547	300,102,171
4.1 Inside Bangladesh		
Current Account		
Dhaka Bank Limited	286,684	288,334
Midland Bank Limited	719	-
NCC Bank Ltd	-	1,000
Prime Bank Limited	50,357	30,051
Shahjalal Bank Limited	-	3,614
Social Investment Bank Limited	422,021	424,691
	759,780	747,690
STD Account		
Bank Asia Limited	1,976,588	3,742,193
BRAC Bank Limited	809	39,356
Dutch Bangla Bank Limited	703,340	848,322
Jamuna Bank Limited	4	4
Modhumoti Bank Limited	7,201	8,123
Mutual Trust Bank Limited	1,019,481	1,186,193
NRB Commercial Bank Limited	3,987	5,337
Southeast Bank Limited	12,695,148	9,103,848
The City Bank Limited	1,551,388	6,464,317
United Commercial Bank Limited	-	66
	17,957,946	21,397,759
FDR with Basic Bank Limited.	107,610,055	100,000,000
FDR with Mutual Trust Bank Limited	21,904,269	20,000,000
FDR with NRB Commercial Bank Limited	123,706,767	114,041,866
Cash at Bank	271,938,816	256,187,314
4.2 Outside Bangladesh		
Cash at Foreign Bank	-	-
Total Cash at Bank (Bangladesh & Foreign)	271,938,816	256,187,314
4.3 Maturity-wise groupings of balance with other banks and FI's		
On Demand	759,780	751,408
Not more than 3 months	17,957,946	21,394,041
More than 3 months but less than 1 year	253,221,090	234,041,866
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
	271,938,816	256,187,314

	31-Dec-16 BDT	31-Dec-15 BDT
5 Investment in Securities		
i) Government	-	-
ii) Others	274,788,322	304,464,251
	274,788,322	304,464,251

5.a Investment in Securities (Consolidated)

BD Finance	274,788,322	304,464,251
BD Finance Securities Limited	213,215,721	96,509,849
BD Finance Capital Holdings Limited	337,433,100	209,676,407
	825,437,144	610,650,507

5.ii. Investment in Securities-Others

Investment in shares (in quoted companies) (Note 5.1)	264,788,322	266,206,921
Investment in shares (in un-quoted companies) (Note 5.2)	10,000,000	38,257,330
	274,788,322	304,464,251

Maturity-wise Grouping of Investment in Securities:

On demand	264,788,322	266,206,921
Not more than 3 months	-	-
More than 3 months but less than 1 year	-	-
More than 1 year but less than 5 years	10,000,000	38,257,330
More than 5 years	-	-
	274,788,322	304,464,251

5.1	Name of the Institution	Cost Price 2016	Market Price 2016	Cost Price 2015
	AIMS1STMF	-	-	1,418,599
	Beximco Ltd.	10,590,326	6,203,109	10,590,326
	Beximco Pharma	28,252,516	29,131,592	28,252,516
	City General Insurance Co. Ltd.	12,979,096	6,487,159	12,979,096
	Eastland Insurance	3,541,909	4,090,705	3,541,909
	Exim Bank	3,198,893	1,814,143	3,198,893
	GRAMEENS2	1,412,137	1,199,997	1,412,137
	International Leasing & Fin. Ser. Ltd.	1,051,145	464,603	1,051,145
	Northern Insurance	71,574,764	32,826,649	71,574,764
	One Bank Limited	27,012,990	25,682,589	27,012,990
	Peoples Leasing & Financial Services Ltd.	20,621,408	14,672,212	20,621,408
	Prime Islami Life	4,438,391	2,293,220	4,438,391
	Rupali General Insurance	4,539,914	4,119,852	4,539,914
	Southeast Bank Ltd.	21,085,411	21,992,446	21,085,411
	Summit Power	19,146,185	21,887,453	19,146,185
	United Finance	35,343,238	34,538,116	35,343,238
		264,788,322	207,403,844	266,206,921

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5.2 Unquoted			
	Name of the Institution	Cost Price 2016	Market Price 2016
		Cost Price 2015	
	Bangladesh Commerce Bank Limited.	-	28,257,330
	GMG Airlines Limited.	10,000,000	10,000,000
		10,000,000	38,257,330
		274,788,322	207,403,844
		304,464,251	
6 Lease, Loans and Advances			
a) Inside Bangladesh			
	Investment in Lease Finance		
	Gross lease rental receivable	2,148,825,058	2,436,151,186
	Less: Unearned interest income	375,855,258	482,923,294
	i) Net Investment in Lease Finance	1,772,969,800	1,953,227,892
	ii) Term Finance	10,098,996,804	9,993,997,769
	iii) House Building Finance	2,019,846,736	1,334,937,757
	Total Loans and Lease inside Bangladesh (i+ii+iii)	13,891,813,341	13,282,163,418
	b) Outside Bangladesh	-	-
	Total Loans and Lease Finance (a+b)	13,891,813,341	13,282,163,418
6.a Lease, Loans and Advances (Consolidated)			
	BD Finance	13,891,813,341	13,282,163,418
	BD Finance Securities Limited	360,722,060	366,957,409
	BD Finance Capital Holdings Limited.	27,978,329	109,689,464
	Loan to BD Finance Securities Limited	(301,683,700)	(199,923,611)
	Loan to BD Finance Capital Holdings Limited.	(98,780,333)	-
		13,880,049,696	13,558,886,680
6.1 Maturity wise Classification of Investments: With a residual maturity of			
	Receivable on Demand	407,539,443	825,312,629
	Not more than 3 months	971,909,760	1,393,598,679
	Over 3 months but not more than 1 year	1,833,834,280	1,603,355,447
	Over 1 year but not more than 5 years	8,951,842,403	8,367,762,954
	Over 5 years	1,726,687,455	1,092,133,710
		13,891,813,341	13,282,163,418
6.2 Investments on the basis of significant concentration:			
	Investments to allied concern of Directors (Note: 43.5)	449,666,369	251,259,954
	Investments to Executives/Officers	858,699	858,699
	Investments to Customer Groups	5,125,822,787	6,497,042,672
	Industrial Investment	5,771,704,508	5,527,027,028
	Others	2,543,760,979	1,005,975,065
		13,891,813,341	13,282,163,418

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6.3 Number of client's with amount of outstanding and classified loans, to whom loans and advances sanctioned more than 15% of total capital:		
Total outstanding amount to such customers at end of the year	4,866,632,840	6,562,355,359
Number of such types of customers	13	18
Amount of Classified Investments thereon	211,740,598	189,200,000
Measures taken for recovery		

