



We grow because we struggle,
we learn and overcome.

— R C Allen

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Letter of Transmittal

Shareholders,
Bangladesh Bank,
Registrar of Joint Stock Companies & Firms,
Securities and Exchange Commission,
Dhaka Stock Exchange Limited, and
Chittagong Stock Exchange Limited.

Annual Report For The Year Ended December 31, 2011.

Dear Sir/Madam :

Enclosed please find a copy of the Annual Report together with the audited financial statements including consolidated and separate balance sheet as at December 31, 2011 and income statements, cash flow statements and changes in equity statements for the year ended December 31, 2011 along with notes thereon of Bangladesh Finance And Investment Company Ltd. (BD Finance) and its subsidiaries (BD Finance Securities Limited & BD Capital Holdings Limited) for your kind information and record.

Thanking you,

Yours sincerely,



Ahmed Reza Chowdhury, FCS
EVP & Company Secretary

Notice of The 13th Annual General Meeting

Notice is hereby given to all shareholders of Bangladesh Finance And Investment Company Limited that the 13th Annual General Meeting (AGM) will be held on Sunday 3rd June, 2012, at 10.00 A.M at Institution of Diploma Engineers, 160/A VIP Road, Kakrail, Dhaka to transact the following businesses:

1. To receive consider and adopt the Accounts for the year ended on December 31, 2011 and to approve the Report of the Directors and the Auditors' thereon.
2. To declare Dividend out of the profits for the year ended on December 31, 2011 as recommended by the Board of Directors.
3. To elect Directors in place of those who retire by rotation in accordance with the provision of Articles 121, 126, 127 and 128 of the Articles of Association of the Company.
4. To appoint Auditors for the year 2012 and to fix-up their remuneration.
5. To transact any other business with the permission of the Chair.

By order of the Board



Ahmed Reza Chowdhury, FCS

Executive Vice President & Company Secretary

Dated, Dhaka
May 10, 2012

NOTES :

- a) The Record Date: April 26, 2012.
- b) The shareholders' names appearing in the Register of Members of the Company or in the Depository on the Record Date will be eligible to attend the AGM and receive the dividend.
- c) Any member of the Company eligible to attend and vote at the general meeting may appoint a proxy to attend and vote on his/her behalf.
- d) The proxy form duly filled in and signed by the Member and stamped must be submitted at the Registered Office of the Company at least 48 hours before the meeting.
- e) Members are requested to notify the changes of address, if any, well in time. For BO A/c holders, the same to be rectified through their respective Depository Participants.

BD Finance's Vision, Mission and Strategic Objectives

Vision

To be most innovative financial services provider.

Mission

Quality growth through a committed team of professionals towards excellence of knowledge, process, system & structure.

Strategic Objectives : 2012-2013

- Grow and diversify product range.
- Optimize stakeholders' value
- Diversify funding sources.
- Consolidate investment banking operation
- Optimize distribution points.



BD Finance's Core Values



BD Finance's Code of Conduct and Ethics



Our Code of Conduct is guided by our Ethical Principle which is also the reflection of our Corporate Values. In principle BD Finance follows the following key themes:

- We honor our Code
- We act ethically
- We manage risk effectively
- We are fair and honest to our communications
- We safeguard information
- We protect our assets
- We conduct our financial affairs responsibly
- We care about one another
- We respect laws and regulations
- We value our communities
- We emphasis to optimize Stakeholder's value
- We commit to develop productive enterprises

BD Finance at a Glance

Bangladesh Finance And Investment Company Limited (BD Finance) started its journey in 1999 with the prime objective of developing productive enterprises of the country through the provision of lease financing and subsequently diversified in other allied financial services. The Company obtained permission from Bangladesh Bank to operate as financial institution under the Financial Institutions Act 1993 on December 22, 1999 and listed in Dhaka Stock Exchange on September 06, 2007 and Chittagong Stock Exchange on August 28, 2007. The shareholding structure of BD Finance consists of reputed corporate houses, leading industrialists & general public. Over a decade, BD Finance emerged as a leading financial Institution of the country with a wide range of financial products to offer to its clients. BD Finance continues to evolve as an innovative financial solution provider & now able to offer financial products tailored to the needs of its customers.

BD Finance look forward to greater participation for economic development of Bangladesh introducing all financial products under one roof to meet the customer's economic needs.

Subsidiaries:

First Subsidiary : BD Finance Securities Limited (BD Securities)

BD Securities, first subsidiary of BD Finance, offers full-fledged international standard brokerage service for retail and institutional clients. It has seats on Dhaka Stock Exchange Limited. It commenced operation in November, 2011. With in a short span of time, BD Securities has emerged as a strong market player in the sector.

Second Subsidiary : BD Finance Capital Holdings Limited (BD Capital)

BD Capital, a 100% subsidiary of BD Finance obtained license from SEC on February 26, 2012 as full fledged Merchant Banker. The main businesses of the Company are portfolio management, issue management, underwriting of securities and advisory services. The Company is on the verge of commencing operation.

BD Finance's Products and Services

Debt Products

- Lease Finance
- Term Finance
- Working Capital Finance
- Work Order Finance
- Home Loan
- Real Estate Developer's Finance
- Auto Loan
- Equity/Bridge Finance

Liability Products (Deposit Schemes)

- Monthly Deposit Scheme
- Double Money Deposit Scheme
- Cumulative Deposit Scheme
- Term Deposit Scheme

Stock Brokerage Service

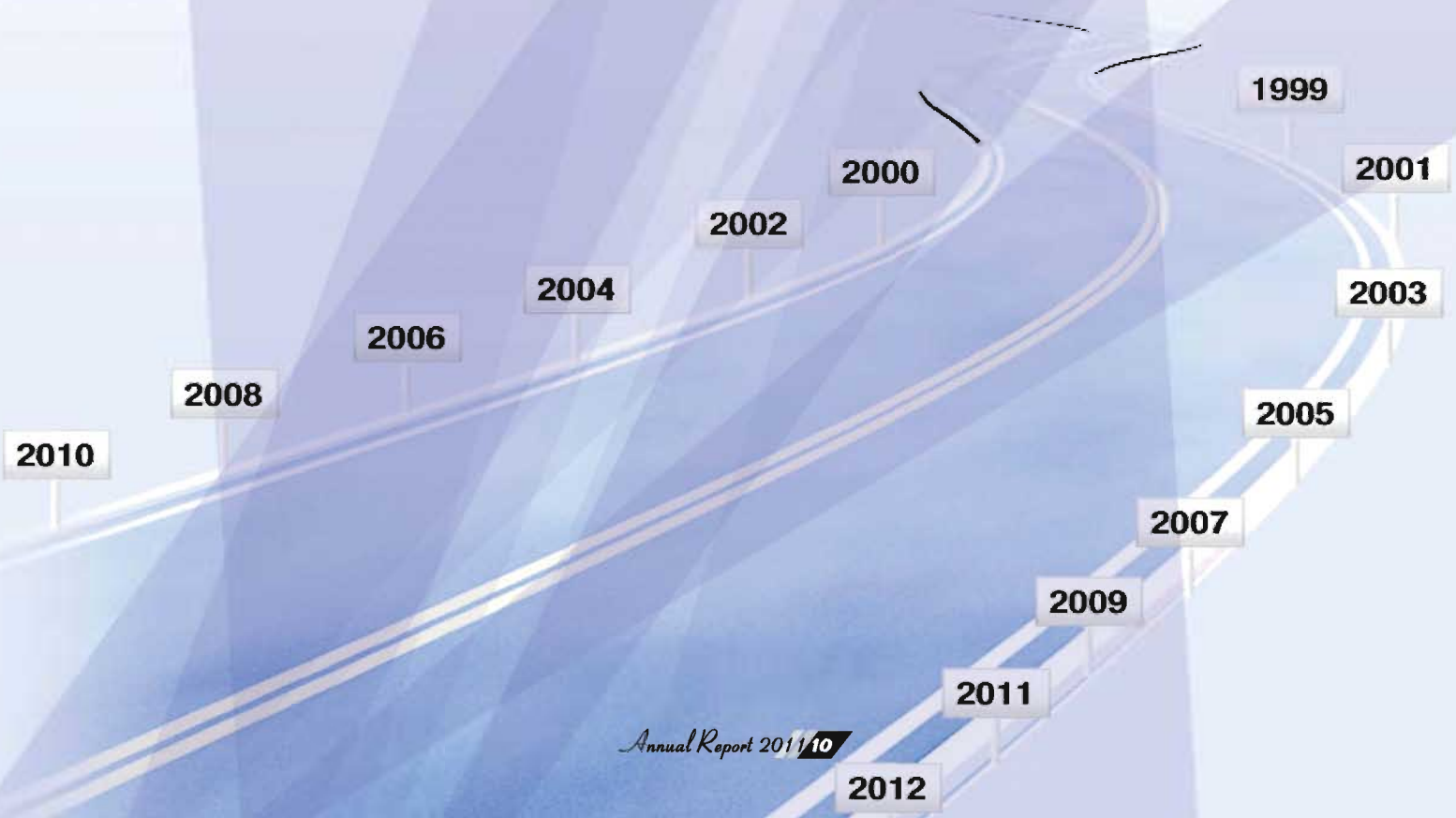
Through Subsidiary : BD Finance Securities Limited

Merchant Banking Service

Through Subsidiary : BD Finance Capital Holdings Limited

Key Milestones

Incorporation of the Company	:	May 10, 1999
License from Bangladesh Bank as financial Institution	:	December 22, 1999
Commencement of Business	:	May 10, 1999
Date of Commercial Operation	:	February 15, 2000
Date of First Branch opening in Chittagong	:	July 12, 2005
Date of Second Branch opening at Bangshal	:	June 08, 2010
Date of Initial Public Offering	:	June 10, 2007
Listing on Dhaka Stock Exchange	:	September 06, 2007
Listing on Chittagong Stock Exchange	:	August 28, 2007
Trading on DSE & CSE	:	September 11, 2007
Trading Code	:	BDFINANCE
Equity Participation in BD Finance Securities Ltd.	:	December 28, 2010
Equity Participation in BD Finance Capital Holdings Ltd.	:	August 10, 2011



Corporate Information

Registered Name of the Company	: Bangladesh Finance And Investment Company Limited
Legal Form	: A public limited company listed both in Dhaka and Chittagong Stock Exchange.
Company Registration Number	: C- 37695. (1995)/99
Bangladesh Bank License Number	: FID(L)/23
Corporate Head Office	: Baitul Hossain Building (2nd floor) 27, Dilkusha C/A, Dhaka-1000, Bangladesh Phone : 88-02-7114493, 7114489, 9559146, Fax : 88-02-9566493. E-mail : info@bdfinance.net Web-mail : www.bdfinance.net.
Chittagong Branch	: Osman Court (2nd floor) 70, Agrabad C/A, Chittagong. Phone : +88-031-2510234, Mobile: 01713-109807 Fax : +88-031-2526564 Hot Line : +88-01618-448 922 E-mail : info.ctg@bdfinance.net
Bangshal Branch	: 5, Bangshal Lane, North South Road (Old), 57 Syed Nazrul Islam Sharani (new), Dhaka. Phone: +88-02-9513973 Hot Line : +88-01618-448 923 E-mail : info@bdfinance.net
Head Office of First Subsidiary	: BD Finance Securities Limited 64, Motijheel C/A (2nd Floor), Dhaka-1000. Tel : +88-02-9511094, 9554592 E-mail : info@bdsecurities.net
Head Office of Second Subsidiary	: BD Finance Capital Holdings Limited 64, Motijheel C/A (2nd Floor), Dhaka-1000. Tel : +88-02-7122165, 9553967 Hot Line : +88-01618-448 925
Auditors	: M/s. Hoda Vasi Chowdhury & Co. Chartered Accountants BTMC Bhaban (8th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215, Bangladesh.
Tax Consultant	: Khandaker & Associates Room No. 4/3, (4th floor) 73, Kakrail, Dhaka.

Legal Advisor

: Mr. M. Ziaul Hasan
Barrister-at-law
Hasan & Associates
Dhaka Chamber of Commerce Building (6th Floor)
65-66, Motijheel Commercial Area
Dhaka-1000.

Mr. Syed Sanaul Haque
Advocate
Haque & Associates
Green Heaven (8th Floor)
3/4B, Purana Paltan
Dhaka-1000.

Membership

: Associations :
Bangladesh Leasing & Finance
Companies Association (BLFCA)

Bangladesh Association of Publicly Listed Companies (BAPLC)

Dhaka Chamber of Commerce & Industry (DCCI)

Principal Bankers

: Rupali Bank Ltd.
Uttara bank Ltd.
Southeast Bank Ltd.
Mercantile Bank Ltd.
Prime Bank Ltd.
BRAC Bank Ltd.
Dutch-Bangla Bank Ltd.
Standard Bank Ltd.
Bank Asia Ltd.
BASIC Bank Ltd.
Shahjalal Islami Bank Ltd.
Mutual Trust Bank Ltd.
One Bank Ltd.

Board of Directors

Chairman

Mr. Manwar Hossain

Nominated by Anwar Steel Mills Limited

Vice Chairman

Mr. Hossain Khaled

Nominated by Anwar Jute Spinning Mills Limited

Directors

Mr. Geasuddin Ahmed

Mr. S.M. Didarul Alam

Mr. Chowdhury Erteza Ahmed Siddiqui

Mr. Md. Imtiaz

Mr. Syed Tareq Akbar Ally

Nominated by Khaled Iron & Steel Mills Limited

Mr. Yousuf Aman

Nominated by Anwar Silk Mills Limited

Mr. Mohammad Shahin Alam

Nominated by Hossain Dyeing & Printing Mills Limited

Mrs. Shahnaz Rashid

Nominated by Anwar Steel Mills Limited

Mrs. Rashida Youshuf

Nominated by Mehmud Industries (Pvt.) Limited

Independent Director

Mr. Haider Ahmed Khan, FCA

Managing Director & CEO

Mr. Mafizuddin Sarker

Brief Profile of the Directors

Mr. Manwar Hossain

Chairman

Nominated by Anwar Steel Mills Ltd.



Mr. Manwar is the Group Managing Director of Anwar Group. After having completed BBA & MBA from University of New Hampshire, USA in 1993, he joined the family conglomerate – Anwar Group of Industries(AGI) – during 1994.

His business skills & entrepreneurial spirit has fetched him greater responsibilities to lead the conglomerate as its Managing Director under the umbrella of his dynamic father Al-haj Anwar Hossain. With over 200 years of family business heritage, Anwar Group comprises of several manufacturing industries namely Anwar Cement Ltd., Anwar Ispat Ltd., A-One Polymer Ltd., Anwar Landmark Ltd., AG Automobiles Ltd., Anwar Silk Mills Ltd., Anwar Jute Spinning Mills Ltd., Hossain Dyeing & Printing Mills Ltd., Anwar Cement Sheet Ltd. and Mehmud Industries (Pvt.) Ltd.

His contribution in banking and Financial Institution is also noteworthy. As former Director of the City Bank Ltd., he has made substantial contribution to the growth of the Bank. He was elected as the youngest Vice Chairman in Banking Sector in the Board of the City Bank Ltd. in 1999 – 2000. He is also a Director of Bangladesh Commerce Bank Ltd.



Mr. Hossain Khaled

Vice Chairman

Nominated by Anwar Jute Spinning Mills Ltd.

Mr. Hossain Khaled is a versatile new generation business personality who requires no introduction. Educated with a BBA in Accounting from the University of Toledo, Ohio and MBA degree in International Banking from Texas A & M University (TAMU), Texas, USA, Mr. Khaled joined the family conglomerate during the year 2000. Since then he has held and led very successfully many portfolios, among which mentionable are his success as the youngest President of Dhaka Chamber of Commerce & Industry, Co-Chairman of Bangladesh Better Business Forum, one of the Managing Directors of Anwar Group.

He is an icon among young businessmen and his success is a source of inspiration to other budding entrepreneurs.

Mr. Geasuddin Ahmed

Director

Mr. Geasuddin Ahmed, a science graduate, is Chairman of British American International School, Managing Director of Dhaka Complex (Pvt.) Ltd., Buy & Sale Trading Company Ltd., proprietor of Mamata Enterprise and also associated with number of socio-cultural organizations. He is the past Director of The Dhaka Chamber of Commerce & Industry and former Secretary General of Dhaka Metropolitan Film Exhibitors



Mr. Ahmed is a third generation businessman from a traditional business family. His father Late Mohammad Hossain started his business at Adamjee Nagar, Narayanganj in 1953 and was engaged in trading of yarn, coal and in wholesale business. His grand father Late Sheikh Mohiuddin was involved in agro product trading business at Bikrampur in early 1900s.



Mr. S.M. Didarul Alam

Director

Mr. S. M. Didarul Alam is one of the Directors of Golden Oxygen Ltd., Al-Haj Mostafa-Hakim Cement Industries Ltd. and Al-Haj Mostafa Hakim Housing and Real Estate Ltd., Eagle Star Textile Mills Ltd. and Mutual Jute Spinners Ltd.

Chowdhury Erteza Ahmed Siddiqui

Director

Son of Chowdhury Monwar Ahmed Siddiqui, the founding Chairman of BD Finance, grand son of Chowdhury Esrar Ahmed Siddiqui, an influential businessman and Chairman of one of the largest banking institution in the fifties & sixties (which is now Sonali Bank) uncontested for about 20 years, Mr. Erteza, sponsor and founding Director of BD Finance, is a reputed businessman of the country. He was associated with BD Finance since its inception.

Mr. Siddiqui, among the 37th generation of the illustrious Zaminder family of Baliadi, after graduating in 1991 followed by Masters in English, he then joined the automotive industry, later became the Director of Iram Motor Company Ltd., exclusive distributor of Daimler Chrysler AG (the manufacturer of Mercedes-Benz vehicles) in Bangladesh.

Mr. Siddiqui's involvement in various reputed business of the country including security printing, apparels and real estate has given him wide exposure, vast experience, and portfolio to be an effective and contributing Director of BD Finance.



Mr. Md Imtiaz

Director

Md. Imtiaz is a capable business entrepreneur. He is also the proprietor of Imtiyaj Steel and Precious Steel Corporation.



Mr. Haider Ahmed Khan, FCA

Independent Director

Mr. Haider Ahmed Khan, B.Com (Hon's) and M. Com from the University of Dhaka, is a fellow member of the Institute of Chartered Accountants of Bangladesh, Partner of Ahmed Khan & Co., Chartered Accountants. He is the Chairman of MM Agro Enterprises Ltd. and also director of Mifkif Apparel Ltd., Flower Fashions Ltd., and Seasons Dresses Ltd.

Mr. Syed Tareq Akbar Ally

Director

Nominated by Khaled Iron & Steels Ltd.

Mr. Syed Tareq Akbar Ally is a commerce graduate and a businessman having interests in several enterprises in the ready made garments and trading sectors. He has traveled many counties of the world and is associated with various social welfare activities.



Mr. Yousuf Aman

Director

Nominated by Anwar Silk Mills Ltd.

Mr. Yousuf Aman holds a B.A. (Hon's) degree in Business with major in Marketing. He is new generation businessman and is associated with the business activities of Anwar Group of Industries.

Mr. Mohammad Shahin Alam

Director

Nominated by Hossain Dyeing & Printing Mills Ltd..

Mr. Mohammad Shahin Alam, a young businessman, is son of Haji Md. Abu Taher, a renowned businessman and Chairman of Taher Group of Companies of Chittagong. Mr. Alam has obtained his MBA degree from South Eastern University, UK and is one of the Directors of Al-Haj Mostafa-Hakim Cement Industries Ltd., Golden Oxygen Ltd., Al-Haj Mostafa-Hakim Housing & Real Estate Ltd., Eagle Star Rextile Mills Ltd. and Mutual Jute Spinners Ltd. He was also a Director of Chittagong Chamber of Commerce & Industries.



Mrs. Shahnaz Rashid

Director

Nominated by Anwar Steel Mills Ltd.

Mrs. Shahnaz Rashid is a graduate and is associated with the business activities of Anwar Group of Industries.

Mrs. Rashida Youshuf

Director

Nominated by Mehmud Industries (Pvt.) Ltd.

Mrs. Rashida Youshuf is the wife of Haji Md. Yousuf, a reputed businessman of Nazirabazar in old Dhaka city. As a philanthropist she participates in many social welfare activities of the locality.



Mr. Mafizuddin Sarker

Managing Director

Mr. Mafizuddin Sarker, Managing Director & CEO, has over 35 years of experience in Financial Market. He started his career in 1976 with Bangladesh Shilpa Rin Shangstha and thereafter he joined IDLC Finance Limited and served there for 13 years in various key positions including General Manger till he joined International Leasing and Financial Services Limited as Managing Director in 1998. He also served Lanka Bangla Finance Limited as Managing Director. He joined Bangladesh Finance And Investment Company Limited (BD Finance) as Managing Director & CEO on October 11, 2011. He is the former Chairman of Bangladesh Leasing & Finance Companies Association (BLFCA) and former Vice President of Asian Financial Services Association (AFSA). Mr. Sarker is an MBA from the Institute of Business Administration (IBA), University of Dhaka.

Committees of the Board & Management

Board Committee

Executive Committee

Mr. Hossain Khaled	Chairman
Mr. Md. Imtiaz	Member
Mr. Syed Tareq Akbar Ally	Member
Mr. Mohammed Shahin Alam	Member
Mr. Mafizuddin Sarker	Member

Audit Committee

Mr. Haider Ahmed Khan, FCA	Chairman
Mr. Hossain Khaled	Member
Mr. Geasuddin Ahmed	Member
Mr. S.M. Didarul Alam	Member
Mr. Yousuf Aman	Member

Management Committee

Management Committee (MANCOM)

Mr. Mafizuddin Sarker, Managing Director & CEO	Chairman
Mr. Luthful Karim, DMD	Member
Mr. Ahmed Reza Chowdhury, FCS, EVP	Member
Mr. Shah M. Badar Uddin, SVP	Member
Mr. Mohammad Liton Miah, ACA, VP & CFO	Member
Mr. Md. Sajjadur Rahman Bhuiyan, AVP	Member
Mr. Shahidul Haque Ahmed, FAVP	Member
Mr. Md. Rafiqul Amin, FAVP	Member
Mr. Pulak Chaudhuri, FAVP	Member
Mr. Ahammad Ali, FAVP	Member

Credit Evaluation Committee (CEC)

Mr. Mafizuddin Sarker, Managing Director & CEO	Chairman
Mr. Luthful Karim, DMD	Member
Mr. Shah M. Badar Uddin, SVP	Member
Mr. Shahidul Haque Ahmed, FAVP	Member
Mr. Pulak Chaudhuri, FAVP	Member

Asset Liability Management Committee (ALCO)

Mr. Mafizuddin Sarker, Managing Director & CEO	Chairman
Mr. Luthful Karim, DMD	Member
Mr. Shah M. Badar Uddin, SVP	Member
Mr. Mohammad Liton Miah, ACA, VP & CFO	Member
Mr. Md. Rafiqul Amin, FAVP	Member
Mr. Pulak Chaudhuri, FAVP	Member
Mr. Ahammad Ali, FAVP	Member

BASEL Implementation Committee

Mr. Mafizuddin Sarker, Managing Director & CEO	Chairman
Mr. Luthful Karim, DMD	Member
Mr. Mohammad Liton Miah, ACA, VP & CFO	Member
Mr. Md. Sajjadur Rahman Bhuiyan, AVP	Member
Mr. Md. Rafiqul Amin, FAVP	Member
Mr. Pulak Chaudhuri, FAVP	Member

Anti Money Laundering Compliance Committee

Mr. Mafizuddin Sarker, Managing Director & CEO	Chairman
Mr. Shah M. Badar Uddin, SVP	Member
Mr. Mohammad Liton Miah, ACA, VP & CFO	Member
Mr. Md. Sajjadur Rahman Bhuiyan, AVP	Member
Mr. Md. Rafiqul Amin, FAVP	Member
Mr. Ahammad Ali, FAVP	Member

Management Team

Mr. Mafizuddin Sarker
Managing Director & CEO

Mr. Luthful Karim
Deputy Managing Director

Mr. Ahmed Reza Chowdhury, FCS
EVP & Company Secretary

Mr. M Badar Uddin
Senior Vice President (Head of Treasury)

Mr. Mohammad Liton Miah, ACA
Vice President & CFO

Mr. Shafiul Karim Mazumder
Vice President & Branch-In-Charge, Chittagong

Mr. S.M. Shafique
Assistant Vice President & Branch-In-Charge, Bangshal

Mr. Md. Sajjadur Rahman Bhuiyan
Assistant Vice President (Internal Control & Compliance)

Mr. Shahidul Haque Ahmed
First Assistant Vice President (Head of Recovery)

Mr. Md. Rafiqul Amin
First Assistant Vice President (Accounts & Finance)

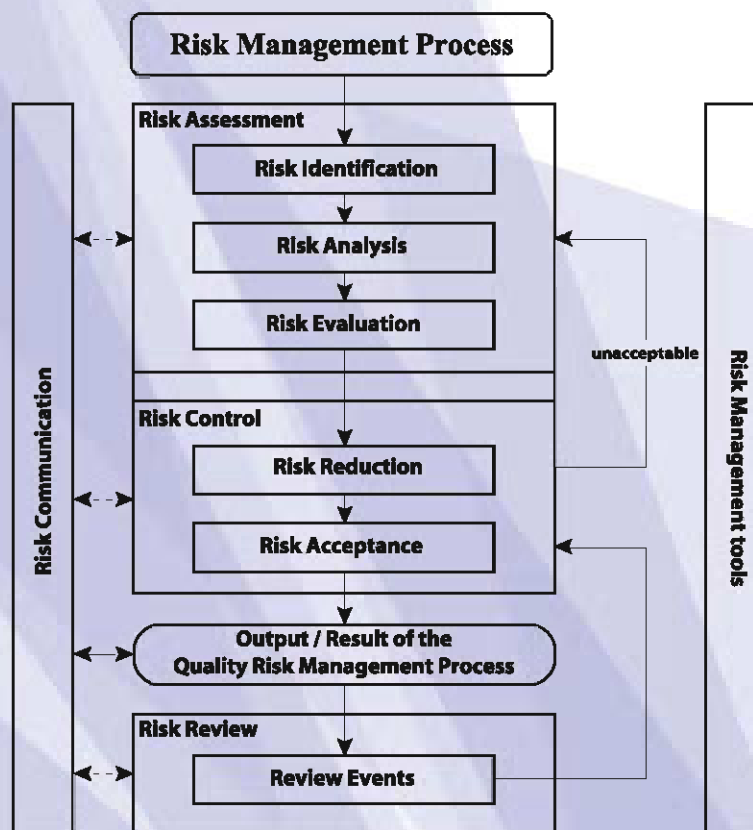
Mr. Pulak Chaudhuri
First Assistant Vice President (Operations & Marketing)

Mr. Ahammad Ali
First Assistant Vice President (Treasury)



Statement of Risk Management

Risks are usually defined by the adverse impact on profitability of several distinct sources of uncertainty. While the types and degree of risks an organization may be exposed to depend upon a number of factors such as its size, complexity business activities, volume etc. Risk is measured in terms of consequences and likelihood combined to arrive at a risk rating from Low to Very High. Risk management is, therefore, defined as the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects. Risk management is an iterative process of continuous improvement that is best embedded into existing practices or business processes. Generally the Non-Banking Financial Institutions face Credit, Market, Liquidity, Operational risks etc.



Managing Credit Risk

Credit risk is the probability that a counter party fails to meet obligation in accordance with agreed terms. Credit risk does not arise only when a borrower defaults on payment of a loan but also when its repayment capability declines. As a lending institution credit risk cannot be fully eliminated, however it can be managed to optimize the risk-adjusted return. The Company has segregated duties for the officers involved in credit related activities. Credit evaluation, credit administration and credit monitoring and recovery functions are segregated to Operation, Credit Admin and Recovery Department respectively. Special recovery team has also formed to handle the defaulted parties.

Managing Liquidity Risk:

Liquidity is essential for the viability of every financial institution. The risk arises when the company fails to mitigate its financial obligation when they fall due. Poor liquidity risk management can result in high financing costs and difficulty in liquidating assets at fair value. The risk can increase if a financial institution's reputation is affected. Considering the impact of liquidity risk BD Finance integrated liquidity risk to its risk management framework and adopt a liquidity risk management strategy tailored to its overall risk profile, as well as a reliable policy and procedures for identifying, assessing, quantifying, controlling, mitigating and monitoring liquidity risk. BD Finance also has a contingency plan in the event of liquidity problems.

Managing Market Risk:

Market Risk may be defined as the possibility of loss to the Financial Institutions caused by the changes in the market variables. It is the risk that the value of on-/off-balance sheet positions will be adversely affected by movements in equity and interest rate markets, currency exchange rates and commodity prices. Market risk is the risk to FI's earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities, of those prices. BD Finance established a comprehensive and dynamic frame work for measuring, monitoring and managing liquidity, interest rate and equity that is closely integrated with the business strategy. Scenario analysis and stress testing is yet another tool used by BD Finance to assess areas of potential problems in a given portfolio.

Managing Operational Risk:

Operational risk is the risk of direct or indirect loss or damage resulting from inadequate or failed internal processes or systems or from human error or external events. Strategic risk, reputation risk, legal risk and compliance risk are also considered under operational risk. Operational risk is therefore inherent in all activities within the Company. The objective in managing operational risk is to establish sound control practices to increase the efficiency and effectiveness of the company's resources, minimize losses and utilize opportunities. BD Finance is developing appropriate risk mitigation and internal controls procedures in accordance with regulatory guidelines such a way that residual risk is mitigated to the acceptable level.

Statement on Corporate Governance

As part of good corporate governance BD Finance follows policies and practices for ensuring accountability and transparency in its operations and reporting systems through a set of the relationships amongst the Board, senior management and shareholders as well as to protect the interests of all stakeholders . These policies and practices have been developed in line with the best governance practices complying requirement in relevant notification of Securities & Exchange Commission (SEC) and Bangladesh Bank Guidelines in this respect. Corporate governance provides the structure through which the objectives of the company are set and the means of attaining those objectives and monitoring the performances are determined as a continuing process.

Constitution of the Board of Directors

The Board of BD Finance is constituted with twelve members including one Independent Director. The members of the Board of Directors have appropriate educational background, knowledge, experience and personal attributes that enable the directors, individually and the Board, collectively, to discharge their responsibilities and duties effectively, perform their role, understand the business of the Company, apply their judgments and assess the performance of the Management. The Board of Directors ensures that the activities of the Company are always conducted with adherence to strict ethical standards, regulatory compliances and in the best interests of the stakeholders.

The Directors are appointed by the shareholders in the Annual General Meeting (AGM) and casual vacancies, if any, are filled up by the Board in accordance with the stipulations of the Companies Act, 1994, Articles of the Company and the SEC rules. One-third members of the Board (those directors being the longest period in office) retire from office every year at the annual general meeting as per provision in Articles of Association but they remain eligible for re-election. The independent director is appointed as per requirement of the SEC vide notification no. SEC/CMRRCD/2006-158/Admin/02-08, dated February 20, 2006 by the Board of Directors.

Role of the Board

The Board's main roles are to determine Company's objectives and strategies, provide entrepreneurial leadership for the Company to create value for shareholders and to ensure that the necessary financial and other resources are available to enable the Company to meet these objectives. The specific responsibilities of the Board include the approval of all information supplied to shareholders in the annual and interim accounts, the setting of Company strategies, approve annual budgets, review operational and financial performance, approve capital expenditures, set the borrowing limits, treasury policy, review the Company's systems of financial control and risk management, ensure that appropriate management development and succession plans are in place, approve appointments to the Board and ensure that a satisfactory dialogue takes place with shareholders over the Company's results and its aspirations for the future. The Board duly complies with the guidelines issued by Bangladesh Bank with regard to their responsibility and accountability.

Chairman of the Board

The members of the Board elect one of their number as Chairman of the Board every year.

Role of the Chairman

The Chairman leads the Board in determination of its strategy and achievement of its objectives. The Chairman serves as the primary link between the Board and management and works with the Managing Director and Company Secretary to set the agenda for Board meetings. He chairs all the Board meetings and leads the Board in its oversight of the management. The Chairman is responsible for ensuring that the Directors receive accurate, timely and clear information but he has no engagement in the day-to-day business of the Company.

Chairman of the Board and Managing Director of the Company to be different persons

The responsibilities of the Chairman and the Managing Director of the Company are separate. The Chairman is a Non-executive Director while the Managing Director is an Executive Director.

Role of the Managing Director

The Managing Director is responsible for running the business and for formulating and implementing Board's strategy and policy. He also has direct charge and overall control of the Company on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Company

Role of the Company Secretary

The Company Secretary is responsible for ensuring proper information flow within the Board and its Committees and between the senior management and Board Directors on governance matters and for all regulatory compliances of the company.

Board Committees

The Board has established two permanent Board Committees i.e. Executive Committee and Audit Committee to assist, advice and make recommendations to the Board on matters falling within their respective responsibilities as per SEC and Bangladesh Bank guideline.

Executive Committee & its role

Executive Committee comprises of five members and is headed by a Director. The Rules of the Executive Committee are framed by the Board. The matters related to ordinary business operations of the Company and the matters that the Board of Directors from time to time authorizes are vested in this Committee. This Committee assists the Board, and thereby the Company, in taking prompt decisions to any changes in the market place as they occur.

Audit Committee & its role

Audit Committee is constituted by the Board as an independent body with the independent director as its Chairman. The present Committee has four other directors as its members. The terms of reference of the Audit Committee clearly lays down its authority, responsibility and specific duties. Its scope of work encompasses overseeing and monitoring the accounting and financial statements, evaluate the adequacy and efficacy of the control systems of the company and is empowered, among other things, to examine any matter relating to the financial affairs of the Company and to review all audit and inspection programs, control systems and procedures, accounting policies and adherence to compliance requirements, etc. It is required to follow the ICC guidelines of BB.

Management Committees

The Managing Director & CEO is assisted by different Committees constituted with members from the Management team. Each committee performs within its delegated authorities and scope of works.

These Committees are as under:

- Management Committee (MANCOM)
- Credit Evaluation Committee (CEC)
- Asset Liability Management Committee (ALCO)
- BASEL Implementation Committee
- Anti Money Laundering Compliance Committee

The CEO heads the Management Committee (MANCOM), the highest committee of the management of the Company.

Related Party Transactions

Due care is taken in conducting necessary checks/verifications prior to Company's entering into credit and non-credit transactions to determine whether the counterparty is a related party as per applicable regulations for related party transactions for FIs and listed Companies to ensure required compliances and all credit facilities to related parties are monitored regularly. Notes related party transactions as at December 31,2011 are given in Note:42 of Notes to the Financial Statements on page no.....

Internal Control & Compliance

Company's internal audit is an independent function reporting to the Audit Committee but it administratively reports to the Managing Director who actually facilitates the day-to-day functioning of the internal audit as it is required to have access to any and all of Company's documents, records, properties and personnel including Board members. The internal audit activity of the Company conforms to Standards on Auditing and ICC guidelines of the regulatory authorities.

The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal controls, risk management procedures, governance processes of the Company. It also assesses the quality of performance in carrying out assigned responsibilities.

All Internal Audit, Risk Management and Legal & Compliance functions are meant to provide an oversight on controls and risks within the Company through a system of internal controls based on an organizational and policy framework that defines the responsibilities and reporting lines of all the units.

Appointment of external auditors

The Board of Directors recommends for appointment of Auditors for financial year based on the proposal of the Board Audit Committee to the AGM. The Auditors are appointed by the shareholders in the AGM including fixation of their remuneration. Such appointment requires prior consent of Bangladesh Bank but the same Auditors cannot be appointed for more than three consecutive years due to regulatory restriction.

Information Technology

Company's Management Information System together with IT infrastructure forms an integral part of the corporate governance of the Company. It facilitates business processes, applications, timely generation of reports and information for all stakeholders of the Company.

Communication with shareholders

Company strongly believes that all stakeholders should have access to complete information on the activities, performance and product initiatives. The Company reports to its shareholders, four times a year, through quarterly, half year and annual financial reports. Its website displays, the annual report, half yearly and quarterly report, offerings, recent announcements which are also published in the newspapers as per regulatory requirements. The shareholders are always encouraged to attend the AGM or, if unable to attend, may appoint proxies. All disclosures required by SEC, Listing Regulation of Stock Exchanges, and Bangladesh Bank are made adequately and promptly. In addition to ensuring timely compliance, this also enables dissemination of information to all stakeholders and the public.