6.4 Sector-wise Classification of Investment:

Sector	As at 31 December 2016		As at 31 December 2015	
	Amount	Composition	Amount	Composition
Agriculture	216,563,868	1.56%	16,908,090	0.13%
Cement/Clinker & Allied Industries	-	0.00%	15,051,954	0.11%
Chemical & Pharmaceuticals	485,962,788	3.50%	774,765,618	5.83%
Electronics and Electrical Products	26,398,965	0.19%	137,019,980	1.03%
Food Production/Processing Ind.	766,519,743	5.52%	1,524,605,604	11.48%
Garments	451,546,188	3.25%	540,427,409	4.07%
Glass & Ceramic Industries	1,620,795	0.01%	-	0.00%
Iron, Steel & Engineering	1,270,917,432	9.15%	841,196,741	6.33%
Merchant Banking	1,549,447,836	11.15%	1,158,930,512	8.73%
Others	2,543,760,979	18.31%	1,005,975,065	7.57%
Paper, Printing and Packaging	134,152,010	0.97%	230,787,895	1.74%
Plastic Industries	17,568,761	0.13%	340,043,116	2.56%
Power, Gas, Water and Sanitary	1,084,551,079	7.81%	518,912,979	3.91%
Real Estate & Housing	215,776,235	1.55%	1,543,915,819	11.62%
Service Industries	-	0.00%	107,308,203	0.81%
Ship & Ship Mfg. Industries	-	0.00%	108,960,451	0.82%
Telecom./Information Technology	353,686,876	2.55%	372,359,591	2.80%
Textile	990,235,764	7.13%	243,007,580	1.83%
Trading	2,764,306,885	19.90%	2,679,226,150	20.17%
Transport & Communication	1,018,797,139	7.33%	1,122,760,661	8.45%
	13,891,813,341	100.00%	13,282,163,418	100.00%

6.5 Geographical Location-wise loans and lease Finance:

Location	As at 31 December 2016		As at 31 December 2015	
	Amount	Composition	Amount	Composition
Dhaka	10,590,423,391	76.23%	10,393,695,140	78.25%
Chittagong	3,174,846,919	22.85%	2,846,810,281	21.43%
Sylhet	126,543,031	0.91%	41,657,997	0.31%
	13,891,813,341	100.00%	13,282,163,418	100.00%

6.6 Grouping of Investment as per Classification Rules of Bangladesh Bank:

Particulars	As at 31 December 2016		As at 31 December 2015	
	Amount	Composition	Amount	Composition
Unclassified				
Standard	12,419,669,321	89.40%	12,228,047,250	92.06%
Special Mention Account (SMA)	384,267,007	2.77%	455,336,723	3.43%
	12,803,936,328		12,683,383,973	
Classified				
Substandard	383,664,196	2.76%	141,784,632	1.07%
Doubtful	354,710,169	2.55%	197,421,582	1.49%
Bad or loss	349,502,647	2.52%	259,573,231	1.95%
	1,087,877,013		598,779,445	
	13,891,813,341	100.00%	13,282,163,418	100.00%

6.7 Particulars of provision for Loans and lease Finance

Status	Rate	Basis for Provision	Amount 2016	Amount 2015
General Provision (for Unclassified portion)				
Standard Non-SME	1%	11,509,578,018	115,095,780	122,280,473
Standard-SME	0.25%	910,091,302	2,275,228	-
Special Mention Account	5%	342,044,711	17,102,236	21,426,694
			134,473,244	143,707,167
Specific Provision				
Substandard	20%	202,870,850	40,574,170	21,376,461
Doubtful	50%	292,074,937	146,037,468	70,271,105
Bad or loss	100%	146,089,654	146,089,654	110,589,690
			332,701,293	202,237,256
Required provision for Loans & Lease Finance			467,174,537	345,944,423
Required provision for Other Receivables			9,025,000	10,890,000
Total provision required			476,199,537	356,834,423
Total provision maintained {note # 12.1(a) & (b)}			477,677,889	357,899,393
Surplus Provision			1,478,353	1,064,969

BD Finance has maintained provision on unclassified investment amounting to Tk. 135,616,062 (note # 12.1.b) and for classified Loan & Lease Finance Tk. 333,036,827 (note # 12.1.a) totaling Tk. 477,677,889. Surplus provision against unclassified loan/lease is Tk. 1,142,818.

6.8 Particulars of Investments:

(i) Debts considered good in respect of which the NBFIs are fully secured	1,959,879,207	4,538,515,240
(ii) Debts considered good for which the NBFIs hold no other security other than the debtor's personal guarantee	9,293,979,863	7,626,618,235
(iii) Debts considered good and secured by personal security of one or more parties in addition to the personal security of the debtors		
(iv) Amount of classified loan in which no provision has been maintained	176,075,521	97,455,541
(v) Debts due by directors or officers of the NBFIs or any of them either severally or jointly with any other person	18,638,925	858,699

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(vi) Debts due by companies or firms in which the directors of the NBFi are interested as directors, partners or managing agents or, in the case of private companies as members (Note 43.5).	449,666,369	251,259,954
(vii) Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the NBFi's or any of them either severally or jointly with any other persons.	20,172,680	2,300,000
(viii) Maximum total amount of advances including temporary advances granted during the period to the companies or Firms in which the directors of the NBFi are interested as directors, partners or managing agents or in the case of private companies as members	-	384,000,000
(ix) Receivable from other NBFi's	-	-
(x) Total amount of advance on which Profit is not credited:	1,472,144,020	1,054,116,168
A. Increase/decrease of provision (specific)		
Amount of debts written off	-	-
Amount realized against the debts previously written off	-	-
B. Provision kept against the debt classified as bad/loss at the date of balance	146,089,654	110,589,690
C. Amount of interest creditable to the interest suspense account		
(xi) Cumulative amount of written off Investments	11,494,317	11,494,317
7 Fixed Assets including Premises, Furniture & Fixtures		
A. Cost:		
Opening balance	383,258,943	362,014,967
Addition during the year	21,126,145	24,966,871
Add: Revaluation During the year	57,871,210	-
Less: Disposal during the year	(3,526,272)	(3,722,895)
Closing balance at cost	458,730,026	383,258,943
B. Depreciation:		
Opening balance	49,001,909	41,188,705
Addition during the year	14,593,991	11,522,753
Less: Adjustment on disposal during the year	(3,526,272)	(3,709,549)
Accumulated Depreciation	60,069,628	49,001,909
Carrying value	398,660,398	334,257,034
*Details are given in Annexure-A		
7.a Fixed Assets including Premises, Furniture and Fixtures (Consolidated)		
BD Finance	398,660,398	334,257,034
BD Finance Securities Limited - PPE	9,176,010	11,570,321
BD Finance Securities Limited - Intangible Assets	-	-
BD Finance Capital Holdings Limited.	4,087,469	7,901,503
	411,923,877	353,728,858

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7.1 Revaluation Surplus on Land And Building		
Revalued Amount	360,470,000	302,598,790
Less: Acquisition Value	52,925,188	52,925,188
Less: Deferred Tax Adjustment	12,301,792	9,986,944
Revaluation Surplus	295,243,020	239,686,658

Note: BD Finance has got ownership stake to the extent of 50% of a four-storied commercial building situated at prime location of 64 Motijheel, Dhaka on the land area measuring 12.76 Decimals. It was acquired way back in the year 2009 at cost price of Tk. Tk. 52,925,188 and for the first time it was revalued on December 31, 2010 for Tk. 191,148,790. Afterward in the year of 2013 it was revalued for Tk. 302,598,790. The earlier revaluation in two phases was conducted by Axis Resources Limited having its registered office at Property Heights (1st Floor) 12, R.K. Mission Road, Dhaka. It was again revalued on December 2016 for Tk. 360,470,000. The las revaluation was conducted by M/s. Emerging Resources Ltd. having their registered office at Valentine Palace, Road 96, House 4/A, 2nd Floor, Gulshan-2, Dhaka. As a result of revaluation, the Revaluation Surplus stands at Tk. 295,243,020 up from Tk. 239,686,658 appreciating by Tk. 55,556,362 after adjustment of Deferred Tax liability. It is noteworthy that, the valuation report was also counter certified by M/s. MARHK & CO. (Chartered Accountants).