Report on Corporate Social Responsibility

Management of BD Finance gives due importance to the fact that the business activities of the Company has a social dimension and an impact on the community. It realizes that the society, its clients, shareholders, all other stakeholders expect high standard in ethics, transparency, commitment and trustworthiness from a corporate entity as well as an honest concern for minimizing any form of impact of its activities on the environment.

BD Finance recognizes its social responsibilities towards the community in which it operates its business as a non-banking financial institution (FI) and focuses on helping the distressed and poverty ridden people. It always remains committed to enhance its role in the area of Corporate Social Responsibility (CSR) and has institutionalized its CSR activities by way of founding a non-profitable, voluntary, social welfare-oriented Trust organization by the name of BD Finance Foundation. In pursuance of the CSR guideline of Bangladesh Bank for FIs the Trust receives contribution from BD Finance to the tune of 2.5% of its profit after tax each year as per approval accorded by the shareholders in 12th AGM of the Company. The fund is spent for humanitarian relief to people affected by natural calamities and those living in distress due to impact of climate change, for promotion of education and health care in poor communities, etc.

The participation of BD Finance in the environment protection efforts is ensured through the Environmental Risk Management (ERM) guideline of Bangladesh Bank. The Company is required to follow the guideline as an FI carefully in order to avoid any of its business practices that may have negative impact on the environment or on others. The guideline incorporates steps to be followed in credit appraisal process for assessing risks and controlling direct and indirect environmental impacts of projects financed by a FI. It also aims at encouraging use of solar energy, creating paper less office and greener IT infrastructure for an organization.



Human Resource of BD Finance

Effective human resource is one of the key features of any organization to reach and fulfillment the targets of any Company. BD Finance believes that its human resources are its greatest asset. Accordingly BD Finance develops its human resource policy continuously, thus all the employees contribute effectively and productively to the overall company direction and the accomplishment of the company's goals and objectives.



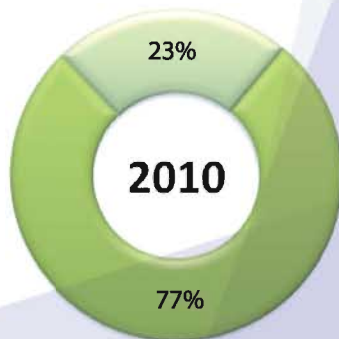
Trainings & Workshops: BD Finance has strong focus on imparting training towards enhancement of the skills and competencies of the employees. BD Finance always takes the opportunities to nominate its employees to attend the different training and workshops arranged by BBTA, BLFCA and other external agencies. Besides this BD Finance undertakes in house training and exposure initiatives towards raising awareness among the employees with respect to internal policies, instructions, laws and practices and directives of the various regulators so as to ensure that the employees are well informed and empowered towards providing their services within the framework of laid down regulatory requirements.

Health & Safety:

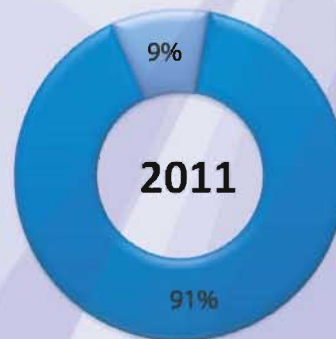
We are always committed to ensure a safe and healthy work environment for all of our employees. An effective health and safety policy requires the full collaboration and cooperation of all employees. We are committed to work with our employees, to enlist active participation, interest and support of employees in promoting good standards in a timely manner. BD Finance conducts environmental risk assessment which involves identifying the risks to health and safety of work activities and whether existing precautions are adequate or more should be done. Accordingly BD Finance revises its policy to ensure the best safety measure where necessary.

Reward & Recognition:

We believe our people are the assets who make the thing happen. Our employee turnover figures are comparatively low and we want them to remain that way. We always offer fair and competitive remuneration package for recruiting and retaining a talented workforce. We also have our very own reward and recognition scheme to spotlight the efforts of individuals within the business who go the extra mile where reward is based on individual employees' performance, potential and contribution to the success of the company.



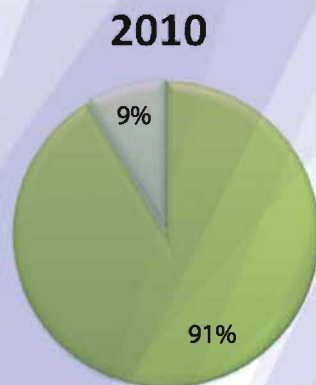
■ Employee Retention Rate
■ Employee Turnover



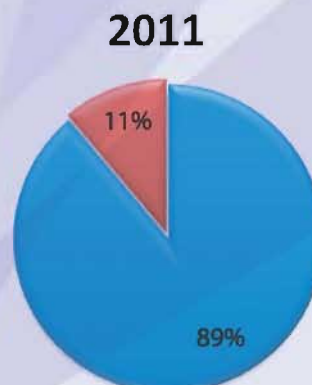
■ Employee Retention Rate
■ Employee Turnover

Equal Opportunity Employer:

BD Finance aims to be an equal opportunity employer and is determined to ensure that no applicant or employee receives less favourable treatment on the grounds of sex, disability, religious belief, marital status, colour, race or ethnic origins, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable.



■ Male ■ Female



■ Male ■ Female

Compliance Report on SEC's Notification

(SEC Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006)

Condition No.	Title	Compliance Status		Explanation for Non-Compliance/Comments
		Complied	Not Complied	
1.1	Board's size (No. of Directors shall not be less than 5 or more than 20)	Yes		
1.2 (i)	Number of independent director (1/10 th of total number of Directors, minimum 1)	One		
1.2 (ii)	Appointment of independent director	Yes		
1.3	Chairman of the Board and CEO (Chairman of the Board and CEO should be different persons)	Yes		
1.4 (a)	Financial Statement present fairly its state of affairs, result of its operations, cash flow & changes in equity	Yes		
1.4 (b)	Proper books of accounts maintained	Yes		
1.4 (c)	Appropriate accounting policies consistently applied in FS preparation & accounting estimates are based on reasonable & prudent judgment	Yes		
1.4 (d)	Following of International Accounting Standard as applicable in Bangladesh in preparation of Financial Statements & any departure adequately disclosed	Yes		
1.4 (e)	The system of internal control is sound in design & effectively implemented & monitored	Yes		
1.4 (f)	No significant doubt upon the ability of the company to continue as a going concern	Yes		
1.4 (g)	Reporting of significant deviations from last year in operating results	Yes		
1.4 (h)	Key operating & financial data of at least preceding three years should be summarized.	Yes		
1.4 (i)	Dividend declared	Yes		
1.4 (j)	Number of board meetings held during the year under report & attendance.	Yes		
1.4 (k)	Pattern of shareholding to be reported to disclose the aggregate number of shares along with name wise details held by parent / subsidiary/ associated companies, directors, CEO, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses, Executives and shareholders holding 10 % or more.	Yes		
2.1	Appointment of Chief Financial Officer, Head of Internal Audit & Company Secretary	Yes.		
2.2	Attending of the Board Meetings by the CFO and Company Secretary.	Yes		
3.00	Appointment of Audit Committee	Yes		
3.1 (i)	Constitution of Audit Committee (should have 3 members)	Yes		
3.1 (ii)	Audit Committee members must be selected from among the Directors. Inclusion of Independent Director is compulsory	Yes		
3.1 (iii)	If at any time the number of Audit Committee members goes below 3 the vacancy must be filled up within one month.	Yes		
3.2 (ii)	The Chairman of Audit Committee should have a professional qualification or knowledge, understanding and experience in accounting or finance.	Yes		
3.3.1 (i)	Audit Committee to report to Board of Directors	Yes		
3.3.1 (ii) (a)	Audit Committee to Report on conflicts of interest, if any.	-	-	No such incidence
3.3.1(ii) (b)	Audit Committee to report on suspected or presumed fraud or irregularity or material defect in the internal control system, if any.	-	-	-do-
3.3.1.(ii) (c)	Audit Committee to report on suspected infringement of laws, if any.	-	-	-do-
3.3.1(ii)(d)	Audit Committee to report on any matter the Committee considers necessary.	-	-	-do-
3.3.2	Audit Committee to report to the Authorities i.e. SEC if Audit Committee report to Board of Directors for three times is ignored.	-	-	-do-
3.4	Reporting to the Shareholders & General investors on the activities of the Audit Committee	Yes		
4.00 (i)	Non engagement of External Auditor for appraisal or valuation services of fairness opinions	Yes		
4.00 (ii)	Non engagement of External Auditor for financial information system design and implementation	Yes		
4.00 (iii)	Non engagement of External Auditor for book-keeping or other services related to accounting records or financial statements	Yes		
4.00 (iv)	Non engagement of External Auditor for broker-dealer Services	Yes		
4.00 (v)	Non engagement of External Auditor for Actuarial Services	Yes		
4.00 (vi)	Non engagement of External Auditor for internal audit services	Yes		
4.00 (vii)	Non engagement of External Auditor for any other services	Yes		

Performance at a Glance

Total Assets

Increase

18.61%

Term Deposits

Increase

45.59%

Shareholders Equity

Increase

1.28%

Lease & Term Finance

Increase

11.31%

Other Assets & Investments

Increase

615.42%

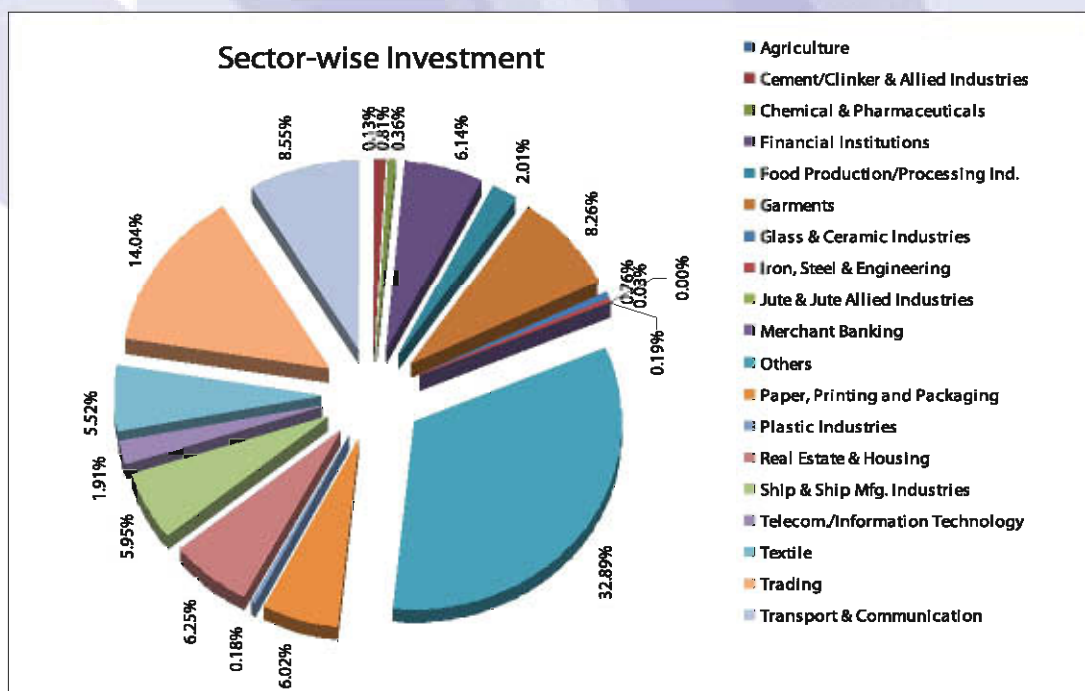
Credit rating

Rating	2011	2010
Long Term	A-	A-
Short Term	ST-3	ST-3

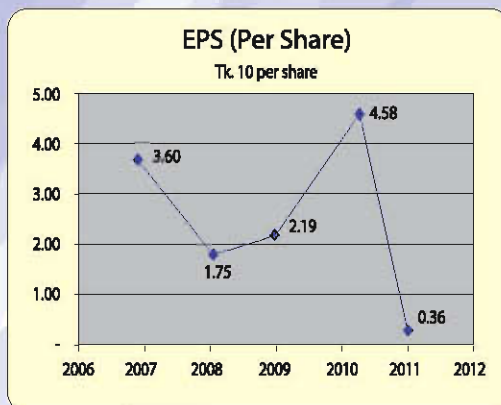
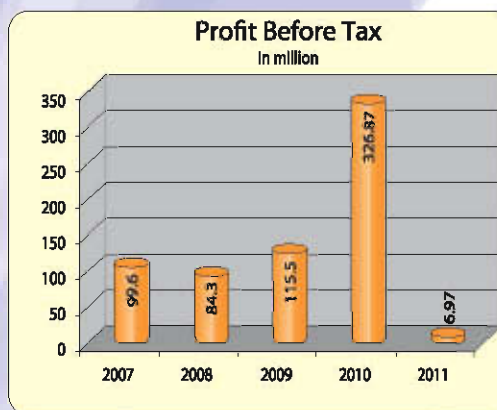
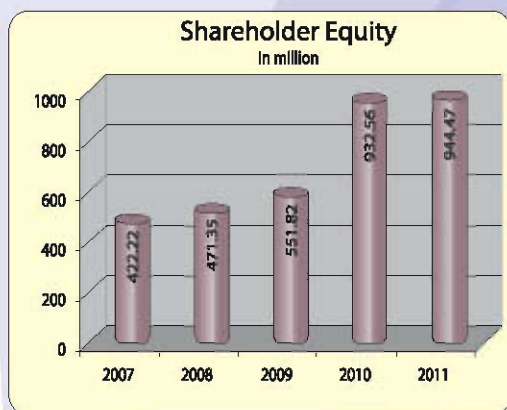
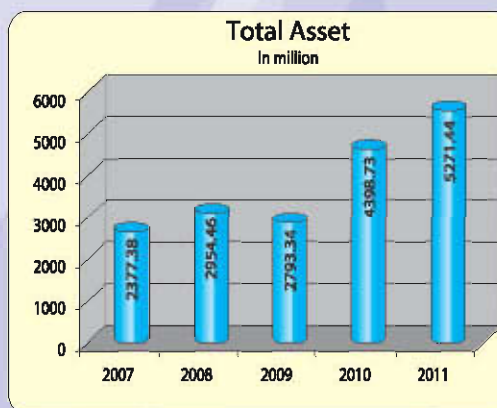
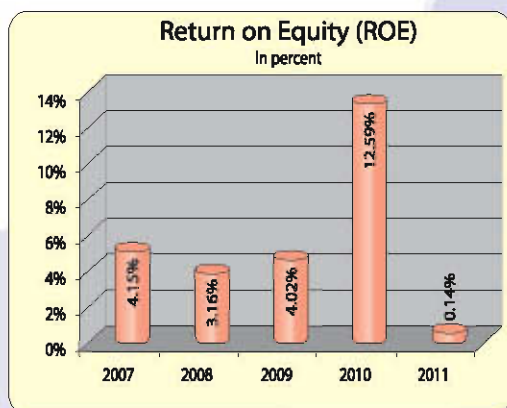
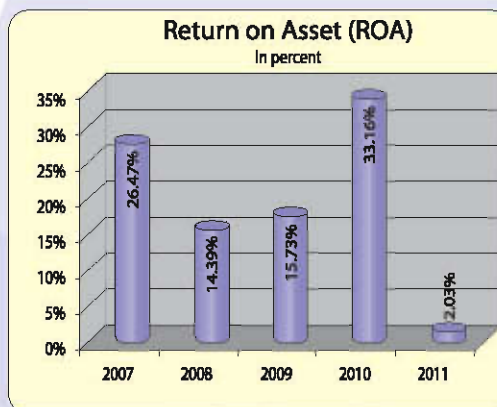
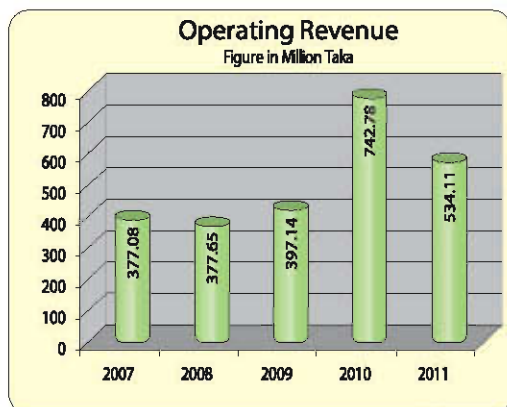
Financial Highlights

Figures in million Taka

	2007	2008	2009	2010	2011
Operational Performance					
Operating Revenue	377.08	377.65	397.14	742.78	534.11
Financial Expenses	221.14	256.31	242.14	298.64	438.36
Operating Expenses	277.48	293.35	281.64	415.91	527.14
Profit before taxation	99.60	84.30	115.50	326.87	6.97
Net profit after tax	94.60	64.30	80.47	246.14	19.03
Financial performance					
Lease & term finance	1,027.87	1,509.10	2,144.06	2,956.52	3,290.84
Provision against investment	46.08	53.58	56.72	123.63	161.01
Investments in Subsidiary	-	-	-	2.32	699.93
Total Assets	2,377.38	2,954.46	2,793.34	4,398.73	5,217.44
Term Deposits	854.67	1,031.25	985.31	1,162.77	1,692.82
Financial Ratios					
Return on Equity (%)	26.47%	14.39%	15.73%	33.16%	2.03%
Return on assets (%)	4.15%	3.16%	4.02%	12.59%	0.14%
Rate of Dividend					
Cash	5%	-	-	-	-
Bonus	10%	10%	20%	22%	10%
EPS (Tk.)	3.60	1.75	2.19	4.58	0.36
Equity Statistics					
Authorized Capital	500	500	500	2,000	2,000
Number of Shares	30.33	33.36	36.70	44.04	53.73
Shareholders Equity	422.22	471.35	551.82	932.56	944.47
Net Asset value per share	13.92	14.13	15.04	21.17	17.57



Performance Indicator



Statement on Directors' Responsibility

The Directors are responsible for preparing the annual report and financial statement in accordance with the Companies Act, 1994, Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Securities and Exchange Rules 1987 and the Listing Regulations of the DSE & CSE.

The Companies Act requires the Directors to present the report along with the financial statements for each financial year in accordance with BFRS and BAS as adopted by the institute of Chartered Accountants of Bangladesh and applicable laws and regulations.

The financial statements are required by law and Bangladesh Accounting Standards to present fairly the financial position and the performance of the company for the period and to comply with rules and regulations issued by the Bangladesh Bank, the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. In preparing financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- ensure that the financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB);
- prepare the financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business;

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act, 1994 and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. To ensure this the Directors have taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis.

Under applicable laws and regulations, the Directors are also responsible for preparing a directors' report that comply with the laws and regulations.

The Directors confirm that the annual report together with the directors' report and the financial statements have been prepared in compliance with the law, rules and regulatory guidelines.



Manwar Hossain

Chairman, Board of Directors

Report of the Audit Committee

The Role of Audit Committee

The Audit Committee on behalf of the Board ensures that standards of corporate reporting, control and compliance are achieved through effective implementation of the procedures and policies with the aim to enhance the effectiveness of the operations and reduce the risks of the business. The Audit Committee periodically reviews the state of affairs of the business and makes recommendation on the reporting, control and compliance aspects as well as provides independent monitoring and guidance to the management in the areas of responsibilities of the Board and the Company towards the stakeholders and regulatory authorities. The roles and functions of the Committee are regulated by the rules as specified in the conditions/guidelines on corporate governance issued by the SEC and Bangladesh Bank.

The composition of the Audit Committee

The Board of Directors has appointed the Audit Committee comprising of the following members of the Board having adequate knowledge about corporate finance and accounts:

Name of Member	Position in the Committee
Mr. Haider Ahmed Khan, FCA Independent Director	Chairman
Mr. Hossain Khaled Vice Chairman	Member
Mr. Geasuddin Ahmed Director	Member
Mr. S.M Didarul Alam Director	Member
Mr. Yousuf Aman Director	Member

Meetings of the Audit Committee

The Committee held 5 meetings during the year under review.

Activities of the Audit Committee

The audit committee discussed about the following issues during the year:

- 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

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

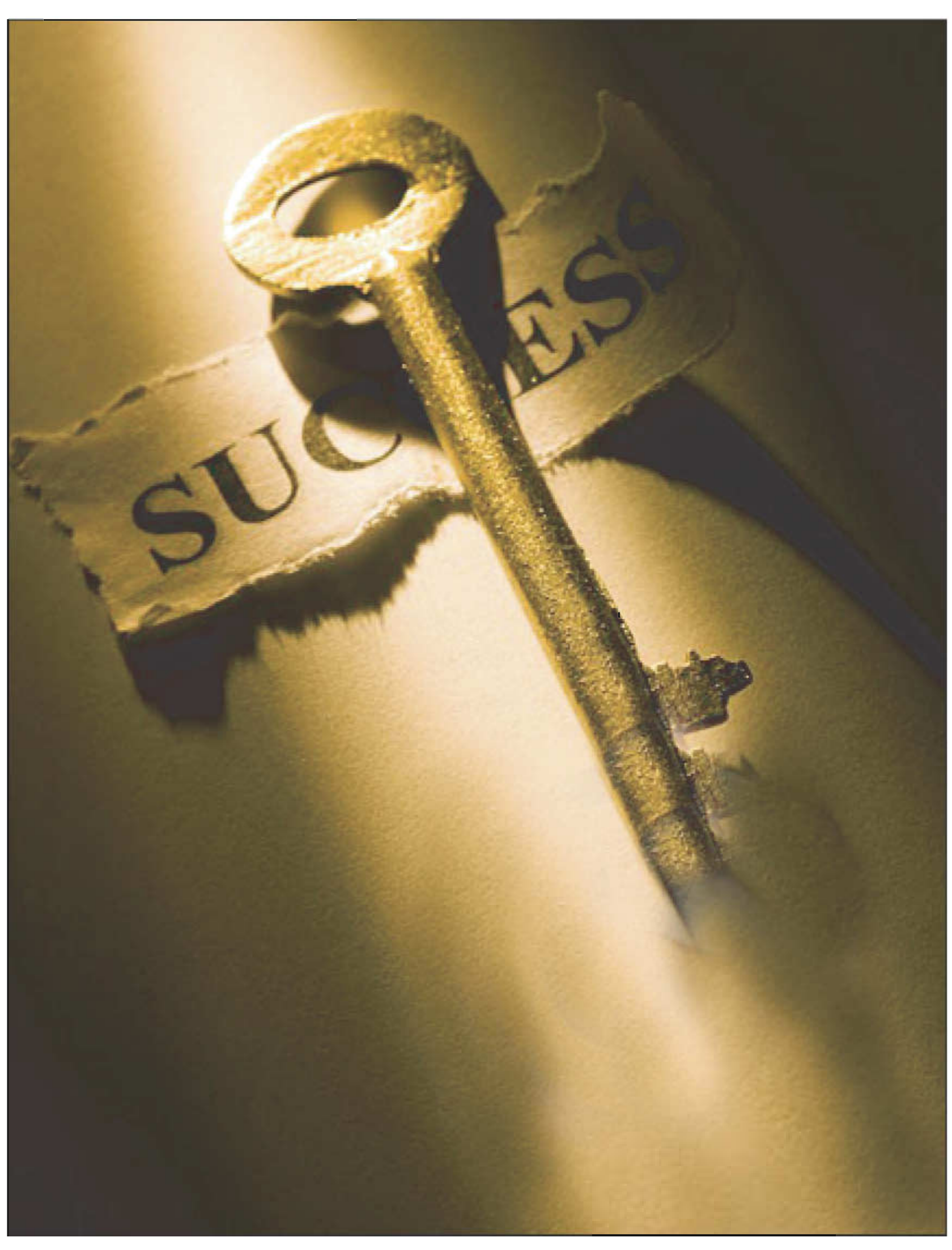
- (a) Audit & Inspection division of the company carried out Internal Audit with a view to enrich the compliance culture and full control on the exertion of the BD Finance's operations. The division directly report simultaneously to the Board Audit Committee, and
- (b) Regular monitoring has been done 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.
- (c) 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.

Acknowledgement

The Audit Committee expressed their sincere thanks to the members of the Board and the management of the Company for their support in carrying out its duties and responsibilities effectively.



Haider Ahmed Khan, FCA
Chairman, Audit Committee





Manwar Hossain
Chairman

Message of the Chairman

Bismillahir Rahmanir Rahim

Distinguished Shareholders

Assalamualikum Wa Rahmatullah

I am delighted to welcome you to the 13th Annual General Meeting of Bangladesh Finance And Investment Company Limited.

You are aware that in year 2011 Bangladesh economy faced unprecedented challenges from increased inflationary pressure, highest food & fuel prices, higher government borrowing especially from Banking sector, downtrend in foreign exchange reserve, sky rocketing of import payment, lower export earning, slower GDP growth, severe liquidity crisis, slower credit growth, adverse exchange rate movement, capital market crisis; consequently the investment climate was cloudy.

The dependency of BD Finance on capital market in terms of revenue generation was too heavy, due to price crash in the capital market in 2011 the operational figures of the company is adversely affected. Although in other core business the company performed better than in 2010 but due to negative figure in capital market operation, the cumulative performance in 2011 is less than 2010. During the year 2011 the Company posted a net profit after tax at Tk. 19.03 million, lower than that of 2010 of Tk. 246.10 million..

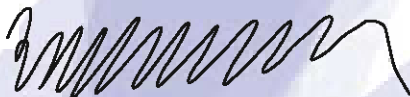
Our stock brokerage arm, BD Finance Securities Limited (BD Securities), the first subsidiary, started operation in November 2011 & with in a short span of time has emerged itself as a premier brokerage house of the country. The second subsidiary, BD Finance Capital Holdings Limited (BD Capital), has obtained license from SEC as a full fledged merchant banker. The company is in the process of commencing operation. With these two subsidiaries along with the parent company we like to establish ourselves as a full fledged Investment Bank. A silver lining has to be taped to generate synergic benefit between BD Finance & its subsidiaries.

In 2012 we will like to put more focus on diversifying our product range, expanding our horizon to cover wide range of territory through opening new branches in various points of Dhaka & placing our presence in Sylhet, Comilla and Bogra as well as revitalizing the operation of our existing branches.

Finally I want to assure you that the Board is always pursuing pragmatic strategies to optimize the value of all stakeholders

I express my sincere thanks to my fellow members of the Board of Directors, Management of BD Finance & its subsidiaries and all employees, respected shareholders, regulatory bodies for their continuous trust, support and cooperation extended to the Company.

May the Almighty Allah bless us all.



Manwar Hossain
Chairman

চেয়ারম্যানের বক্তব্য

‘বিসমিত্তাহির রাহমানির রাহিম’

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম ওয়া রাহমতুল্লাহ

বাংলাদেশ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট কোম্পানী লিঃ (বিডি ফাইন্যান্স) এর ত্রয়োদশ বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগতম জানাতে পেরে আমি অত্যন্ত আনন্দিত।

আপনারা অবগত আছেন যে, ২০১১ সালে বাংলাদেশের অর্থনীতি অনেক অভাবনীয় প্রতিফুলতার সম্মুখীন হয়েছে। এদের মধ্যে অন্যতম ছিল মূল্যস্ফীতি, খাদ্য ও জ্বালানীর মূল্য বৃদ্ধি, সরকারের অতিমাত্রায় ব্যাংক খণের উপর নির্ভরশীলতা, নিম্নমুখী বৈদেশিক মুদ্রার রিজার্ভ, উর্জগামী রফতানী ব্যয়, কাজিত রফতানী আয়ে হ্রাস, জিডিপি প্রবৃদ্ধি হারে ধীরগতি, মুদ্রাবাজারে মারাত্মক তারল্য সংকট, খণ সরবরাহ হ্রাস, পুঁজিবাজারে অব্যাহত দরপতন যাহার ফলে বিনিয়োগ পরিবেশ অস্বাভাবিকভাবে স্তিমিত হয়ে পড়েছে।

বিডি ফাইন্যান্স ইহার রাজস্ব আয়ের প্রধান উৎস হিসাবে পুঁজিবাজারের উপর মাত্রাতিরিক্ত নির্ভরশীল হওয়ায় ২০১১ সালের পুঁজি বাজারে দর পতনের কারণে কোম্পানীর কার্যক্রমের আর্থিক ফলাফল ব্যাপকভাবে ক্ষতিগ্রস্ত হয়। যদিও ২০১০ সালের তুলনায় কোম্পানীর মূল অর্থায়ন কার্যক্রমে ২০১১ সালে অর্জন বৃদ্ধি পেয়েছিল কিন্তু পুঁজিবাজার পতনের নেতিবাচক প্রভাবে কোম্পানীর ২০১১ সালের সার্বিক অর্জন ২০১০ সালের তুলনায় আশানুরূপ হয়নি। ২০১০ সালের ২৪৬.১০ মিলিয়ন টাকা কর পরবর্তী মুনাফার তুলনায় ২০১১ সালে উহা মাত্র ১৯.০৩ মিলিয়ন টাকায় দাঁড়ায়।

শেয়ার ব্রোকারেজ ব্যবসায় নিয়োজিত আমাদের প্রথম সাবসিডিয়ারী কোম্পানী বিডি ফাইন্যান্স সিকিউরিটিজ লিঃ (বিডি সিকিউরিটিজ) বিগত নভেম্বর ২০১১ এ উহার ব্যবসায়িক কার্যক্রম আরম্ভ করে এবং স্বল্প সময়ের মধ্যে দেশের পুঁজিবাজারে একটি উচ্চ মানের ব্রোকারেজ হাউজ হিসাবে পরিচিতি লাভ করতে সক্ষম হয়েছে। আমাদের দ্বিতীয় সাবসিডিয়ারী কোম্পানী “বিডি ফাইন্যান্স ক্যাপিটল হোল্ডিংস লিঃ” ইতিমধ্যে পূর্ণাঙ্গ মার্চেন্ট ব্যাংকার হিসাবে ব্যবসায় পরিচালনার জন্য সিকিউরিটিজ এন্ড এডভান্স কমিশন হতে নিবন্ধন সনদ লাভ করেছে এবং শ্রীম্র উহার কার্যক্রম শুরু করার প্রস্তুতি প্রক্রিয়াধীন আছে। এই দুটি সাবসিডিয়ারী প্রতিষ্ঠানসহ আমাদের কোম্পানী একটি পূর্ণাঙ্গ বিনিয়োগ ব্যাংকের পর্ষায়ে উন্নীত করতে আমরা সচেষ্ট আছি। এই যৌথ উদ্যোগ সাফল্যমন্ডিত হলে সব গুলি কোম্পানীই ভবিষ্যতে আশাতীত ফলাফল অর্জনে সক্ষম হবে।

২০১২ সালে আমরা কোম্পানীর পণ্যগুলিকে বহুমুখীকরণে অধিক গুরুত্ব আরোপ করেছি। আমাদের ব্যবসা সম্প্রসারণের পদক্ষেপ গ্রহণ করতে টাকার বিভিন্ন এলাকায়, সিলেট, কুমিল্লা ও বগুড়া নতুন শাখা খোলার উদ্যোগ নেওয়া হচ্ছে। সেই সাথে বর্তমান শাখা গুলিতে ব্যবসায়িক কার্যক্রম জোরালো করা হচ্ছে। পরিশেষে আমি আপনাদেরকে নিশ্চয়তা দিতে চাই যে, কোম্পানীর পরিচালক পর্ষদ সব সময় বাস্তবমুখী পদক্ষেপ উৎসাহিত করে শেয়ারহোল্ডারদের স্বার্থ রক্ষায় কোম্পানীর ব্যবসায়িক উন্নয়নে দৃঢ় সংকল্পবদ্ধ।

আমি কোম্পানীর পরিচালক পর্ষদের সকল সদস্য, বিডি ফাইন্যান্স ও উহার সাবসিডিয়ারী প্রতিষ্ঠানদ্বয়ের ব্যবস্থাপনা কর্তৃপক্ষ, সকল কর্মকর্তা-কর্মচারীবৃন্দ, সম্মানিত শেয়ারহোল্ডারবৃন্দ, নিয়ন্ত্রণকারী সংস্থাসমূহের অব্যাহত আস্থা, সহায়তা ও সহযোগিতার জন্য সবাইকে আন্তরিক ধন্যবাদ জানাচ্ছি।

আল্লাহু আমাদের সবার মঙ্গল করুন।



মানোয়ার হোসেন
চেয়ারম্যান





Mafizuddin Sarker
Managing Director & CEO

Managing Director & CEO's Message

Bismillahir Rahmanir Rahim

Distinguished Shareholders

Assalamualikum Wa Rahmatullah

The global economy had to absorb a number of shocks in year 2011, Japan experienced devastating tsunami, social unrest prevailed in many oil rich middle east countries, some part of Europe encountered financial turbulence, consequently growth of global economy decreased in 2011 (growth rate 2.7%). The expected growth in 2012 is 2.5% lower than that of year 2011. Bangladesh economy can not be an exception with the overall slowdown of global economy, there may be a time gap to have the consequential impacts. However, the Bangladesh economy performed well in FY 11 with real GDP growth rate of 6.7% which was higher than FY 2010 of 6.1%, expecting to maintain upward trend in FY 2012 as well at 7.0%. Presently the economy is under pressure due to rise of fuel & fertilizer price, increased inflation rate (10.7% in December 2011 against 8.1% in December 2010), budget deficit consequently rise in Government borrowing, falling foreign aid & foreign exchange reserve, devaluation of Taka.

Overall money market scenario was volatile, liquidity crisis prevailed in the banking channel throughout the year 2011. During 2011 Bangladesh Bank issued two more licenses for Financial Institution (FI) leading the total number of FIs to 31 operating in the country. Recently Bangladesh Bank also issued licenses to 9 commercial banks. In the operation of FIs cut throat competition prevailed during the year 2011 not only among the FIs but also from the commercial banks. The intensity of competition is expected to grow further in the coming days. The capital market operation of the country as depicted by the trend of Dhaka Stock Exchange General Index (DGEN) never followed the underlying fundamentals of the market and DGEN lost 36% in 2011 against 83% positive return in 2010. Many analysts opined that Bangladesh Bank's restrictive monetary policy & sudden enforcement of few money market and capital market regulations largely contributed to the crash of DGEN in end-2010. Various measures taken by the Government and regulators failed to bring momentum in the market and looking at the overall economic outlook it is anticipated that the bearish trend would persist in DGEN.

Under the backdrop of liquidity crisis, volatile money market, turbulent capital market, the investment climate twisted further with the shortage of gas & electricity, rise in global food price, lack of infrastructure. There was no exception in operational activities of your company. In year 2011 we have attained profit before provision & taxes Tk. 44.34 million (in 2010 it was Tk. 393.7 million), after creating liberal provision of bad & doubtful investment in case of eventualities, we posted a profit after tax to the level of Tk. 19.03 million (in 2010 it was Tk. 246.1 million). Posting lower profit generation in 2011 compared to 2010 was mainly due to our too much dependency on the secondary market operation in shares and sharp fall in stock market price. Investment stood as on December 31, 2011 at Tk. 4030.71 million against that of December 31, 2010 of Tk. 3965.89 million, meaning that there was no notable portfolio growth. However, in order to have total investment banking operation under one roof of BD Finance, we have invested Tk.699.93 million in two subsidiaries namely BD Finance Securities Limited (Stock Brokerage) and BD Finance Capital Holdings Limited (Merchant Banking).

In 2012 we plan to rebrand ourselves as a top preferred financial institution and would like to undertake the following operational initiatives:

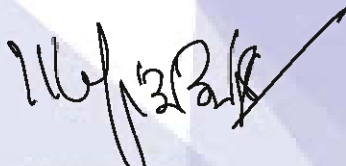
- Bring synergy in activities among parent company, BD Finance and its subsidiary companies, BD Finance Securities & BD Finance Capital Holdings; to pave the way to emerge as a full-fledged investment bank.
- We intend to diversify our product range to serve our customers with all financial products under one roof.