The Following factors considered for revaluation of Land & Building

Factors considered for Land

Location, communications and scope for use;
The nature and condition of land;
The economic outlook in general and condition and outlook of the specific use of the land;
The book value and current market value of land;
Availability of infrastructure facilities; and
Comparison with the land in the vicinity.

Factors considered for Building

Year of construction
Useable life, nature and quality of construction
Present cost of construction of identical nature , quantum and quality
The depreciated value of the current cost of construction of the building
Inflation in the price level since construction of the assets concerned
Prevailing market price of construction materials, and
Construction rate allowed or charged by PWD, CPA, RAJUK and reputed construction firms
Whether the land has planning permission
Location, accessibility and availability of resources such as gas & electricity
Size of land and future potential development & information from local residents.

7.b Revaluation Reserve (Consolidated)		
BD Finance	295,243,020	239,686,658
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
	295,243,020	239,686,658
8 Other Assets		
Investment in Subsidiaries (Note: 8.1)	849,930,000	849,930,000
Investment in BD Finance Vanguard Mutual Fund One	200,000,000	200,000,000
Receivables, Advances & Deposits (Note 8.2)	644,332,943	556,834,348
	1,694,262,943	1,606,764,348
8.a Other Assets (Consolidated)		
BD Finance	844,332,943	756,834,348
BD Finance Securities Limited	1,133,137,327	1,039,317,619
Receivable from BD Finance Capital Holdings Limited	-	-
BD Finance Capital Holdings Limited	71,348,199	16,483,960
	2,048,818,469	1,812,635,926

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8.1 Investment In Subsidiaries		
Investment In paid up capital (BD Finance Capital Holdings Limited)	249,930,000	249,930,000
Investment In paid up capital (BD Finance Securities Limited)	600,000,000	600,000,000
	849,930,000	849,930,000
8.2 Receivables, Advances & Deposits		
a) Other receivables		
Interest on investment in FDR	9,653,388	12,435,896
Re-imbursable expenses	6,641,749	7,907,640
Receivable Grace Period Interest	85,456	8,752
Receivable Delinquent Charge	16,846,328	27,875,919
Receivable Penal Interest	5,290,923	-
Receivable Excise Duty	784,720	2,638,010
Receivable-Others	14,078,231	63,379,966
Stock of Stamp	53,658	69,288
	53,434,452	114,315,470
b) Advance Income Tax		
Opening Balance	405,676,938	297,692,588
Add: Addition during the year	153,711,496	107,984,350
	559,388,434	405,676,938
Less: Adjustment during the year	-	-
Closing balance	559,388,434	405,676,938
Break-up of Advance Tax		
Advance Tax u/s 64 and 74 of ITO 1984		
Assessment Year 2010-2011	4,853,000	4,853,000
Assessment Year 2011-2012	48,800,405	48,800,405
Assessment Year 2012-2013	8,500,000	8,500,000
Assessment Year 2013-2014	-	-
Assessment Year 2014-2015	145,450,872	145,450,872
Assessment Year 2015-2016	103,446,000	103,446,000
Assessment Year 2016-2017	145,527,974	-
	456,578,251	311,050,277
Advance Tax Deduction at Source		
Assessment Year 2008-2009	19,521,061	19,521,061
Assessment Year 2009-2010	10,730,354	10,730,354
Assessment Year 2010-2011	10,535,623	10,535,623
Assessment Year 2011-2012	4,004,590	4,004,590
Assessment Year 2012-2013	2,187,932	2,187,932
Assessment Year 2013-2014	38,462,728	38,462,728
Assessment Year 2014-2015	4,646,023	4,646,023
Assessment Year 2015-2016	4,538,350	4,538,350
Assessment Year 2016-2017	8,183,522	-
	102,810,183	94,626,661
	559,388,434	405,676,938
c) Deferred Tax Asset		
Balance at the beginning of the period	6,067,985	(3,559,456)
Adjustment during the period	5,278,841	9,627,441
Balance at the end of the period	11,346,826	6,067,985
d) Advance, deposits and prepayments		
Advance Office Rent	1,068,126	1,967,066
Advance against salary	62,082	-
Advance others	17,421,008	27,233,475
Advance against 64 Motijheel	97,300	97,300
	18,648,516	29,297,841

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e) Deposits with others		
Deposits with BTTB & Mobile	89,200	60,600
Deposits with Baitul Hossain Building	203,814	203,814
Deposit with Land Lord Bangshal Branch	814,700	804,700
Deposit with CDBL	400,000	400,000
Deposit with Sadharan Bima	7,000	7,000
	1,514,714	1,476,114
Other Assets (a+b+c+d+e)	644,332,943	556,834,348
8.3 Maturity wise classification of other assets		
Receivable on Demand	53,434,452	114,315,470
Not more than 3 months	313,161,817	162,270,775
Over 3 months but not more than 1 year	257,573,443	243,406,163
Over 1 year but not more than 5 years	18,648,516	29,297,841
Over 5 years	1,051,444,714	1,057,474,099
	1,694,262,943	1,606,764,348
9. Non-Banking Assets		
Income Generating	-	-
Non-Income Generating	212,121,062	212,121,062
	212,121,062	212,121,062
<p>BD Finance has been awarded absolute ownership on seven mortgage property (Land) in the year of 2015 through verdict of honourable court under section 33 (7) of Artha Rin Adalat Ain, 2003. These have been recorded at Taka 212,121,062 as non-banking assets.</p>		
10. Borrowing from other banks, Financial Institutions and agents		
Secured	400,019,477	232,331,697
Un secured	3,676,664,586	2,985,009,486
	4,076,684,063	3,217,341,183
In Bangladesh	4,076,684,063	3,217,341,183
Outside Bangladesh	-	-
	4,076,684,063	3,217,341,183
10.a Borrowing from other banks, Financial Institutions and agents		
BD Finance	4,076,684,063	3,217,341,183
BD Finance Securities Limited	202,157,502	134,471,441
BD Finance Capital Holdings Limited	2,557,890	29,153,221
	4,281,399,455	3,380,965,845
10.1 In Bangladesh		
Refinance against SME loan from Bangladesh Bank	18,315,833	412,500
Refinance against Housing loan from Bangladesh Bank	1,449,990	1,692,849
Refinance against SME loan from JICA	136,822,707	36,528,731
Term Loan from other Banks	2,461,043,473	1,819,254,963
Short term loan from other banks	999,052,059	559,452,140
Short Term Borrowing	80,000,000	-
Call Loan	380,000,000	800,000,000
	4,076,684,063	3,217,341,183

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10.2 Term loan from Other Banks		
Bank Asia Ltd.	147,785,477	77,558,843
Basic Bank Ltd.	300,015,000	-
Jamuna Bank Ltd	225,848,732	290,548,650
Midland Bank Ltd.	274,157,420	-
Mutual Trust Bank Ltd.	316,108,319	408,871,415
NCC Bank Ltd.	154,295,882	200,039,225
Prime Bank Ltd.	100,378,950	126,377,163
Shahjalal Islami Bank Ltd.	356,506,152	200,000,000
Social Islami Bank Ltd.	-	1,495,398
Southeast Bank Ltd.	67,625,550	91,033,372
Standard Bank Ltd.	211,296,603	123,336,375
The UAE Bangladesh Investment Co. Ltd.	-	30,000,000
United Commercial Bank Ltd.	152,796,802	86,152,566
Uttara Bank Ltd.	154,228,587	183,841,956
	2,461,043,473	1,819,254,963

10.3 Short Term Loan from Other Banks		
Basic Bank Ltd.	102,527,523	78,784,101
Jamuna Bank Ltd.	101,714,826	47,572,118
Mercantile Bank Ltd.	100,092,297	23,533,966
Midland Bank limited	102,311,733	-
Mutual Trust Bank Ltd.	183,484,840	138,959,748
NRB Commercial Bank Ltd.	114,007,114	14,587,848
Premier Bank Ltd.	94,950,851	45,698,297
Rupali Bank Ltd.	-	13,948
Southeast Bank Ltd.	99,208,900	65,540,000
Standard Bank Limited	71,362,575	-
United Commercial Bank Ltd.	(20,992,957)	69,052,667
Uttara Bank Ltd.	50,384,357	75,709,447
	999,052,059	559,452,140

10.4 Maturity wise classification of loan		
Repayable on demand	380,000,000	800,000,000
Within 1 month	111,473,343	185,788,904
Over 1 months but not more than 3 months	388,669,528	557,366,713
Over 3 months but not more than 1 year	999,052,059	559,452,140
Over 1 year but not more than 5 years	2,197,489,133	1,114,733,426
Over 5 years	-	-
	4,076,684,063	3,217,341,183

Notes: Loans are secured by way of first charge on all fixed and floating assets of the company, ranking pari passu among all the lenders. The period of the loans are ranging from three to five years term.

11. Deposits and Other Accounts:		
Term Deposits	8,580,576,955	9,043,216,011
Scheme Deposits (Double Benefit Scheme)	8,790,081	182,270,862
Other Deposits	118,582,499	58,248,031
Advance Rent and Installments	306,909,042	436,140,069
	9,014,858,577	9,719,874,974

11.a Deposits and Other Accounts (Consolidated)		
BD Finance	9,014,858,577	9,719,874,974
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
	9,014,858,577	9,719,874,974

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11.1 Term Deposits		
General Deposits	5,540,576,955	6,243,216,011
Deposit from Other Banks and FI's (Note-11.4)	3,040,000,000	2,800,000,000
	8,580,576,955	9,043,216,011
11.2 Scheme Deposits		
General Deposits	8,790,081	182,270,862
Deposit from Other Banks and FI's	-	-
	8,790,081	182,270,862
11.3 Other Deposits		
Lease deposits	59,576,264	13,616,686
Security deposits	244,170	244,170
Sundry Creditors	58,762,064	44,387,175
	118,582,499	58,248,031
11.4 Term Deposits from other bank and FI's		
Term Deposits from Banks	2,850,000,000	2,800,000,000
Term Deposits from NBFIs	190,000,000	-
	3,040,000,000	2,800,000,000
11.5 Term and Other Deposits		
General Deposits	5,667,949,535	6,483,734,905
Deposit from Other Banks and Financial Institutions	3,040,000,000	2,800,000,000
	8,707,949,535	9,283,734,905
11.6 Advance Rent and Installments		
Advance Lease Rent	34,076,401	39,369,351
Advance Term Installments	272,832,641	396,770,718
	306,909,042	436,140,069
11.7 Maturity wise classification of Deposits		
Repayable on demand	-	-
Within 1 month	289,989,518	312,668,450
Over 1 months but not more than 3 months	796,898,582	859,220,865
Over 3 months but not more than 1 year	1,150,204,913	1,240,157,885
Over 1 year but not more than 5 years	6,608,715,443	7,125,556,912
Over 5 year to 10 years	169,050,121	182,270,862
Over 10 years	-	-
	9,014,858,577	9,719,874,974
12. Other Liabilities		
Provision for Loans and Lease Finance (Note 12.1)	477,677,889	357,899,393
Provisions for Investment in Securities (Note 12.2)	68,067,968	68,067,968
Interest Suspense (Note 12.3)	174,239,619	117,845,541
Provision for Taxation (Note 12.4)	732,792,541	593,725,417
Deferred Tax (Note 12.5)	12,301,792	9,986,944
Interest payable on Borrowing and Deposits (Note 12.6)	354,516,956	328,283,083
Payable & Provision against expenditure (Note 12.7)	60,696,855	49,184,720
Advance Rent Received	682,830	3,232,500
Margin on Guarantee	2,880,000	-
Advance Excise Duty Received	9,547,100	5,587,750
Gratuity Fund	13,589,014	4,686,324
Dividend payable	931,100	931,110
	1,907,923,663	1,539,430,750
12.a Other Liabilities (Consolidated)		
BD Finance	1,907,923,663	1,539,430,750
BD Finance Securities Limited	276,467,602	123,945,664
BD Finance Capital Holdings Limited	39,654,272	24,604,151
BD Finance Capital Holdings Limited - Adjustment	(1,741,574)	-
	2,222,303,962	1,687,980,566

	31-Dec-16 BDT	31-Dec-15 BDT
12.1 Provision for Investment:		
(a) Provision on Classified Investment:		
Provision held at the beginning of the period	202,538,661	189,230,423
Net charge to Profit & Loss Account (Note - 32)	130,498,166	13,308,238
Provision held at the end of the period	333,036,827	202,538,661
(b) General Provision on Unclassified Investment:		
Provision held at the beginning of the period	144,360,731	115,990,138
Net charge to Profit & Loss Account (Note - 32)	(8,744,669)	28,370,593
Balance at the end of the period	135,616,062	144,360,731
(c) Provision on Other Receivables:		
Provision held at the beginning of the period	11,000,000	-
Net charge to Profit & Loss Account (Note - 32)	(1,975,000)	11,000,000
Balance at the end of the period	9,025,000	11,000,000
Total Provision for Investments	477,677,889	357,899,393
12.2 Provision for Investment in Securities:		
Provision held at the beginning of the period	68,067,968	68,067,968
Addition/(Adjustment) during the year (note-32)	-	-
Balance at the end of the period	68,067,968	68,067,968
The total provisions for diminution in value of investment includes Tk. 10,000,000 against GMG Airlines which was maintained as per Bangladesh Bank observation on 30.06.2013		
12.3 Interest Suspense Account:		
Balance at the beginning of the period	117,845,541	112,162,507
Amount transferred to suspense account during the period	56,394,078	5,683,034
Amount recovered from suspense account during the period	-	-
Balance at the end of the period	174,239,619	117,845,541
12.4 Provision for Taxation		
Balance at the beginning of the period	593,725,417	453,189,048
Provision made during the period	139,067,124	140,536,369
Adjustment during the period	-	-
Balance at the end of the period	732,792,541	593,725,417
12.5 Deferred Tax		
Balance at the beginning of the period	9,986,944	-
Adjustment during the period	2,314,848	9,986,944
Balance at the end of the period	12,301,792	9,986,944
12.6 Interest payable on Borrowing and Deposits		
Interest payable on TDR and other deposits	292,311,769	293,488,210
Interest payable on term loan	60,582,926	34,377,657
Interest payable on Refinancing loan from BB (SME)	320,874	94,360
Interest payable on Refinancing loan from BB (Housing)	16,994	6,351
Interest payable on Refinancing loan from JICA	1,220,647	152,968
Interest Payable on Call loan	(4,444)	95,347
Interest payable on Security Deposit	68,190	68,190
Balance at the end of the period	354,516,956	328,283,083