- Diversify our revenue streams beyond conventional sources of income with special emphasis to enlarge our fee based income sources.
- Improve operational efficiency by improvising process flow, customized service, automation of our IT platform.
- Adopting appropriate strategic plan targeting right market segments for the products we have been offering.
- We believe that human resources are the greatest asset of the company; we aim to recruit right people, develop their capacities, recognize and reward their performance, retain them with competitive packages.
- We are expecting liquidity tightness in the financial market and further increase of interest rate due to increase of Government borrowing from the banking channel, therefore, we plan to vitalize our treasury operations by enlarging our deposit basket and reducing our dependency on credit lines from commercial banks.

We are optimistic that despite all odds Management of your company is prepared to face the challenges and team BD Finance will put strenuous efforts to realize our corporate objective. We believe company's innovative diversified business strategies, commitment of its staff, relentless marketing drive will generate result to attain quality asset growth and improving existing portfolio quality, thereby yielding accepted results in years to come.

I thank BD Finance staff members for their dedicated and committed team work. My note of gratitude goes to our distinguished past and present Chairman and honorable Members of the Board of Directors for their guidance, encouragement and empowerment of the Management. I also thank all stakeholders, valued customers, lenders, depositors and regulators, Bangladesh Bank, Securities & Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, National Board of Revenue, for their support and cooperation.

May Allah bless us all.



Mafizuddin Sarker
Managing Director & CEO

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহীর বক্তব্য

‘বিসমিত্বাহির রাহমানির রাহিম’

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম ওয়া রাহমতুল্লাহ

বিশ্ব অর্থনীতিকে ২০১১ সালে বেশ কয়েকটি মারাত্মক আঘাতের সম্মুখীন হতে হয়েছে, যেমন জাপানে প্রলয়ঙ্করী সুনামী, তেল সমৃদ্ধ মধ্যপ্রাচ্যের দেশগুলিতে সামাজিক বিপর্যয়, ইউরোপের কতিপয় অঞ্চলে আর্থিক ঋতে ব্যাপক উত্তালতা; ফলে ঐ বৎসর বিশ্ব অর্থনীতির প্রবৃদ্ধি হ্রাস পায় (প্রবৃদ্ধির হার ২.৭%)। ২০১২ সালে প্রবৃদ্ধির হার ২.৫% হলে বলে ধারণা করা হচ্ছে যা ২০১১ সালের হারের চেয়ে কম হবে। ইহার ফলশ্রুতিতে বাংলাদেশের অর্থনীতিতে নেতিবাচক প্রভাব পড়তে কিছুটা সময় লাগতে পারে তবে এদেশের অর্থনীতি বিশ্ব অর্থনীতির স্নগ্ধগতির সার্বিক প্রভাব হতে কোনভাবেই মুক্ত থাকতে পারে না। যাহোক, ২০১১ সালে বাংলাদেশের অর্থনীতিতে উল্লেখযোগ্য ফলাফল অর্জিত হয়। আলোচ্য বৎসরে প্রবৃদ্ধির হার (Real GDP growth rate) ছিল ৬.৭% যা ২০১০ সালের হার ৬.১% এর তুলনায় বেশী। এই সুবাদে ২০১২ সালে ৭% হারে প্রবৃদ্ধি অর্জিত হতে পারে বলে অনেকেই আশাশিত আছে। বর্তমানে দেশের অর্থনীতি জালানী ও রাসায়নিক সারের মূল্য বৃদ্ধি, মূল্যস্ফীতির হারের ক্রমাগত উর্ধগতি (২০১০ সালের ডিসেম্বরে ৮.১% এর বিপরীতে ২০১১ সালের ডিসেম্বরে ১০.৭%), বাজেট ঘাটতির কারণে সরকারের ঋন গ্রহনের পরিমাণ বৃদ্ধি, বিদেশী বিনিয়োগ ও বৈদেশিক মুদ্রার রিজার্ভে ঘাটতি, টাকার অবমূল্যায়নের ফলে প্রচণ্ড চাপের মুখে পড়েছে।

২০১১ সালে সারা বৎসর ধরে দেশের মুদ্রাবাজার ছিল অত্যন্ত অস্থিতিশীল এবং ব্যাংকিং ঋতে তারল্য সংকট ছিল প্রবল। ঐ বৎসর বাংলাদেশ ব্যাংক নতুন দুটি আর্থিক প্রতিষ্ঠান স্থাপনের জন্য লাইসেন্স প্রদান করেন। ফলে দেশে কার্যরত আর্থিক প্রতিষ্ঠানের মোট সংখ্যা বৃদ্ধি পেয়ে ৩১ গিয়ে দাড়ায়। সম্প্রতি বাংলাদেশ ব্যাংক নতুন ৯ টি বানিজ্যিক ব্যাংক খোলার জন্য লাইসেন্স প্রদান করেছে। ২০১১ সালে আর্থিক প্রতিষ্ঠানগুলি শুধু নিজেদের মধ্যে নয় বরং বানিজ্যিক ব্যাংকগুলির সাথেও প্রবল প্রতিযোগিতা অবতীর্ণ হয় যাহা আগামী দিনগুলিতে প্রবলতর হবে। ঢাকা স্টক এক্সচেঞ্জের সাধারণ সূচক DGEN পর্যবেক্ষণ করে দেখা যায় যে, দেশের পুঁজিবাজার কখনো মৌলিক সূচক অনুসরণ করেনা এবং ২০১০ সালের ইতিবাচক ৮৩ শতাংশ প্রবৃদ্ধির বিপরীতে DGEN ২০১১ সালে ৩৬ শতাংশ নীচে নেমে যায়। অনেক বাজার বিশ্লেষকের মতে প্রধানত: বাংলাদেশ ব্যাংকের অতি নিয়ন্ত্রনশীল মুদ্রা নীতি এবং হঠাৎ করে কতিপয় মুদ্রাবাজারও পুঁজিবাজার নিয়ন্ত্রননীতি প্রয়োগের ফলশ্রুতিতে ২০১০ সালের শেষদিকে DGEN এর বৃহৎ পতন ঘটে। পরবর্তীতে সরকার এবং নিয়ন্ত্রনকারী প্রতিষ্ঠানের বিভিন্ন পদক্ষেপ বাজারে গতিশীলতা আনতে ব্যর্থ হয় এবং সার্বিক অর্থনীতির গতি প্রকৃতি দেখে প্রতীক্ষিত হয় যে DGEN এর নিম্নমুখী প্রবণতা আগামীতেও অব্যাহত থাকবে।

মুদ্রার তারল্য সংকট, মুদ্রাবাজারে অস্থিরতা এবং উত্তাল পুঁজিবাজারের এই দৃশ্যপটে আরও মুক্ত হয়েছে গ্যাস ও বিদ্যুৎ সংকট, বিশ্ব বাজারে খাদ্যের মূল্য বৃদ্ধি, অবকাঠামোর স্বল্পতা যার ফলে বিনিয়োগের পরিবেশ আরও ক্ষতিগ্রস্ত হচ্ছে। আপনার কোম্পানীর ব্যবসায়িক কার্যক্রম এই পরিবেশের আওতার বাইরে ছিলনা। ২০১১ সালে কোম্পানী ৪৪.৩৪ মিলিয়ন টাকা সঞ্চয়ন (provision) ও ট্যাক্স পূর্ব মুনাফা হিসাবে অর্জন করে (যাহা ২০১০ সালে ৩৯৩.৭ মিলিয়ন টাকা ছিল) এবং আলোচ্য বৎসরে খেলাপী/অনিয়মিত গ্রাহকের মুক্তির জন্য পর্যাপ্ত সঞ্চয়নের (provision) ব্যবস্থা রেখে ১৯.০৩ মিলিয়ন টাকার কর পরবর্তী মুনাফা করে (যাহা ২০১০ সালে ২৪৬.১ মিলিয়ন টাকা ছিল)। ২০১০ সালের তুলনায় ২০১১ সালে কম মুনাফা অর্জনের পিছনে প্রধান কারণ ছিল শেয়ার বাজারে বিনিয়োগের উপর অতিমাত্রায় নির্ভরতা এবং শেয়ার বাজারে ব্যাপক দরপতন। কোম্পানীর মোট বিনিয়োগ ২০১০ সালের ৩১ শে ডিসেম্বরের ৩৯৬৫.৮৯ মিলিয়ন টাকার বিপরীতে ২০১১ সালের ৩১ শে ডিসেম্বরের ৪০৩০.৭৯ মিলিয়ন টাকায় দাড়ায় অর্থাৎ কোম্পানীর বিনিয়োগে তেমন কোন উল্লেখযোগ্য প্রবৃদ্ধি হয়নি।

যাহা হোক বিডি ফাইন্যান্সের সার্বিক অর্থায়ন কার্যক্রমকে একটি একীভূত: প্রয়াসের মাধ্যমে ইতিবাচক ফলাফল অর্জনের লক্ষ্যে এগিয়ে নিতে আপনার কোম্পানী ৬৯৯.৯৩ মিলিয়ন টাকা উহার ২টি সাবসিডিয়ারী কোম্পানী যথা ‘বিডি ফাইন্যান্স সিকিউরিটিজ লিমিটেড’ (স্টক ব্রোকারেজ) এবং ‘বিডি ফাইন্যান্স ক্যাপিটল হোল্ডিংস লিমিটেড’ (মার্চেন্ট ব্যাংকার)-এ বিনিয়োগ করেছে।

২০১২ সালে এই কোম্পানীকে পুনর্গঠন্যাসিত করে একটি স্বনাম খ্যাত ও আকর্ষণীয় আর্থিক প্রতিষ্ঠানে রূপান্তর করার প্রয়াসে আমরা নিম্নবর্ণিত পদক্ষেপগুলি গ্রহনে সচেষ্ট আছি:

- ▶ একটি পূর্ণাঙ্গ বিনিয়োগ প্রতিষ্ঠান হিসাবে আবির্ভূত হতে গ্রাহক সেবা বৃদ্ধি করে মূল প্রতিষ্ঠান বিডি ফাইন্যান্স এবং উহার সাবসিডিয়ারী প্রতিষ্ঠানসমূহ বিডি ফাইন্যান্স সিকিউরিটিজ লিমিটেড এবং বিডি ফাইন্যান্স ক্যাপিটল হোল্ডিংস লিমিটেড এর মধ্যে সম্মিলিত উদ্যোগ বৃদ্ধি ও সমন্বয় সাধন।
- ▶ এক কেন্দ্র হতে আমাদের বিভিন্ন পন্য/সেবা প্রদান ও উহার বহুমুখীকরণ।
- ▶ আমাদের রাজস্ব আয় বহুমুখীকরণের জন্য গতানুগতিক আয় এর মধ্যে সীমাবদ্ধ না থেকে বিশেষ করে ফি ভিত্তিক আয়ের উৎসের উপর জোর দেওয়া।

- ▶ ব্যবসায়িক কার্যক্রমের দক্ষতা বৃদ্ধিকল্পে নতুন পদ্ধতি অবলম্বন, গ্রাহক মুখী সেবা প্রদান বৃদ্ধি এবং তথ্য প্রযুক্তির আধুনিকায়ন।
- ▶ সঠিক কৌশলগত পরিকল্পনা গ্রহণের মাধ্যমে আমাদের লক্ষ্য নির্ধারণ করে ব্যবসায়িক কার্যক্রম স্থির করতে হবে এবং সঠিক অর্থায়ন খাতগুলিতে নিয়োজিত হতে হবে।
- ▶ আমরা মনে করি, দক্ষ জনশক্তি কোম্পানীর জন্য সর্বোৎকৃষ্ট সম্পদ। আমাদের লক্ষ্য সঠিক কর্মী নিয়োগ করা এবং তাদের দক্ষতা বৃদ্ধি করা, তাদের কর্মফলকে প্রশংসিত ও পুরস্কৃত করা এবং তাদেরকে প্রতিযোগিতামূলক পারিশ্রমিক প্রদান করে কোম্পানীতে ধরে রাখা।
- ▶ আমরা ধারণা করি আর্থিক বাজারে তারল্য সংকট অব্যাহত থাকবে এবং সুদের হার ব্যাংক হতে সরকারের অধিকতর ঋণ গ্রহণের কারণে উত্তোরস্তর বৃদ্ধি পাবে। অতএব কোম্পানীর ট্রেজারী কার্যক্রম আরও জোরাল করে তুলতে আমাদের ব্যক্তি আমানত সংগ্রহ বৃদ্ধির পদক্ষেপ বাস্তবায়ন করতে হবে যাতে ব্যাংক হতে সংগৃহীত তহবিলের উপর আমাদের নির্ভরতা বহুলাংশে হ্রাস করা যায়।

আমাদের প্রতিষ্ঠানের লক্ষ্য অর্জনে কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ সকল প্রকার বাধা বিপত্তি অতিক্রম করতে প্রস্তুত এবং বিডি ফাইন্যান্স টীম উহা অর্জনে সর্বোচ্চ প্রচেষ্টা নিয়োগে দৃঢ় প্রতিজ্ঞ। আমরা বিশ্বাস করি ব্যবসায়িক বহুমুখীকরণে নতুন উদ্ভাবিত কৌশল প্রয়োগ, কর্মীগণের প্রতিজ্ঞাবদ্ধতা, গ্রাহক সংগ্রহের অব্যাহত উদ্যোগ এবং আমাদেরকে লক্ষ্য অর্জনে এগিয়ে নেবার মত মানসম্পন্ন সম্পদ বৃদ্ধি, বর্তমান বিনিয়োগের মান উন্নয়ন করে আগামী বৎসরগুলিতে গ্রহণযোগ্য কলাফল অর্জনে কোম্পানী সক্ষম হবে। আমি বিডি ফাইন্যান্স এর কর্মকর্তা কর্মচারীদেরকে নিবেদিত, দৃঢ় প্রতিজ্ঞ ও ঐক্যবদ্ধ প্রয়াসের জন্য ধন্যবাদ জানাচ্ছি।

ব্যবস্থাপনা কর্তৃপক্ষকে তাঁদের মূল্যবান নির্দেশনা ও উৎসাহ প্রদান এবং অধিকতর ক্ষমতায়নের জন্য পূর্বতন ও বর্তমান সম্মানীত চেয়ারম্যানদ্বয় এবং পর্ষদের সদস্যগণের প্রতি গভীর কৃতজ্ঞতা জানাচ্ছি। আমি সহযোগীতা ও সমর্থনের জন্য আরও ধন্যবাদ জানাচ্ছি আমাদের সকল পৃষ্ঠপোষক, গ্রাহক, সহযোগী প্রতিষ্ঠান, বিনিয়োগকারী, আমানতকারী, সকল নিয়ন্ত্রনকারী সংস্থা, বাংলাদেশ ব্যাংক, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ, চট্টগ্রাম স্টক এক্সচেঞ্জ এবং জাতীয় রাজস্ববোর্ডসহ সকল উভানুধ্যায়ীকে।

মহান আল্লাহ আমাদের সবার সহায় হোন।



মকিজউদ্দিন সরকার
ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী

Director's Report

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assaalmu Alaikum Wa Rahmatullah

The Board of Directors of Bangladesh Finance And Investment Company Limited (BD Finance) feels pleasure to welcome you to the 13th Annual General Meeting of the Company and is pleased to place before you the Audited Financial Statements of the Company for the year ended December 31, 2011, auditors' report thereon along with Company's performance and other relevant information in terms of Companies Act, 1994, Guidelines issued by Securities & Exchange Commission, Bangladesh Bank and Bangladesh Financial Reporting Standards.

Global Economy

Throughout the year 2011 the global economy in spite of little positive momentum continued to reel from the effects of the financial crisis of 2009. It is to be noted that the recovery from the global recession was not uniform among various regions and countries. The advanced economies are recovering very slowly while growth in most developing countries still continues to be significant. Uncertainty over solving the Euro zone debt crisis and resultant spending cuts remain as serious threat to world economic growth. Economic expansion in countries such as Brazil, India, China, Russia and some other countries shows signs of slowdown. China recorded a GDP growth of 9.3% in the year 2011 as against 10.4% in 2010 and similar is the case with India. World Bank forecasts an overall slow down in growth of world economy in 2012 due to several deficiencies and weaknesses in the developed economies. High commodity prices, especially of food and fuel, are expected to accelerate global inflation further and hamper growth of exports of advanced and developing as well as emerging economies. It will result in worrying decrease in global trade growth during the current year from estimated 6.6% in the year 2011 to 4.7% in the year 2012 as per statistics of World Bank and the developing economies are likely to be seriously affected.

Bangladesh Economy

During the year 2011 Bangladesh economy gained some momentum largely due to robust export growth, increase in industrial and agricultural outputs and growth in service sectors catering for a stiff rise in domestic demands. According to Government sources, the provisional estimated real GDP grew by 6.7% which is 0.6% point higher than 6.1% growth recorded in 2010. The expansion was broad-based registering positive growth by all sectors and sub-sectors of the economy. GDP growth during the year was based on 8.2% growth in industry sector, 6.6% growth in services sector and 5.0% growth in agricultural sector. In overall GDP growth the services sector's contribution was the highest at 3.6 percentage points, followed by industry sector at 2.0 percentage points and agriculture sector at 1.1 percentage points.

Bangladesh economy may have to face some shocks in the year 2012 from deteriorating conditions in global economic situation. Persistent inflationary pressure emanating from higher oil and food prices, growing trade imbalances induced by higher imports, pressure on foreign currency reserve and remittance are the major risks for the domestic economy. In spite of these, there is strong expectation that the country may achieve 7% GDP growth in 2012 which is dependent on accelerated growth in export, improvement in electricity and natural gas supply and continued rise in domestic demand along with increase in foreign wage remittance. Other stimulating factors to attain the growth target for the year 2012 are potential large investments in infrastructural development, vigorous efforts for increased revenue mobilization, adequate monetary and credit policies for discouraging credit flows to unproductive sectors.

Agricultural Sector

In the year 2011, the overall food grains production increased by 3.9% from 33.2 MMT (million metric tons) in the year 2010 to 34.5 MMT. All seasonal varieties of rice (Aus, Aman and Boro) production showed upward trend while wheat production remained steady during the year.