	31-Dec-16 BDT	31-Dec-15 BDT
12.7 Payable & Provision against expenditure		
Advance transfer price	3,001	3,001
Payable others	21,693,910	11,462,436
Payable to BD Finance Foundation	25,859,486	18,810,462
Withholding Excise Duty	7,552,374	6,957,279
Withholding tax	5,166,899	11,128,394
Withholding VAT	421,185	823,148
Balance at the end of the period	60,696,855	49,184,720

12.8 Maturity wise classification of other liabilities		
Repayable on demand	60,696,855	49,184,720
Within 1 month	44,576,683	44,576,683
Over 1 months but not more than 3 months	66,043,100	128,730,050
Over 3 months but not more than 1 year	124,814,714	178,306,734
Over 1 year but not more than 5 years	320,952,121	534,920,202
Over 5 years	1,290,840,190	603,712,361
Balance at the end of the period	1,907,923,663	1,539,430,750

13. Capital

13.1 Authorized Capital:		
200,000,000 ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000

13.2 Issued, Subscribed and Paid up Capital:		
125,867,475 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders	1,258,674,750	1,144,249,780
Sponsor Shareholders Group	316,828,590	555,160,340
General Shareholders Group	941,846,160	589,089,440
	1,258,674,750	1,144,249,780
General Shareholders Group:		
General Public	672,664,750	442,188,300
Financial Institutions	268,619,690	146,137,030
Unit fund	-	-
Investors Account	561,720	764,110
Mutual Fund	-	-
	941,846,160	589,089,440

Classification of Shareholders by holding:	No. of Shareholders	No. of Shares	Percentage of Share Holding
Less than 500 shares	7,947	1,090,752	0.87%
501 to 5,000 shares	5,820	9,773,994	7.77%
5,001 to 10,000 shares	718	5,239,480	4.16%
10,001 to 20,000 shares	423	6,118,609	4.86%
20,001 to 30,000 shares	156	3,803,733	3.02%
30,001 to 40,000 shares	58	2,023,615	1.61%
40,001 to 50,000 shares	50	2,315,606	1.84%
50,001 to 1,00,000 shares	93	6,812,424	5.41%
1,00,001 to 10,00,000 shares	92	25,365,928	20.15%
10,00,001 to 99,99,999 shares	25	63,323,334	50.31%
Total	15,382	125,867,475	100.00%

Year	Declaration	No of Shares	31-Dec-16	31-Dec-15
			BDT	BDT
			Value of Shares	Cumulative no. of shares
1999	Sponsored Share	500,000	5,000,000	5,000,000
1999	Allotment Share	4,500,000	45,000,000	50,000,000
2003	Bonus Share	500,000	5,000,000	55,000,000
2003	Right Share	1,000,000	10,000,000	65,000,000
2004	Right Share	7,506,000	75,060,000	140,060,000
2004	Bonus Share	780,000	7,800,000	147,860,000
2005	Right Share	4,201,800	42,018,000	189,878,000
2005	Bonus Share	1,478,600	14,786,000	204,664,000
2006	Bonus Share	2,865,290	28,652,900	233,316,900
2007	IPO	7,000,000	70,000,000	303,316,900
2008	Bonus Share	3,033,160	30,331,600	333,648,500
2009	Bonus Share	3,336,480	33,364,800	367,013,300
2010	Bonus Share	7,340,260	73,402,600	440,415,900
2011	Bonus Share	9,689,149	96,891,490	537,307,390
2012	Bonus Share	5,373,073	53,730,730	591,038,120
2013	Bonus Share	5,910,380	59,103,810	650,141,930
2013	Right Share	39,008,515	390,085,150	1,040,227,080
2014	Bonus Share	10,402,270	104,022,700	1,144,249,780
2015	Bonus Share	11,442,497	114,424,970	1,258,674,750

13.3 Capital under Capital Adequacy and Market Discipline (CAMD)

a) Core Capital (Tier -I):

- i) Paid-up Capital
- ii) Statutory Reserve (Note # 14)
- iii) General Reserve (Note # 15)
- iv) Retained Earnings (Note # 16)
- v) Minority interest (Note # 16.b)

1,258,674,750	1,144,249,780
222,607,589	194,582,857
-	-
129,639,805	131,965,848
467,951,480	464,992,447
2,078,873,624	1,935,790,932

b) Supplementary Capital (Tier-II):

- i) Revaluation Surplus on Land & Building
- ii) General Provision {Note 12.1(b)}

147,621,510	119,843,329
135,616,062	144,360,731
283,237,572	264,204,060
2,362,111,196	2,199,994,992

c) Total (a +b)

13.4 Capital Surplus/(Deficit)

The Company is subject to the regulatory capital requirement as stipulated in DFIM circular no 05 dated 24 July 2011 of Bangladesh Bank and a progaapon no. DFIM(P)1052-Progga/37 date 24 July 2011 in pursuance of Section 49 of Financial Institutions Act 1993 (Act 27 of 1993) amended the Financial Institutions Rules 1994 Rule 4 Section (d) and (dd) and Sub Rule 2 of Rule 6 . The Capital requirement for non-banking financial institutions is not less than 100 corer or minimum required risk based capital, which is time to time circulated by the Bangladesh Bank.

The following directions will be applicable to the Financial Institution's to meet up the deficiency of the paid up capital as regard to the Rules stated above.

- 1) To meet the paid up capital Financial Institution's may issue IPO or Right Share or Bonus Share as applicable.
- 2) The Financial Institution's could not issue Cash Dividend when there was a deficiency in paid up capital as stipulated in the above rules.
- 3) The Financial Institution's will make necessary amendments in there MOA and AOA to comply the amended rules stated above.