Industrial Sector

The estimated contribution of the industry sector to the country's GDP in 2011 was 30.4%. The manufacturing and the construction subsectors recorded impressive growth of 9.5% and 6.4% respectively in the year 2011 as against 6.5% and 6.0% in 2010. Higher growth figures were recorded in the production of both large and medium scale manufacturing industries, particularly jute, cotton, apparels, leather, food items, basic metal and non metallic products, furniture, etc. In that year SMEs achieved satisfactory progress in industrial production by availing financing facilities promoted by the central bank. Noticeable during the year was the decline in growth of power, gas and water supply sub-sectors which decreased to 6.0% in the year 2011 compared to 7.3% recorded in 2010. Continuing unmet demand for power during the year affected the growth potential of many urban as well as rural activities.

Services Sector

The estimated contribution of the service sector to the total GDP of the country in 2011 was 49.7%. The service sector registered a 6.6% growth in 2011 compared to 6.5% in 2010. Despite some fluctuations the growth of the sector appears to be broad-based across the sub-sectors. In the year 2011, financial intermediations sub-sector (banks, financial institutions and others) experienced somewhat lower growth while wholesale and retail trade, transport, storage and communication, education, health, etc. recorded higher growth.

Remittance

The foreign wage earners' remittance that flowed into the country during FY 2011 is recorded to be USD 12.17 billion indicating a growth rate of 10.5% over that of FY 2010. Many analysts predicted that the amount of remittance that flowed in the country during last few years may not be sustained during year 2012 due to many adverse factors imparting the global economy.

Foreign Currency Reserve

The Foreign Currency Reserve is under pressure due to accelerated demand for import payment for fuel, oil and food grain. The reserve came down to USD 9.3 billion in December 2011 from USD 11.2 billion in December 2010. Taka depreciated in term of USD by 6.5% during FY 2011.

Financial Performance of BD Finance

The year 2011 was a year of many challenges like turbulence in capital market, serious liquidity crisis, volatile money market, insignificant industrial expansion and establishment of new undertakings due to lack of infrastructural facilities, even though your Company has done moderately well in its core business areas.

Lease & Loan

The core business of BD Finance is the full pay out Financial Lease, Term Loan (short, medium & long tenor). The investment portfolio stood at Tk. 3290.8 million as on December 31, 2011 up by 11.3% from that of Tk. 2956.5 million of December 31, 2010.

Investment in Shares

BD Finance used to receive significant revenue stream from the capital market operation through direct investment (buy & sale) in the secondary market. In 2010 income from investment in shares was Tk. 322.8 million. But due to price crash in the capital market there was negative contribution in our bottom line in 2011 although we had an investment in shares of Tk. 659.8 million as on December 31, 2011.

Treasury Operations

Due to liquidity crisis in the banking channel fund management which is looked after by the Treasury has become a critical issue for BD Finance. The key challenge for the Treasury in 2011 was the mobilization of required operational fund, keeping the cost of fund to tolerable level, minimizing the dependency on the volatile overnight money market, enhanced effective drive for deposit mobilization. The deposit base of the Company has increased to Tk. 1,692.82 million as on December 31, 2011 from Tk. 1,162.77 million of December 31, 2010.

The operating results of the company during the year 2011 is summarized below:

	Figure in BDT
1. Operating Income	: 53,41,07,316.00
2. Operating Expenses	: 49,87,63,031.00
3. Operating Profit	: 4,43,44,284.00
4. Profit after Tax	: 1,95,20,925.00
5. Earning Per Share (EPS)	: 0.36

Prior to 2011 major flow of revenue generation used to come from capital market operation, therefore the financial performance of the company significantly impacted in 2011 due to capital market price crash.

As a part of our long term diversification program two subsidiaries have been formed, namely BD Finance Securities Limited which has been launched in end-2011 and license has been obtained recently from SEC for a full-fledged Merchant Banker named BD Finance Capital Holdings Limited, which is in the process of launching. Combining the activities of these three units, BD Finance Group would emerge as a complete Investment Bank. Bringing synergy of the operation of all the units can accelerate the growth potential for the group in near term as well as long term.

The Company's short term objective includes among others formulation of a strong business team with target oriented work culture, identification and formulation of sector-wise marketing plan, diversification of client's base through inclusion of corporate clients who are not currently under our exposure segment, attach flexibility to design our products commensurate with the requirement of customers, streamlining the process flow & prevailing systems for better customer service, introduction of proper risk management thereby reducing non-performing ratio.

Contribution to National Exchequer

During the year the Company has deposited Tk. 57.14 million to the government exchequer in form of direct income tax, TDS & VAT.

Corporate & Financial Reporting Framework

The Directors in accordance with SEC Notification No. SEC. SEC/CMRRCD/2006-158/ADmn/02-08 dated February 20, 2006 confirm compliance with the financial reporting framework for the following:

- The financial statements prepared by the Management present fairly its state of affairs, the result of its operation, cash flow and statement of changes in shareholders equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate Accounting Policies have been consistently applied in preparation of the financial statement and that the accounting estimates are based on reasonable & prudent judgment.
- The International Accounting Standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- Internal Control System is sound in design and have been effectively implemented & monitored.
- There is no significant doubts upon the ability of the Company to continue as a going concern.

Key Operating & Financial Data

Key operating & financial information for the last five years as per requirement of SEC Notification No. SEC. SEC/CMRRCD/2006-158/ADmn/02-08 dated February 20, 2006 are presented in page No. 31.

Highlights of overall operation of the Company as per DFIM Circular No. 11 dated December 23, 2009 are also shown in page No. 108.

Shareholding Pattern

Shareholding pattern of the Company as of December 31, 2011 is shown on page No. 51 in Annexure-I of this report.

Meetings

During the year 2011 a total 11 number of Board meetings & 5 number of Audit Committee meetings were held and attendance of the Directors are shown on page - 52 in Annexure- II of this report.

Dividend

The Board of Directors proposed 10% stock dividend i.e. 10(Ten) bonus shares for every 100 (One Hundred) shares for total 5,37,30,739 Nos. Ordinary Shares of Tk. 10/- each for the year ended December 31, 2011.

Directors

As per Articles 126,127 and 128 of the Articles of Association of the Company, following Directors retire from the office by rotation at the Annual General Meeting and being eligible are seeking re-election :

Mr. Hossain Khaled
Mr. Chowdhury Erteza Ahmed Siddiqui
Mr. Geasuddin Ahmed
Mr. S. M. Didarul Alam

The following Nominee Directors were appointed by the Board of the Company since last Annual General Meeting who are presently members of the Board. As per Article 121 of the Articles of Association of the Company they shall retire at the next Annual General Meeting and are eligible for reappointment by the AGM :

Mr. Yousuf Aman (Nominated by Anwar Silk Mills Ltd.)
Mr. Syed Tareq Akbar Ally (Nominated by Khaled Iron & Steels Ltd.)
Mrs. Rashida Youshuf (Nominated by Mehmud Industries (Pvt.) Ltd.)
Mrs. Shahnaz Rashid (Nominated by Anwar Steel Mills Ltd.)
Mr. Mohammad Shahin Alam (Nominated by Hossain Dyeing & Printing Mills Ltd.)

Appointment of Managing Director

The Board of Directors of the Company at its 143rd meeting held on October 04, 2011 has appointed Mr. Mafizuddin Sarker as Managing Director which was subsequently approved by Bangladesh Bank. Mr. Sarker joined the Company on October 11, 2011.

Auditors

In the 12th Annual General Meeting, the Shareholders appointed M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, as auditors of the Company for the year 2011. The auditors are due to retire in the 13th AGM of the Company and being eligible have offered themselves for re-appointment for the year 2012. As proposed by the Audit Committee, the Board recommends M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, for further appointment for the year 2012 as auditors of the Company and to fix their remuneration by the AGM subject to approval of Bangladesh Bank.

Status of Compliance on Corporate Governance

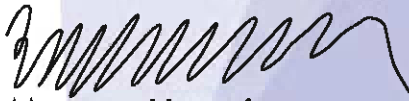
Status of compliance with the conditions imposed by Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/Admn/02-08 dated February 20, 2006 is given on page No. 29.

Acknowledgement

The Board of Directors expresses heart-felt appreciation & gratitude to the valued clients, lenders, depositors, bankers & business associates for their support & cooperation. Board also expresses its gratitude to Bangladesh Bank, Securities & Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, National Board of Revenue, Registrar Joint Stock Companies & Firms and other regulatory bodies for their assistance and guidance. The Board also thanks M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, the Auditors of the Company for their efforts for timely completion of audits. Our sincere appreciation goes to the employees of the Company for their loyalty, efforts and dedication. I would take the opportunity to thank all my colleagues of the Board who have extended all sorts of cooperation to make the year 2011 another year of success for the Company.

Finally, the Board of Directors thanks the respected shareholders for their confidence on the Board & Management and assures them that the process of strengthening and development of the Company will continue in coming days to optimize the wealth of the stakeholders.

For and on behalf of the Board of Directors



Manwar Hossain
Chairman

Annexure : I

Pattern of Shareholdings as on December 31, 2011

Shareholders	No. of Shares	% of holding
i) Parent/subsidiary/Associated Companies		
Anwar Silk Mills Ltd. Represented by : Mr. Anwar Hossain	795,281	1.4801
Khaled Iron & Steel Mills Ltd. Represented by : Mr. Hossain Khaled	1,052,298	1.9585
Hossain Dyeing & Printing Mills Ltd. Represented by : Mr. Manwar Hossain	795,281	1.4801
Mehmud Industries (Pvt.) Ltd. Represented by: Mrs. Bibi Amena	721,849	1.3435
Anwar Steel Mills Ltd.	2,570,198	4.7835
Anwar Landmark Ltd.	464,832	0.8651
Wazeefa Acrylic Spinning Mills Ltd.	765,916	1.4255
Anwar Jute Spinning Mills Ltd.	1,319,308	2.4554
ii) Directors & their spouses and children		
Mr. Hossain Akhtar	355,215	0.6611
Haji M.A. Taher	2,483,480	4.6221
Mr. S.M. Didarul Alam	516,011	0.9604
Mr. Geasuddin Ahmed	815,850	1.5184
Haji Md. Yousuf	1,496,720	2.7856
Mr. Chowdhury Erteza Ahmed Siddiqui	1,368,352	2.5467
Mr. Md. Imtiaz	840,848	1.5649
Mrs. Bibi Amena	734,342	1.3667
ii.a) Chief Executive Officer, his spouse & minor children	Nil	Nil
ii.b) Company Secretary, his spouse & minor children	Nil	Nil
ii.c) Chief Financial Officer, his spouse & minor children	Nil	Nil
iii) Executives	Nil	Nil
iv) Shareholders holding 10% or more voting interest	Nil	Nil
v) Others	3,66,34,958	68.1824
Total	5,37,30,739	100.00

Annexure: II

Meetings attended by the Directors during 2011

Name of Director	Board of Directors Meeting			Audit Committee Meeting		
	The BOD Meeting held during director's tenure	Meeting attended	Attendance as % of total meeting held	The AC Meeting held during director's tenure	Meeting attended	Attendance as % of total meeting held
Mr. Anwar Hossain	11	11	100	-	-	-
Mr. Hossain Khaled	11	6	55	2	1	50
Mr. Manwar Hossain	11	11	100	-	-	-
Mr. Hossain Akhtar	11	11	100	5	5	100
Mr. Hossain Mehmud	2	-	-	1	-	-
Mrs. Tanuja Mehmood *	9	6	67	-	-	-
Mrs. Bibi Amena**	-	-	-	-	-	-
Mr. Haji M.A. Taher	11	10	91	-	-	-
Mr. Geasuddin Ahmed	11	11	100	2	2	100
Mr. S.M. Didarul Alam	11	6	55	5	2	40
Mr. Chowdhury Erteza Ahmed Siddiqui	11	10	91	-	-	-
Mr. Haji Md. Yousuf	11	11	100	-	-	-
Mr. Md. Imtyaj	11	11	100	-	-	-
Mr. Haider Ahmed Khan, FCA	11	9	82	5	5	100

* Mrs. Tanuja Mehmood has been appointed in place of Mr. Hossain Mehmud on March 15, 2011.

** Mrs. Bibi Amena has been appointed in place of Mrs. Tanuja Mehmood on December 8, 2011.

পরিচালনা পর্ষদের প্রতিবেদন-২০১১

‘বিসমিত্তাহির রাহমানির রাহিম’

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম

বাংলাদেশ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট কোম্পানী লিমিটেডের (বিডি ফাইন্যান্স) পরিচালক পর্ষদের পক্ষ হতে আমি আপনাদেরকে কোম্পানীর ১৩ তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি এবং ৩১শে ডিসেম্বর, ২০১১ তারিখে সমাপ্ত অর্থ বৎসরের জন্য কোম্পানীর নিরীক্ষিত বার্ষিক হিসাব বিবরণীসহ বার্ষিক প্রতিবেদন আপনাদের নিকট উপস্থাপন করছি। সেই সাথে কোম্পানী আইন ১৯৯৪, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, বাংলাদেশ ব্যাংক এবং বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস এর বিধান ও নির্দেশাবলী প্রতিপালন সাপেক্ষে পরিচালকদের প্রতিবেদন, নিরীক্ষকদের প্রতিবেদন ও কোম্পানীর আলোচ্য বৎসরের কার্যাবলীর ফলাফলের উপর সংশ্লিষ্ট তথ্যাদি উপস্থাপন করছি।

বিশ্ব অর্থনৈতিক পরিস্থিতি:

কিছুটা ইতিবাচক গতি অর্জন সত্ত্বেও ২০১১ সালে বিশ্ব অর্থনীতি ২০০৯ সালের অর্থনৈতিক মন্দার প্রভাব থেকে সম্পূর্ণ মুক্ত হতে পারেনি। উল্লেখ্য যে বিশ্বের বিভিন্ন অঞ্চল এবং দেশে এই মন্দার প্রভাব সমানভাবে প্রকাশিত হয়নি। উন্নত বিশ্বে ইহার প্রভাব অত্যন্ত ধীরগতিতে হ্রাস পাচ্ছে, তবে বেশীর ভাগ উন্নয়নশীল দেশে উল্লেখযোগ্য প্রবৃদ্ধি অর্জন লক্ষ্য করা গেছে। বিশ্ব অর্থনীতির উন্নয়নে ইউরোপের ঋণ সংকট প্রশমনে অনিশ্চয়তা এবং সরকারী ব্যয় হ্রাস প্রধান বাধা হিসাবে পরিগণিত হচ্ছে। ব্রাজিল, ভারত, চীন, রাশিয়া এবং কতিপয় অন্যান্য দেশে অর্থনৈতিক প্রবৃদ্ধি কিছুটা স্থিমিত হওয়ার লক্ষণ দেখা যাচ্ছে। ২০১০ সালে চীনে ১০.৪ শতাংশ জিডিপি বৃদ্ধি অর্জনের বিপরীতে ২০১১ সালে ৯.৩ শতাংশ প্রবৃদ্ধি অর্জিত হয় এবং ভারতের ক্ষেত্রেও অনুরূপ প্রবৃদ্ধি হ্রাস পরিলক্ষিত হয়। বিশ্ব ব্যাংক উন্নত অর্থনীতিগুলির বেশ কয়েকটি ঘাটতি ও দুর্বলতার কারণে ২০১২ সালের বিশ্ব অর্থনীতির সার্বিক প্রবৃদ্ধি হ্রাসের পূর্বাভাস দিয়েছে। পণ্যের মূল্য বৃদ্ধি বিশেষতঃ খাদ্য ও জ্বালানির মূল্যের উর্দ্ধগতির ফলে বিশ্বে মূল্যস্ফীতি আরও বৃদ্ধি পাবে এবং উন্নত ও উন্নয়নশীল উভয় ধরনের দেশের রপ্তানী প্রবৃদ্ধি হার ক্ষতিগ্রস্ত হবে বলে আশংকা করা হচ্ছে। ইহার ফলশ্রুতিতে বিশ্বব্যাপী বানিজ্যের প্রবৃদ্ধিও কমে যাওয়ার আশংকা করা হচ্ছে যাহা ২০১১ সালে ৬.৬ শতাংশ হতে কমে ২০১২ সালে ৪.৭ শতাংশ হতে পারে বলে বিশ্ব ব্যাংকের পরিসংখ্যানে উল্লেখিত হয়েছে এবং উন্নয়নশীল দেশগুলো এর ফলে মারাত্মক ভাবে ক্ষতিগ্রস্ত হবার সম্ভাবনা দেখা দিয়েছে।

বাংলাদেশের অর্থনীতি:

আর্কমণীয় রপ্তানী প্রবৃদ্ধি, কৃষি ও শিল্পখাতে উৎপাদন বৃদ্ধি এবং সেবাখাতে আভ্যন্তরীণ চাহিদা বৃদ্ধির কারণে প্রবৃদ্ধি অর্জিত হওয়াতে বাংলাদেশের অর্থনীতি ২০১১ সালে কিছুটা গতি সঞ্চয় করে। সরকারী তথ্যনুযায়ী উক্ত বৎসরে প্রবৃদ্ধি (Provisional estimated real GDP) ৬.৭ শতাংশ বৃদ্ধি পায় যাহা ২০১০ সালের ৬.১ শতাংশ প্রবৃদ্ধির তুলনায় ০.৬ শতাংশ বেশী হয়েছে। দেশের সার্বিক অর্থনীতির সকল খাত ও উপখাতে এই প্রবৃদ্ধির প্রতিফলন সার্বিক ভাবে বিস্তৃত ছিল। শিল্পখাতে ৮.২ শতাংশ, সেবা খাতে ৬.৬ শতাংশ এবং কৃষিখাতে ৫.০ শতাংশ প্রবৃদ্ধির সমন্বয়ে এই জিডিপি হার অর্জিত হয়। সার্বিক জিডিপি প্রবৃদ্ধিতে সেবা খাতের অবদান ৩.৬ শতাংশ (percentage point) যাহা অন্য দুটিখাতের তুলনায় সর্বোচ্চ। শিল্পখাতে এই অবদান ছিল ২ শতাংশ এবং কৃষিখাতে যাহা ১.১ শতাংশ ছিল।

বিশ্ব অর্থনীতির উপরে বর্নিত অবনতিশীল পরিস্থিতির প্রেক্ষিতে বাংলাদেশের অর্থনীতিকেও ২০১২ সালে বেশ কিছু বাধা- বিপত্তির সম্মুখীন হতে হবে বলে আশংকা করা হচ্ছে। খাদ্য ও জ্বালানি মূল্যের অব্যাহত উর্দ্ধগতির কারণে মূল্যস্ফীতির ক্রমবর্ধমান চাপ, বর্ধিত আমদানির ফলে বানিজ্যিক ভারসাম্যহীনতা বৃদ্ধি, বৈদেশিক মুদ্রার রিজার্ভ এবং প্রবাসীদের প্রেরিত বৈদেশিক মুদ্রার উপর চাপ বাংলাদেশের অর্থনীতির জন্য বৃহৎ ঝুঁকির সৃষ্টি করছে। এতদসত্ত্বেও অনেকেই জোরালোভাবে আশাবশিত আছে যে, বাংলাদেশ ২০১২ সালে ৭ শতাংশ জিডিপি প্রবৃদ্ধি অর্জনে সক্ষম হতে পারে যাহা প্রকৃত পক্ষে রপ্তানীর দ্রুত প্রবৃদ্ধি, বিদ্যুৎ ও প্রাকৃতিক গ্যাসের সরবরাহ পরিস্থিতির উন্নতি এবং প্রবাসীদের প্রেরিত বৈদেশিক মুদ্রার প্রবাহ বৃদ্ধির সাথে সাথে আভ্যন্তরীণ চাহিদার অব্যাহত বৃদ্ধির উপর বহুলাংশে নির্ভরশীল। দেশে সম্ভাব্য বৃহৎ আকারের অবকাঠামো উন্নয়নে বিনিয়োগ, সরকারী রাজস্ব বৃদ্ধির জোরালো প্রয়াস, অনুৎপাদনশীল খাতে ঋণ অনুৎসাহিত করার জন্য সময় উপযোগী মুদ্রা ও ঋণ নীতিমালার মত বিষয়গুলির উপর ২০১২ সালে প্রবৃদ্ধির লক্ষ্য অর্জন অনেকাংশে নির্ভরশীল বলে মত প্রকাশ করা হয়েছে।

কৃষিখাতঃ

২০১১ সালে দেশের খাদ্য উৎপাদন ৩.৯ শতাংশ বৃদ্ধি পেয়ে ২০১০ সালের ৩৩.২ মিলিয়ন মেট্রিক টন হতে ৩৪.৫ মিলিয়ন মেট্রিক টনে দাঁড়ায়। সকল ধরনের চাউলের (আউশ, আমন ও বোরো) উৎপাদন উর্দ্ধমুখী থাকলেও গম উৎপাদন ঐ বৎসর স্থিতিশীল পর্যায়ে ছিল।

শিল্পখাতঃ

২০১১ সালে দেশের জিডিপিতে শিল্পখাত ৩০.৪ শতাংশ অবদান রেখেছে। শিল্প উৎপাদন ও নির্মাণ উপখাতে প্রসংগীয় প্রবৃদ্ধির হার অর্জিত হয়েছে যাহা যথাক্রমে ৯.৫ শতাংশ এবং ৬.৪ শতাংশ ছিল। ২০১০ সালে এই দুইটি উপখাতে প্রবৃদ্ধির হার ছিল ৬.৫ এবং ৬.০ শতাংশ। বৃহৎ শিল্প ও মাঝারি শিল্পে উৎপাদন বৃদ্ধির হার লক্ষনীয় ছিল। বিশেষ করে পাট, তুলা, পোষাক, চামড়া, খাদ্য সামগ্রী, মৌলিক ধাতু ও অধাতব সামগ্রী, আসবাবপত্র, ইত্যাদি। ঐ বৎসরে কেন্দ্রীয় ব্যাংকের প্রোনোদনামূলক অর্থায়ন প্রকল্পের সহায়তা গ্রহণ করে ক্ষুদ্র ও মাঝারি খাতের শিল্প প্রতিষ্ঠানগুলি (SME) সন্তোষজনক উৎপাদন বৃদ্ধিতে সক্ষম হয়। তবে এখানে উল্লেখ্য যে, ২০১০ সালের ৭.৩ শতাংশের প্রবৃদ্ধির বিপরীতে ২০১১ সালে দেশে বিদ্যুৎ, প্রাকৃতিক গ্যাস ও পানি সরবরাহ উপ-খাতগুলিতে প্রবৃদ্ধি ৬.০ শতাংশে নেমে আসে। দেশে বিদ্যুৎ-এর চাহিদা পূরণে ঘাটতি অব্যাহত থাকায় ঐ বৎসর শহর ও গ্রামীণ বিভিন্ন অর্থনৈতিক কর্মকাণ্ডে কাঙ্ক্ষিত প্রবৃদ্ধি অর্জন ক্ষতিগ্রস্ত হয়।

সেবাখাতঃ

২০১১ সালে দেশের মোট জিডিপি তে সেবাখাতের অবদান ছিল ৪৯.৭ শতাংশ। ২০১০ সালের ৬.৫ শতাংশ প্রবৃদ্ধির তুলনায় এই খাতে ২০১১ সালে ৬.৬ শতাংশ প্রবৃদ্ধি হয় এবং এই খাতের বিভিন্ন উপখাতে এই প্রবৃদ্ধি কমবেশী সমভাবে অর্জিত হয়। ঐবৎসর ব্যাংক, আর্থিক প্রতিষ্ঠান ও অন্যান্য অর্থায়নকারী সংস্থা কিছুটা কম প্রবৃদ্ধি অর্জন করে। তবে পাইকারী ও খুচরা ব্যবসা, যানবহন, গুদামজাতকরণ, তথ্যপ্রযুক্তি, শিক্ষা, স্বাস্থ্য ইত্যাদি খাতে অধিক প্রবৃদ্ধি পরিলক্ষিত হয়।

প্রবাসীদের অর্জিত বৈদেশিক মুদ্রা প্রেরণঃ

২০১১ সালে দেশে প্রবাসীদের প্রেরিত বৈদেশিক মুদ্রার মোট পরিমাণ ছিল মার্কিন ডলার ১২.৭৭ বিলিয়ন অর্থাৎ ২০১০ সালের প্রেরিত পরিমাণের চেয়ে উহা ১০.৫ শতাংশ বেশী ছিল। অনেক বিশেষক বিশ্বে অর্থনীতিতে বিভিন্ন প্রতিকূলতার কারণে ২০১২ সালে ইতিপূর্বের বৎসরগুলির তুলনায় দেশে প্রবাসীদের প্রেরিত বৈদেশিক মুদ্রার পরিমাণ হ্রাস পাওয়ার আশংকা করছে।

বৈদেশিক মুদ্রার রিজার্ভঃ

জ্বালানী তেল ও খাদ্য শস্যের আমদানির জন্য ক্রমবর্ধমান হারে বৈদেশিক মুদ্রার প্রয়োজনীয়তা দেখা দেওয়ার রিজার্ভ এর উপর চাপ উত্তরোত্তর বৃদ্ধি পাচ্ছে। ডিসেম্বর, ২০১০ সালে মার্কিন ডলার ১১.২ বিলিয়ন হতে এই রিজার্ভ ২০১১ সালের ডিসেম্বর মার্কিন ডলার ৯.৩ বিলিয়ন নেমে যায়। ঐবৎসর মার্কিন ডলারের তুলনায় টাকা ৬.৫ শতাংশে অবমূল্যায়িত হয়।

বিডি ফাইন্যান্স এর ২০১১ সালের আর্থিক ফলাফলঃ

পুঁজি বাজারের অনিশ্চয়তা, মারাত্মক তারল্য সংকট, মুদ্রাবাজারে অস্থিরতা, অবকাঠামো খাতে বিরাজমান সুযোগ সুবিধার অভাবের ফলে শিল্পখাতে সামান্য প্রবৃদ্ধি এবং অভ্যন্তর নগণ্য সংখ্যক নতুন শিল্প প্রতিষ্ঠিত হওয়া, ইত্যাদি কারণে ২০১১ সাল কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ বড় ধরনের চ্যালেঞ্জের সম্মুখীন হয়, যদিও কোম্পানীর মূল অর্থায়ন খাত গুলিতে সহনীয় সাফল্য অর্জিত হয়।

লীজ অর্থায়ন ও ঋণ প্রদানঃ

বিডি ফাইন্যান্সের মূল অর্থায়ন ব্যবসা লীজ সুবিধা ও মেয়াদী ঋণ (স্বল্প, মধ্যম ও দীর্ঘ) প্রদান খাতে গ্রাহক চাহিদা অনুযায়ী পূর্ণ অংকের অর্থায়ন সুবিধা প্রদান করে থাকে। ২০১১ সালের ৩১ শে ডিসেম্বর পর্যন্ত কোম্পানীর মোট বিনিয়োগ ছিল টাকা ৩২৯০.৮ মিলিয়ন যাহা ২০১০ সালের ৩১শে ডিসেম্বরের মোট বিনিয়োগ ২৯৫৬.৫ মিলিয়ন টাকার তুলনায় ১১.৩ শতাংশ বৃদ্ধি পেয়েছে।

পুঁজিবাজারে বিনিয়োগঃ

পুঁজি বাজারে সরাসরি বিনিয়োগের (ক্রয় ও বিক্রয়) মাধ্যমে বিডি ফাইন্যান্স উল্লেখযোগ্য আয়ের অবস্থান নিশ্চিত করেছিল এবং ২০১০ সালে পুঁজিবাজারে এই বিনিয়োগ থেকে কোম্পানী ৩২২.৮ মিলিয়ন টাকা আয় করেছিল। যদিও ২০১১ সালের ডিসেম্বরে পুঁজিবাজারে কোম্পানীর ৬৫৯.৮ মিলিয়ন টাকার বিনিয়োগ ছিল কিন্তু ২০১১ সালে পুঁজি বাজারে অব্যাহত দর পতনের ফলশ্রুতিতে কোম্পানীর আয়ের উপর বৃহৎ নেতিবাচক প্রভাব পড়ে।

কোম্পানীর ট্রেজারী কার্যক্রমঃ

দেশের ব্যাংকিং খাতে তারল্য সংকট বিরাজমান থাকায় কোম্পানীর তহবিল ব্যবস্থাপনায় নিয়োজিত ট্রেজারী বিভাগের জন্য ইহা বর্তমানে জটিল বিষয়ে পরিণত হয়েছে। অর্থায়ন কার্যক্রম পরিচালনার জন্য প্রয়োজনীয় তহবিলের যোগান, তহবিল সংগ্রহের ব্যয় সহনীয় পর্যায়ে রাখা, অস্থিতিশীল মুদ্রাবাজারের উপর নির্ভরতা কমিয়ে আনা, আমানত সংগ্রহের জোরালো কার্যকারী পদক্ষেপ গ্রহন বর্তমানে ট্রেজারী বিভাগ পরিচালনায় মূল চ্যালেঞ্জ হয়ে দাঁড়িয়েছে। ২০১১ সালের ৩১শে ডিসেম্বর কোম্পানীর মোট আমানতের পরিমাণ বৃদ্ধি পেয়ে ১৬৯২.৮২ মিলিয়ন টাকায় উন্নীত হয়, যাহার পরিমাণ ২০১০ সালের ৩১ শে ডিসেম্বর ১১৬২.৭৭ মিলিয়ন টাকা ছিল।

নিম্নে কোম্পানীর ২০১১ সালের ব্যবসায়িক কার্যক্রমের ফলাফল সংক্ষিপ্ত আকারে প্রদত্ত হলোঃ

	পরিমাণ (টাকায়)
১. পরিচালন আয়	৫৩,৪১,০৭,৩১৬.০০
২. পরিচালন ব্যয়	৪৮,৯৭,৬৩,০৩১.০০
৩. পরিচালন মুনাফা	৪,৪৩,৪৪,২৮৪.০০
৪. কর পরবর্তী মুনাফা	১,৯৫,২০,৯২৫.০০
৫. শেয়ার প্রতি আয়	০.৩৬

২০১১ সালের পূর্ববর্তী বৎসরগুলিতে কোম্পানীর মূল রাজস্ব পুঁজিবাজার কার্যক্রম হতে উপার্জিত হতো। অতএব ২০১১ সালের পুঁজিবাজারের বিপর্যয়ের ফলশ্রুতিতে কোম্পানীর আর্থিক ফলাফলের উপর প্রচণ্ড নেতিবাচক প্রভাব পড়েছে।

ব্যবসায় দীর্ঘমেয়াদী বহুমুখীকরণের তাগিদে কোম্পানী উহার দুইটি সাবসিডিয়ারী কোম্পানী গঠন করেছেঃ প্রথম সাবসিডিয়ারী 'বিডি ফাইন্যান্স সিকিউরিটিজ লিমিটেড' ২০১১ সালের শেষের দিকে বাজারে উহার শেয়ার ব্রোকারেজ কার্যক্রম শুরু করেছে এবং দ্বিতীয়টি 'বিডি ফাইন্যান্স ক্যাপিটল হোল্ডিংস লিমিটেড' নামে সিকিউরিটিস এন্ড এজেন্ট কমিশন হতে এ বৎসরের গোড়ার দিকে পূর্ণাঙ্গ মার্চেন্ট ব্যাংকার লাইসেন্স প্রাপ্তির পর উহার কার্যক্রম আরম্ভ করার প্রক্রিয়াধীন আছে। আমাদের কোম্পানীসহ এই তিনটি প্রতিষ্ঠানের কার্যক্রম বোধভাবে বিডি ফাইন্যান্স গ্রুপ নামে একটি পরিপূর্ণ বিনিয়োগ ব্যাংক হিসাবে আবির্ভূত হতে যাচ্ছে। এই প্রতিষ্ঠানত্রয়ের সম্মিলিত উদ্যোগ স্বল্প মেয়াদ ও দীর্ঘ মেয়াদকালে এই গ্রুপের প্রবৃদ্ধি ত্বরান্বিত করার সুযোগ সৃষ্টি করবে।

পরিচালকবৃন্দঃ

কোম্পানীর সংঘবিধির ১২৬, ১২৭ এবং ১২৮ ধারা অনুযায়ী নিম্নের চার জন পরিচালক পালাক্রমে অবসর গ্রহণ করছেন এবং যোগ্য বিধায় পূর্ণনির্বাচিত হতে আবেদন করেছেন :

জনাব হোসেন খালেদ
জনাব চৌধুরী এরতেজা আহমেদ সিদ্দিকী
জনাব গিয়াসউদ্দীন আহমেদ
জনাব এস. এম দিদারুল আলম

নিম্নের পরিচালকবৃন্দ বিগত বার্ষিক সাধারণ সভার পরবর্তী সময়ে কোম্পানীর পরিচালক পর্ষদ কর্তৃক মনোনীত পরিচালক হিসাবে নিয়োগ প্রাপ্ত হয়েছেন। কোম্পানীর সংঘবিধির ১২১ নং ধারা অনুযায়ী তাঁহারা পরবর্তী বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং সেই সাথে উক্ত সভায় পুনঃনিয়োগের জন্য যোগ্য হবেনঃ

জনাব ইউসুফ আমান (আনোয়ার সিদ্ধ মিলস্ লিঃ হইতে মনোনীত)
জনাব সৈয়দ ভান্নেজ আকবর আলী (খালেদ আয়রণ এন্ড ষ্টীলস্ লিঃ হইতে মনোনীত)
মিসেস্ রাশিদা ইউসুফ (মেহমুদ ইন্ডাস্ট্রিজ (প্রাঃ) লিঃ হইতে মনোনীত)
মিসেস্ শাহনাজ রাশিদ (আনোয়ার ষ্টীল মিলস্ লিঃ হইতে মনোনীত)
জনাব মোহাম্মদ শাহীন আলম (হোসেন ডায়িং এন্ড প্রিন্টিং মিলস্ লিঃ হইতে মনোনীত)

ব্যবস্থাপনা পরিচালক নিয়োগঃ

কোম্পানীর পরিচালক পর্ষদ অক্টোবর ৪, ২০১১ তারিখে অনুষ্ঠিত উহার ১৪৩তম সভায় জনাব অফিজউদ্দীন সরকারকে কোম্পানীর ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী হিসাবে নিয়োগ অনুমোদন করে এবং বাংলাদেশ ব্যাংকের অনুমোদনক্রমে তিনি অক্টোবর ১১, ২০১১ তারিখে কোম্পানীতে যোগদান করেন।

নিরীক্ষকঃ

কোম্পানীর শেয়ারহোল্ডারবৃন্দ ১২ তম বার্ষিক সাধারণ সভায় মেসার্স হোদাভাসি চৌধুরী এন্ড কোম্পানী, চার্টার্ড একাউন্টেন্টস্কে ২০১১ সালের জন্য নিরীক্ষক হিসাবে নিয়োগ প্রদান করেন। ১৩ তম বার্ষিক সাধারণ সভায় বর্তমান নিরীক্ষকগণ অবসর গ্রহণ করবেন এবং যোগ্য বিধায় তাঁহারা ২০১২ সালের জন্য কোম্পানীর নিরীক্ষক হিসাবে নিয়োগের আবেদন করেছেন। অডিট কমিটির প্রস্তাব অনুযায়ী পরিচালক পর্ষদ বাংলাদেশ ব্যাংকের অনুমোদন স্বাপেক্ষে মেসার্স হোদাভাসি চৌধুরী এন্ড কোম্পানীকে ২০১২ সালের জন্য নিরীক্ষক হিসাবে নিয়োগ দান ও তাহাদের পরিশ্রমিক পরবর্তী বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারবৃন্দ কর্তৃক অনুমোদনের সুপারিশ করেছেন।

কর্পোরেট গভার্নেন্স সংক্রান্ত পরিপালন প্রতিবেদনঃ

এসইসির নোটিফিকেশন নং SEC/CMRRCD/২০০৬-১৫৮/Admain/০২-০৮ তাং ২০/০২/২০০৬ এর ৫ নং ধারা অনুযায়ী কোম্পানীর কর্পোরেট গভার্ন্যান্স সংক্রান্ত বিধি বিধান পরিপালন প্রতিবেদন ২৯ নং পাতায় প্রদর্শিত হয়েছে।