	31-Dec-16 BDT	31-Dec-15 BDT
Paid up Capital	1,258,674,750	1,144,249,780
Required minimum capital	1,000,000,000	1,000,000,000
Excess (Shortfall) of Paid up Capital over minimum capital	258,674,750	144,249,780
14. Statutory Reserve		
Opening balance	194,582,857	162,218,336
Add: Addition during the period	28,024,732	32,364,521
	222,607,589	194,582,857
15. General Reserve		
Opening balance	-	-
Add: Transfer from Retained Earning	-	-
Less: Distribution During the period	-	-
	-	-
16. Retained Earnings		
Opening balance	131,965,848	59,720,252
Add: Profit After Tax during the period	140,123,659	161,822,606
Less: Transfer to General Reserve	-	-
Less: Transfer to Statutory Reserve	(28,024,732)	(32,364,521)
Less: Cash Dividend Paid	-	(57,212,489)
Less: Issue of Bonus Shares	(114,424,970)	-
	129,639,805	131,965,848
16.a Retained Earnings (Consolidated)		
BD Finance	129,639,805	131,965,848
BD Finance Securities Limited	25,120,844	18,195,488
BD Finance Capital Holdings Limited	52,508,304	30,860,582
Adjustment for Minority Interest	(10,726,230)	(7,767,197)
	196,542,722	173,254,720
16.b Non Controlling Interest (Consolidated)		
BD Finance Securities Limited		
Paid up Capital	457,150,000	457,150,000
Retained Profit/(Loss)	10,711,528	7,758,556
	467,861,528	464,908,556
BD Finance Capital Holdings Limited.		
Paid up Capital	75,250	75,250
Retained Profit/(Loss)	14,702	8,641
	89,952	83,891
	467,951,480	464,992,447
16.1 Capital Reserve		
Stock Dividend from BD Finance Securities Ltd.	15,000,000	15,000,000
Stock Dividend from Capital Holdings Ltd.	18,744,750	18,744,750
	33,744,750	33,744,750
Capital reserve created for interim Stock Dividend received from the Subsidiary companies in the year 2014.		
17. Letters of Guarantees		
Letters of guarantee	-	104,801,330
Less: Margin	-	-
	-	104,801,330

	31-Dec-16 BDT	31-Dec-15 BDT
18. Profit and Loss Account		
Income		
Interest, discount and similar income (Note-19)	1,760,435,258	1,786,509,733
Dividend income {Note-21}	18,535,610	4,229,818
Commission, Exchange and Brokerage	576,000	1,000,000
Gains less losses arising from investment securities {Note-21}	52,845,138	(79,197,163)
Other operating income (Note-22)	54,174,557	78,393,946
	1,886,566,564	1,790,936,334
Expenses:		
Interest paid on Deposits & Borrowing (Note-20)	1,337,901,289	1,317,377,675
Administrative expenses	106,982,350	92,581,068
Other operating expenses (Note-31)	30,172,677	22,452,478
Depreciation on Fixed assets {Note-30(a)+30(b)+Note-30(c)}	17,819,810	13,114,748
	1,492,876,126	1,445,525,969
Income over expenditure	393,690,438	345,410,365
19. Interest income		
Interest income on Loans & Lease Finance (Note-19.1)	1,741,648,691	1,765,536,698
Interest on placement with other Banks & FIS (Note-19.2)	18,786,567	20,973,034
	1,760,435,258	1,786,509,733
19.a Interest Income (Consolidated)		
BD Finance	1,760,435,258	1,786,509,733
BD Finance Securities Limited	42,843,043	87,421,684
BD Finance Capital Holdings Limited	16,214,155	24,869,811
BD Finance Securities Limited-Adjustment	(34,837,628)	(49,586,786)
BD Finance Capital Holdings Limited.-Adjustment	(7,005,483)	(6,482,500)
	1,777,649,345	1,842,731,941
19.1 Interest on Loans & Lease Finance		
Interest income on lease finance	195,349,888	266,844,425
Interest income on term finance	1,323,532,843	1,420,585,878
Interest on housing finance	222,765,960	78,106,394
	1,741,648,691	1,765,536,698
19.2 Interest on placement with other banks & FIS		
Interest on FDR	18,309,577	19,668,183
Interest on STD accounts	476,990	1,304,852
Interest on fund placements	-	-
	18,786,567	20,973,034
20. Interest paid on deposits & borrowing		
Interest paid on deposits	995,039,485	1,106,372,102
Interest paid on borrowings (Note-20.1)	342,861,805	211,005,573
	1,337,901,289	1,317,377,675
20.a Interest Expenses (Consolidated)		
BD Finance	1,337,901,289	1,299,836,543
BD Finance Securities Limited	22,420,020	27,059,243
BD Finance Capital Holdings Limited	1,958,061	13,059,618
BD Finance Securities Limited-Adjustment	-	-
BD Finance Capital Holdings Limited.-Adjustment	-	-
	1,362,279,370	1,339,955,404
20.1 Interest paid on borrowing		
Interest Expenses on Term Loan	251,946,315	160,991,428
Interest Expenses on SOD Loan	49,544,154	13,133,611
Interest Expenses on Call Loan	36,579,625	36,183,015
Interest Expenses on Re financing loan	4,791,710	697,519
	342,861,805	211,005,573

	31-Dec-16 BDT	31-Dec-15 BDT
21. Income from Investment in Securities		
Income from Investment in Shares	52,845,138	(79,197,163)
Dividend Income	18,535,610	4,229,818
	71,380,748	(74,967,345)
21.a Income from Investment in Securities (Consolidated)		
BD Finance	71,380,748	(74,967,345)
BD Finance Securities Limited	32,048,454	33,205,712
BD Finance Capital Holdings Limited	26,758,503	38,111,535
BD Finance Securities Limited-Adjustment	-	-
BD Finance Capital Holdings Limited.-Adjustment	-	-
	130,187,706	(3,650,098)
21.b Commission, Exchange and Brokerage (Consolidated)		
BD Finance	576,000	1,000,000
BD Finance Securities Limited	48,212,496	61,225,178
BD Finance Capital Holdings Limited	1,288,163	2,992,632
BD Finance Securities Limited-Adjustment	-	(1,000,000)
BD Finance Capital Holdings Limited.-Adjustment	-	-
	50,076,660	64,217,810
22. Other Operating Income:		
Penal Interest	17,513,122	44,320,617
Prepayment Interest	9,544,967	7,230,775
Contact point verification (CPV)	3,353,217	4,172,207
Ledger management (LM)	417,050	461,726
Transfer Price	354,497	570,749
Processing fees	5,448,418	6,372,118
Legal & Documentation charge	1,988,635	1,957,635
Office Rent (64 Motijheel)	13,497,000	12,451,020
Other Income (Note-22.1)	2,057,652	857,099
	54,174,557	78,393,946
22.a Other Operating Income (Consolidated)		
BD Finance	54,174,557	78,393,946
BD Finance Securities Limited	282,888	23
BD Finance Capital Holdings Limited	107,701	133,001
BD Finance Securities Limited-Adjustment	(1,249,920)	(1,216,440)
BD Finance Capital Holdings Limited.-Adjustment	(524,160)	(510,120)
	52,791,066	76,800,410
22.1 Other Income		
Gain/(loss) on sale of fixed assets	1,980,000	740,654
Miscellaneous income	77,652	116,445
	2,057,652	857,099
23. Salary & Allowances		
Basic Salary	33,142,063	24,110,574
Allowances	27,794,420	20,779,782
Bonus	9,725,774	3,449,293
BD Finance's Contribution to Provident fund	2,158,331	861,426
Wages	664,156	1,852,000
	73,484,744	51,053,075
23.a Salary & Allowances (Consolidated)		
BD Finance	73,484,744	51,053,075
BD Finance Securities Limited	14,212,075	14,980,519
BD Finance Capital Holdings Limited	5,265,165	8,419,554
	92,961,984	74,453,148
24. Rent, Taxes, Insurance, Electricity etc.		
Rent, Rates & Taxes	16,545,352	15,488,865
Insurance	535,449	263,637
Electricity & Lighting, WASA, Gas etc.	1,803,344	1,605,994
	18,884,145	17,358,496

	31-Dec-16 BDT	31-Dec-15 BDT
24.a Rent, Taxes, Insurance, Electricity etc.(Consolidated)		
BD Finance	18,884,145	17,358,496
BD Finance Securities Limited	2,902,374	2,780,010
BD Finance Capital Holdings Limited	1,278,122	1,208,140
BD Finance Securities Limited-Adjustment	(1,249,920)	(1,216,440)
BD Finance Capital Holdings Limited-Adjustment	(524,160)	(510,120)
	21,290,561	19,620,086
25. Legal & Professional Fees		
Legal Fees & Charge	2,201,948	2,814,685
Other Legal Expenses	-	-
	2,201,948	2,814,685
25.a Legal & Professional Fees (Consolidated)		
BD Finance	2,201,948	2,814,685
BD Finance Securities Limited	334,260	357,513
BD Finance Capital Holdings Limited	531,750	506,000
	3,067,958	3,678,198
26. Postage, Stamps, Telecommunication etc.		
Stamp & Court Fees	796,225	645,060
Commission on purchase of stamps	-	39,995
Internet expenses	283,150	234,769
Postage & Courier Expenses	40,864	102,353
Telephone & Fax Expenses	193,254	170,140
Mobile Expenses	481,815	708,753
	1,795,308	1,901,070
26.a Postage, Stamps, Telecommunication (Consolidated)		
BD Finance	1,795,308	1,901,070
BD Finance Securities Limited	553,841	602,758
BD Finance Capital Holdings Limited	205,159	248,312
	2,554,308	2,752,140
27. Stationery, Printing, Advertisements etc.		
Stationary-Toner & Cartridge	230,200	149,152
Stationary Expenses	481,837	455,078
Printing Expenses	1,147,375	852,129
Advertisement and Publicity	1,931,293	10,180,661
	3,790,705	11,637,020
27.a Stationery, Printing, Advertisements etc.(Consolidated)		
BD Finance	3,790,705	11,637,020
BD Finance Securities Limited	205,029	342,610
BD Finance Capital Holdings Limited	99,024	375,156
	4,094,758	12,354,786
28. Managing Director's Salary and Allowances		
Basic Salary	2,700,000	3,600,000
Allowances	2,300,000	2,900,000
Bonus	600,000	600,000
	5,600,000	7,100,000
29. Directors' Fees & Conveyance		
Director Fees	984,000	580,000
	984,000	580,000

Total 9 nos. of Board Meeting and 4 nos of Audit Committee Meeting were held during the period ended on 31 December 2016. Each Director was paid Tk. 8,000 for attending in the meeting as per Bangladesh Bank DFIM Circular No. 13 Dated 30 November, 2015

	31-Dec-16 BDT	31-Dec-15 BDT
29.a Directors' Fees & Conveyance (Consolidated)		
BD Finance	984,000	580,000
BD Finance Securities Limited	195,500	243,000
BD Finance Capital Holdings Limited	109,250	128,250
	1,288,750	951,250
29.b Audit Fees (Consolidated)		
BD Finance	241,500	136,722
BD Finance Securities Limited	81,250	86,250
BD Finance Capital Holdings Limited	25,556	34,500
	348,306	257,472
30. Depreciation and Repair of Assets		
a) Depreciation of Assets		
Building	539,880	539,880
Furniture & Fixtures	4,062,039	3,352,571
Office Equipment	3,692,892	2,706,217
Motor Vehicles	5,223,601	4,634,407
	13,518,411	11,233,075
b) Amortization Expenses		
System & Software	100,008	100,006
Office Renovation	975,572	189,673
	1,075,580	289,679
c) Repair of Assets		
Office Equipment	412,983	442,481
Office Furniture & Fixtures	4,000	16,500
Motor Vehicles	2,808,835	1,133,013
	3,225,818	1,591,994
	17,819,810	13,114,748
30.a Depreciation and Repair of Assets (Consolidated)		
BD Finance	17,819,810	13,114,748
BD Finance Securities Limited	2,629,264	3,805,631
BD Finance Capital Holdings Limited	3,892,515	3,839,937
	24,341,589	20,760,316
31. Other Expenses		
Petrol, Oil, Lubricants, CNG & others	1,985,522	2,241,002
Entertainment	2,160,501	2,977,285
Donation and Subscription	2,039,058	544,175
Donation to BD Finance Foundation	7,049,024	7,505,937
Document & Processing Fees	-	367,265
Traveling and Conveyance	660,085	466,932
Training Expenses	276,366	312,079
Retirement benefits and gratuity	9,569,122	655,845
Registration & Renewal Expenses	1,919,559	356,119
Papers & Periodicals	48,008	41,150
Office Maintenance	579,674	313,291
Office Supplies	279,595	197,746
Uniform & Liveries	155,770	105,190
Bank Charges & Excise Duty	2,268,737	856,434
Business development & Promotion	44,184	4,390,535
Security Service-Outsourcing	654,162	681,390
AGM & Meeting expenses	448,810	420,944
Miscellaneous Expenses	34,500	19,160
	30,172,677	22,452,478

	31-Dec-16 BDT	31-Dec-15 BDT
31.a Other Expenses (Consolidated)		
BD Finance	30,172,677	39,993,610
BD Finance Securities Limited-DSE charges	18,663,855	25,166,056
BD Finance Securities Limited	2,074,518	2,105,346
BD Finance Capital Holdings Limited	1,242,575	1,075,639
	52,153,625	68,340,651
32. Provision against loans, lease finance & Others		
Provision on classified loans {Note-12.1(a)}	130,498,166	13,308,238
Loan/Lease written off during the year	-	-
Provision on unclassified Loans & Advances {Note-12.1(b)}	(8,744,669)	28,370,593
Provision on other receivables {Note-12.1(c)}	(1,975,000)	11,000,000
Provisions on Investment in Securities (Note - 12.2)	-	-
	119,778,497	52,678,831
32.a Provision on Investment in Securities (Consolidated)		
BD Finance	-	-
BD Finance Securities Limited	5,984,284	31,038,050
BD Finance Capital Holdings Limited	(2,567,830)	951,472
	3,416,454	31,989,522
33. Earning Per Share (EPS)		
Calculation of Earning Per Share (Note - 2.27):		
Net Profit after Tax	140,123,659	161,822,606
Number of Ordinary Shares outstanding (Denominator)	125,867,475	125,867,475
Earning Per Share (Re-stated 2015)	1.11	1.29
33.a Earning Per Share (EPS) (Consolidated)		
Calculation of Earning Per Share (Note - 2.27):		
Net Profit after Tax	165,737,704	194,350,407
Number of Ordinary Shares outstanding (Denominator)	125,867,475	125,867,475
Earning Per Share (Re-stated 2015)	1.32	1.54
34. Interest received		
Interest received (Note-19)	1,760,435,258	1,786,509,733
Add: Opening interest Receivable on TDR	12,435,896	10,942,452
Less: Closing interest receivable on TDR	(9,653,388)	(12,435,896)
Add: Opening Receivable of Delinquent Charges & Penal Interest	27,875,919	62,445,355
Less: Closing Receivable of Delinquent Charges & Penal Interest	(22,137,251)	(27,875,919)
Add: Closing interest suspense account	174,239,619	117,845,541
Less: Opening Interest Suspense Account	(117,845,541)	(112,162,507)
Add: Opening Receivable of Grace Period Interest	8,752	-
Less: Closing Receivable Grace Period Interest	(85,456)	(8,752)
	1,825,273,809	1,825,260,007
35. Interest Paid on Deposits & Borrowings		
Interest Paid on Deposits & Borrowings (Note-20)	1,337,901,289	1,317,377,675
Add: Opening interest payable on deposit & borrowings	328,283,083	463,867,917
Less: Closing interest payable on deposit & borrowings	(354,516,956)	(328,283,083)
	1,311,667,417	1,452,962,509
36. Cash Received from other Operating activities		
Income from investment in shares (Note 21)	52,845,138	(79,197,163)
Other operating income (except gain/(loss) on sales of fixed assets)	54,174,557	78,393,946
	107,019,695	(803,217)

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37. Cash Payments for other Operating activities		
Rent, Taxes, Insurance, Lighting etc.	18,884,145	17,358,496
Legal & Professional Fees	2,201,948	2,814,685
Postage, Stamp, Telegram & Telephone	1,795,308	1,901,070
Directors' Fee & Expenses	984,000	580,000
Auditors' Fee	241,500	136,722
Repair, Maintenance of NBFI's Assets	3,225,818	1,591,994
Other Expenses	30,172,677	22,452,478
	57,505,396	46,835,445
38. Cash Increase/ Decrease in Other Assets		
Re-imbursable Expenses	6,641,749	7,907,640
Receivable Others	14,078,231	63,379,966
Receivable Excise Duty	784,720	2,638,010
Investment In Subsidiaries	849,930,000	849,930,000
Investment in BD Finance Vanguard Mutual Fund One	200,000,000	200,000,000
Advance against expenditure {Note-8.2(d)}	18,648,516	29,297,841
Deposits {with other organization Note-8.2(e)}	1,514,714	1,476,114
Stock of Stamp	53,658	69,288
	1,091,651,588	1,154,698,858
Cash (Increase)/ Decrease in Other Assets	63,047,270	29,950,630
39. Cash Increase/ (Decrease) in Other Liabilities		
Payable others	60,696,855	49,184,720
Advance Rent (against 64 Motijheel)	682,830	3,232,500
Advance Excise Duty	9,547,100	5,587,750
Margin on Guarantee	2,880,000	-
Gratuity Fund	13,589,014	4,686,324
Dividend payable	931,100	931,110
	88,326,898	63,622,405
Cash Increase/ (Decrease) in Other Liabilities	24,704,494	6,076,690
40. Cash and Cash Equivalents		
Cash in Hand	48,130	37,819
Balance with Bangladesh Bank & Sonali Bank Limited	161,998,454	191,136,804
Balance with Other Banks & Financial Institutions	271,938,816	256,187,314
	433,985,401	447,361,938
41. Number of Employees		
The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 or above were 97 (In the year 2015 it was 87).		

42. Audit Committee

a) Particulars of Audit Committee

Pursuant to the Condition no 3 of the notifications no SEC/CMRRCD/2006-158/Admin/02-08 dated 20 February, 2006 of Securities Exchange Commission the Board of Director's of BD Finance formed a Five members Audit Committee named "Board Audit Committee".

Name	Status with BD Finance	Status with the Committee	Educational Qualification
Mr. Haider Ahmed Khan FCA	Independent Director	Chairman	M.Com
Mrs. Tanuja Mehmood	Chairperson	Member	MBA
Mr. Geasuddin Ahmed	Director	Member	B.Sc
Mr. Yousuf Aman	Director	Member	B.A (Hons.)
Mr. Gopal Chandra Ghosh FCA, FCMA	Director	Member	M.Com

The members of the Board Audit Committee are all having good exposure in the NBFI's business. They are all playing active role in the Committee Meeting.

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BDT

31-Dec-15
BDT

b) Meeting of Audit Committee

During 1 January to 31 December 2016, the Audit Committee of the Board conducted 4 (Four) meetings in which among others, the following issues were discussed:-

i) Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.

ii) Minimize expenditure in all operational activities where possible.

iii) Reviewing the Accounting procedure with a view to ascertain that the International Financial Reporting Standard (IFRS) has been applied in maintaining books and records of the company.

c) Internal Control:

The following steps have been taken for implementation of Internal Control Procedure of the

i) Audit & Inspection division of the company carried out Internal Audit with a view to enrich the compliance culture and full control on the exertion of the BD Finance's operations. The division directly report simultaneously to the Board Audit Committee, and

ii) Regular monitoring has been done for the effectiveness of the quality control policies and procedures with the effect to evaluate the application of internal Control System and Internal Audit Policy, Policy for financial risk, existing rules and regulation.

iii) To establish Planning, Organizing and Supervising culture and monitoring of Audit and Inspection of the Branches and different divisions of Head Office and surprise inspection of the Branches.

43. Related Party Disclosures:

43.1 Name of the Directors and their interest in different entities:

Name	Status with BD Finance	"Name of Firms/Companies in which interested as"
Mrs. Tanuja Mehmood	Director	Nil
Mr. Geasuddin Ahmed	Director	BD Finance Securities Ltd. Dhaka Complex (Pvt) Ltd. Momota Enterprise Mutual Jute Spinner Limited
Mrs. Shahnaz Rashid	Director	Anwar Cement Ltd. Anwar Landmark Ltd. Anwar Galvanizing Ltd.
Mr. Imtiyaj Yousuf	Director	Imtiyaj Steel Precious Steel Corporation
Mr. Haider Ahmed Khan, FCA	Independent Director	Ahmed Khan & Co (Chartered Accountants) Flower Faisons Ltd. MM Agro Enterprises Ltd. Mifkif Apparel Ltd. Seasons Aid Ltd. Seasons Dresses Ltd.
Mr. Syed Tareq Akbar Ally	Director	Nil
Mr. Yousuf Aman	Director	Nil
Mr. Gopal Chandra Ghosh FCA, FCMA	Director	Nil
Mr. Ihtiaz Yousuf	Director	Nil
Mr. Ansar Uddin Ahmed	Independent Director	Nil

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43.2 Significant Contracts where BD Finance is a party and wherein Directors have interest:		Nil
43.3 Shares issued to Directors & Executives without consideration or exercise at discount:		Nil

43.4 Lending Policies to related parties:

Lending to related parties is effected as per requirements of 4th Schedule, Section 14 of the Financial Institutions Act, 1993

43.5 Investment (Lease, Loan and Advances) to Directors and their related Concern (Note-6.2):

	Related By	Nature of transaction	Amount in Tk.	Status
i)	City General Insurance Co. Ltd.	Common	49,101,569	Standard
ii)	BD Finance Securities Limited.	Common Director	301,766,800	Standard
iii)	BD Finance Capital Holdings Limited.	Common Director	98,798,000	Standard
			<u>449,666,369</u>	

44. Events after the Reporting Period

The Board of Directors of BD Finance has recommended 10% Stock Dividend for the year 2016.

Company Secretary

Managing Director

Director

Director