কৃতজ্ঞতা স্বীকারঃ

পরিচালক পর্ষদ সম্মানিত শেয়ারহোল্ডারবৃন্দ, গ্রাহকবৃন্দ, আমানতকারী, ব্যাংকসমূহ ও কোম্পানীর ব্যবসায় সংশ্লিষ্ট সকল অংশিদার ও শুভানুধ্যায়ীদেরকে তাদের সমর্থন ও সহযোগিতার জন্য আন্তরিক কৃতজ্ঞতা ও ধন্যবাদ জানাচ্ছে। বাংলাদেশ ব্যাংক, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা ষ্টক এক্সচেঞ্জ, চট্টগ্রাম ষ্টক এক্সচেঞ্জ, জাতীয় রাজস্ব বোর্ড, রেজিষ্টার অর জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস্ ও অন্যান্য নিয়ন্ত্রনকারী সংস্থার প্রতি তাঁদের সহায়তা ও সহযোগিতার জন্য কৃতজ্ঞতা প্রকাশ করছে। পর্ষদ মেসার্স হোদাভাসি চৌধুরী এন্ড কোম্পানী চার্টার্ড একাউন্টেন্টস্কে কোম্পানীর হিসাব নিরীক্ষা সময়মত সম্পন্ন করার জন্য ধন্যবাদ জ্ঞাপন করছে। আনুগত্য, কর্মে একনিষ্ঠতা ও একান্ত প্রচেষ্টার জন্য কোম্পানীর কর্মকর্তা ও কর্মচারীবৃন্দের প্রতি পর্ষদ প্রশংসা জ্ঞাপন করছে। ২০১১ সাল কোম্পানীর জন্য একটি সার্থকতার বহুরূপে পরিগণিত করতে তাঁদের আন্তরিক সহযোগিতার জন্য পর্ষদের সকল সদস্যদেরকে আমি ধন্যবাদ জানাচ্ছি।

পরিশেষে কোম্পানীর পরিচালক পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষের উপর অবিচল আস্থার জন্য সম্মানিত শেয়ারহোল্ডারদের সবার প্রতি পরিচালক পর্ষদ ধন্যবাদ জ্ঞাপন করছে এবং কোম্পানীর উত্তরসত্তর সমৃদ্ধির জন্য ও শেয়ারহোল্ডারদের স্বার্থ রক্ষায় সর্বোচ্চ প্রচেষ্টা অব্যাহত রাখার আশ্বাস প্রদান করছে।

পরিচালক পর্ষদের পক্ষে,

মানোয়ার হোসেন
চেয়ারম্যান

BD Finance's Professionals & Staff



Gallery of Events



BD Securities opening ceremony held on November 21, 2011



BD Finance Chairman inaugurating the trading operation of BD Securities



Board Meeting in progress



Signing the Audited Financial Statements of 2011



Directors of BD Finance at the 12th Annual General Meeting



BD Finance Shareholders at the 12th Annual General Meeting

Auditors' Report

To the Shareholders of Bangladesh Finance and Investment Company Limited

We have audited the accompanying consolidated financial statements of Bangladesh Finance And Investment Company Limited (BD Finance) and its subsidiary (the "Group") as well as the financial statements of BD Finance "the company" which comprises the balance sheet as at 31 December 2011, profit & loss account, statement of changes in equity, liquidity statement, cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes. The financial statements of the subsidiary were audited by us.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the group and the financial statements of the company in accordance with Bangladesh Financial Reporting Standards (BFRS), Financial Institutions Act 1993, The Company's Act 1994, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of these consolidated financial statements of the group and financial statement of the company that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the group and the financial statements of the company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements of the group and the financial statements of the company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the group and the financial statements of the company. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the group and the financial statements of the company, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements of the group and the financial statements of the company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the group and the financial statements of the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

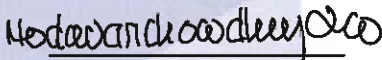
Opinion:

In our opinion, the consolidated financial statements of the group and the financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December 2011 and of the results of its operations and cash flows for the year then ended and comply with the Financial Institutions Act 1993, The Company's Act 1994, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by BD Finance so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (iii) the BD Finance's Balance Sheet and Profit and Loss Account together with the annexed notes 1 to 43 dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the BD Finance business;
- (v) the financial position of BD Finance as on 31 December 2011 and the profit for the year then ended have been properly reflected in the financial statements and the financial statements have been prepared in accordance with the generally accepted accounting principles;
- (vi) the financial statements have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- (vii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;

Place: Dhaka
Dated: 17 April 2012


Hoda Vasi Chowdhury & CO.
CHARTERED ACCOUNTANTS

Consolidated Balance Sheet

As at 31 December, 2011

	Note	31-Dec-11 Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand	3.a	135,880
Balance with Bangladesh Bank		36,784,328
		36,920,208
Balance with other Banks and Financial Institutions		
Inside Bangladesh	4.a	225,006,078
Outside Bangladesh		-
		225,006,078
Money at call and short notice		
		80,000,000
Investment in Securities		
Government	5.a	-
Others		674,336,428
		674,336,428
Lease, Loans and Advances		
In Bangladesh	6.a	3,289,348,549
Outside Bangladesh		-
		3,289,348,549
Fixed Assets including Premises, Furniture and Fixtures		
	7.a	218,006,972
Other Assets		
	8.a	1,137,314,026
Non Banking Assets		
		-
Total Assets		
		5,660,932,260
LIABILITIES AND CAPITAL		
Liabilities		
Financing (Borrowings) from other Banks		
financial Institutions and Agents	9.	1,885,582,831
Deposits and other Accounts		
	10.	1,787,403,321
Other Liabilities		
	11.a	606,959,591
Total Liabilities		
		4,279,945,743
Capital/ Shareholders' Equity		
Share Capital	12.2	537,307,390
Statutory Reserve	13.	124,015,143
General Reserve	14.	50,000,000
Revaluation Surplus on Land & Building	7.1	138,223,602
Retained earnings	15.a	89,628,055
Total Shareholders' Equity		
		939,174,190
Total Liabilities & Shareholders' Equity		
		5,219,119,933
Non Controlling Interest		
	15.b	441,812,328
Total Liabilities		
		5,660,932,260

Consolidated Off-Balance Sheet

As at 31 December, 2011

	Note	31-Dec-11 Taka
OFF BALANCE SHEET EXPOSURES		
CONTINGENT LIABILITIES		
Acceptances and Endorsements		-
Letters of Guarantee	16	4,801,330
Irrevocable Letters of Credit		-
Bills for Collection		-
Total		4,801,330
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		-
Total Off-Balance Sheet items including contingent liabilities		4,801,330



Company Secretary



Managing Director



Director



Director

Place: Dhaka
Dated: 17 April 2012



Hoda Vasi Chowdhury & CO.
CHARTERED ACCOUNTANTS

Consolidated Profit and Loss Account

For the year ended 31 December, 2011

	Note	31-Dec-11 Taka
Interest Income	18.a	470,054,128
Less: Interest paid on Deposits & Borrowings etc..	19	438,363,691
Net Interest Income		31,690,437
Income from Investment in securities	20.a	27,983,994
Commission, Exchange and Brokerage	20.b	266,614
Other Operating Income	21.a	31,844,378
		60,094,986
Total Operating Income		91,785,423
Salaries and Allowances	22.a	20,396,957
Rent, Taxes, Insurances, Electricity etc.	23.a	7,759,864
Legal Expenses	24	734,235
Postage, Stamps, Telecommunication etc.	25.a	478,694
Stationery, Printings, Advertisements etc.	26.a	1,788,228
Managing Director's Salary and Allowances	27	4,537,460
Directors' Fees and Conveyance	28.a	1,157,072
Auditors' Fees		104,000
Depreciation & Repairs of NBF's Assets	29.a	7,064,143
Other Expenses	30.a	12,505,622
Total Operating Expenses		56,526,275
Profit before Provision		35,259,149
Specific provisions for Classified Investment		27,411,176
General Provisions for Unclassified Investment		(122,686)
Provisions for Investment in Securities		10,088,606
Total Provision	31	37,377,096
Total Profit before Provisions for Taxation		(2,117,947)
Deferred Tax Expenses/(benefit)		262,363
Income Tax Adjustment from Previous Year		(31,455,119)
Current Tax Expenses-BD Finance		18,639,019
Current Tax Expenses-BD Securities Ltd.		152,125
Current Tax Expenses-BD Capital Holding Ltd.		318,157
		(12,083,455)
Net Profit after Taxation		9,965,508
Provision for Donation to BD Finance Foundation		488,023
		9,477,484
Attributable to		9,477,484
Shareholder of the Company		13,735,156
Non-controlling Interest		(4,257,672)
Net Profit available for distribution		13,735,156

	Note	31-Dec-11 Taka
Appropriations		
Statutory Reserve	13	3,806,580
General Reserve	14	-
Retained Earnings	15	9,928,576
		13,735,156
Earning Per Share (Re-stated)		
	32	0.26



 Company Secretary



 Managing Director



 Director



 Director

Place: Dhaka
 Dated: 17 April 2012



 Hoda Vasi Chowdhury & CO.
 CHARTERED ACCOUNTANTS

Consolidated Cash Flow Statement

For the year ended 31 December, 2011

	31-Dec-11 Taka
Cash Flow from Operating Activities	
Interest received	479,997,801
Interest paid	(350,995,819)
Dividend received	5,020,908
Fees & Commission received	200,000
Cash Payments to Employees	(22,321,974)
Cash Payments to Suppliers	(1,662,540)
Income Tax Paid	(43,416,134)
Received from other Operating activities	59,622,707
Payments for other Operating activities	(50,004,428)
Operating Profit before changes in Operating Assets & Liabilities	76,440,521
Changes in Operating Assets and Liabilities	
Purchases/Sale of Trading Securities	(170,491,147)
Loans and Lease Finance to Customers	105,676,320
Other Assets	(657,996,400)
Deposits	525,950,822
Other Liabilities	(11,918,481)
Sub Total	(208,778,886)
A) Net Cash from Operating Activities	(132,338,364)
Cash flows from Investing Activities	
Purchase/sale of non trading securities	(13,714,629)
Adjustment of Depreciation for 2010	1,621,150
Proceeds from Sale of fixed assets	2,000
Purchases/sale of Property, Plant & Equipments	(1,011,943,312)
B) Net Cash from Investing Activities	(1,024,034,791)
Cash flows from Financing Activities	
Increase/(decrease) of borrowings	156,403,777
Paid up capital	1,146,000,000
Dividend Paid	-
C) Net Cash from Financing Activities	1,302,403,777
D) Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	146,030,621
E) Cash and cash equivalents at the beginning of the period	115,895,664
F) Cash and cash equivalents at the end of the period (D+E)	261,926,285



Company Secretary



Managing Director



Director



Director

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December, 2011

	<u>Share capital</u> <u>Taka</u>	<u>Statutory reserve</u> <u>Taka</u>	<u>General reserve</u> <u>Taka</u>	<u>Revaluation Surplus</u> <u>Taka</u>	<u>Retained earnings</u> <u>Taka</u>	<u>Total</u> <u>Taka</u>	<u>Non Controlling Interest</u> <u>Taka</u>	<u>Total Equity</u> <u>Taka</u>
Balance as at 1 January 2011	440,415,900	120,208,563	46,702,684	138,223,602	187,008,575	932,559,324	-	932,559,324
Changes during the period 2011								
Share Capital							446,070,000	446,070,000
Issue of Bonus Share	96,891,490	-	-	-	(96,891,490)	-	-	-
Payment to CDBL for Share Split	-	-	-	-	(2,606,161)	(2,606,161)	-	(2,606,161)
Doantion to BD Finance Foundation	-	-	-	-	(6,135,280)	(6,135,280)	-	(6,135,280)
Adjustment of Depreciation	-	-	-	-	1,621,152	1,621,152	-	1,621,152
Profit/(Loss) for the period	-	-	-	-	13,735,156	13,735,156	(4,257,673)	9,477,483
Transfer to general reserve	-	-	3,297,316	-	(3,297,316)	-	-	-
Transfer to statutory reserve	-	3,806,580	-	-	(3,806,580)	-	-	-
Revaluation Surplus on Land & Building	-	-	-	-	-	-	-	-
	96,891,490	3,806,580	3,297,316	-	(97,380,520)	6,614,867	441,812,328	448,427,194
Balance as at 31 December 2011	537,307,390	124,015,143	50,000,000	138,223,602	89,628,055	939,174,190	441,812,328	1,380,986,518

Annual Report 2011/12



Company Secretary



Managing Director



Director



Director

Balance Sheet

As at 31 December, 2011

	Note	31-Dec-11 Taka	31-Dec-10 Taka
PROPERTY AND ASSETS			
Cash	3	36,907,394	21,808,951
Cash in hand		123,067	365,501
Balance with Bangladesh Bank		36,784,328	21,443,450
Balance with other Banks and Financial Institutions	4	120,516,648	94,086,713
Inside Bangladesh	4.1	120,516,648	94,086,713
Outside Bangladesh	4.2	-	-
Money at call and short notice		80,000,000	520,000,000
Investment in Securities	5	659,860,224	489,369,077
Government		-	-
Others		659,860,224	489,369,077
Lease, Loans and Advances	6	3,290,848,549	2,956,524,869
In Bangladesh		3,290,848,549	2,956,524,869
Outside Bangladesh		-	-
Fixed Assets including Premises, Furniture and Fixtures	7	197,511,469	200,670,584
Other Assets	8	831,797,429	116,267,219
Non Banking Assets		-	-
Total Assets		5,217,441,715	4,398,727,414
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from other Banks financial Institutions and Agents	9	1,885,582,831	1,729,129,054
Deposits and other Accounts	10	1,787,403,321	1,261,452,499
Term Deposits	10.1	1,607,805,511	1,053,678,291
Scheme Deposit	10.2	85,013,000	109,090,183
Other Deposits	10.3	87,358,315	98,684,025
Advance Rent & Installments	10.6	7,226,495	-
Bills Payable		-	-
Other Liabilities	11	599,983,628	475,586,537
Total Liabilities		4,272,969,780	3,466,168,090
Capital/ Shareholders' Equity			
Share Capital	12.2	537,307,390	440,415,900
Statutory Reserve	13	124,015,143	120,208,563
General Reserve	14	50,000,000	46,702,684
Revaluation Surplus on Land & Building	7.1	138,223,602	138,223,602
Retained earnings	15	94,925,800	187,008,575
Total Shareholders' Equity		944,471,935	932,559,324
Total Liabilities & Shareholders' Equity		5,217,441,715	4,398,727,414

Off-Balance Sheet

As at 31 December, 2011

	Note	31-Dec-11 Taka	31-Dec-10 Taka
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	16	4,801,330	350,000,000
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		4,801,330	350,000,000
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		-	-
Total Off-Balance Sheet items including contingent liabilities		4,801,330	350,000,000



Company Secretary



Managing Director



Director



Director

Place: Dhaka
Dated: 17 April 2012



Hoda Vasi Chowdhury & CO.
CHARTERED ACCOUNTANTS

Profit and Loss Account

For the year ended 31 December, 2011

	Note	31-Dec-11 Taka	31-Dec-10 Taka
Interest Income	18	469,311,700	404,369,516
Less: Interest paid on Deposits & Borrowings etc.	19	438,363,691	298,635,244
Net Interest Income		30,948,009	105,734,272
Income from Investment in securities	20	32,771,326	322,830,986
Commission, Exchange and Brokerage		200,000	4,990,000
Other Operating Income	21	31,824,290	10,588,630
		64,795,616	338,409,616
Total Operating Income		95,743,625	444,143,888
Salaries and Allowances	22	17,784,514	18,028,706
Rent, Taxes, Insurances, Electricity etc.	23	7,347,516	6,597,803
Legal Expenses	24	734,235	174,885
Postage, Stamps, Telecommunication etc.	25	470,228	544,520
Stationery, Printings, Advertisements etc.	26	1,662,540	1,082,205
Managing Director's Salary and Allowances	27	4,537,460	2,877,500
Directors' Fees and Conveyance	28	989,827	1,225,753
Auditors' Fees		104,000	115,000
Depreciation & Repairs of NBF's Assets	29	5,950,825	6,880,684
Other Expenses	30	11,818,195	12,838,467
Total Operating Expenses		51,399,340	50,365,523
Profit before Provision		44,344,284	393,778,365
Specific provisions for Classified Investment		27,411,176	22,242,145
General Provisions for Unclassified Investment		(122,686)	7,669,811
Provisions for Investment in Securities		10,088,606	37,000,000
Total Provision	31	37,377,096	66,911,956
Total Profit before Provisions for Taxation		6,967,188	326,866,409
Deferred Tax Expenses/(benefit)		262,363	(725,240)
Income Tax Adjustment from Previous Year		(31,455,119)	-
Current Tax Expenses		18,639,019	81,455,119
		(12,553,737)	80,729,879
Net Profit after Taxation		19,520,925	246,136,530
Provision for Donation to BD Finance Foundation		488,023	-
Net Profit available for distribution		19,032,902	246,136,530
Appropriations			
Statutory Reserve	13	3,806,580	49,227,306
General Reserve	14	-	31,405,362
Retained Earnings	15	15,226,322	165,503,862
		19,032,902	246,136,530
Earning Per Share (Re-stated)	32	0.36	4.58

These financial statements should be read in conjunction with the annexed notes 1 to 43


Company Secretary


Managing Director


Director


Director


Hoda Vasi Chowdhury & CO.
CHARTERED ACCOUNTANTS

Place: Dhaka
Dated: 17 April 2012

Cash Flow Statement

For the year ended 31 December, 2011

	Note	31-Dec-11 Taka	31-Dec-10 Taka
Cash Flow from Operating Activities			
Interest received	33	479,318,366	425,276,139
Interest paid	34	(350,995,819)	(257,078,378)
Dividend received		5,020,908	4,086,668
Fees & Commission received		200,000	4,990,000
Cash Payments to Employees		(22,321,974)	(20,906,206)
Cash Payments to Suppliers		(1,662,540)	(1,082,205)
Income Tax Paid		(43,416,134)	(9,388,861)
Received from other Operating activities	35	59,572,707	329,180,948
Payments for other Operating activities	36	(31,476,180)	(22,157,745)
Operating Profit before changes in Operating Assets & Liabilities		94,239,334	452,920,360
Changes in Operating Assets and Liabilities			
Purchases/Sale of Trading Securities		(170,491,147)	(139,479,130)
Loans and Lease Finance to Customers		105,676,320	(1,336,088,243)
Other Assets	37	(657,996,400)	(24,817,213)
Deposits		525,950,822	212,258,474
Other Liabilities	38	(11,918,481)	24,617,852
Sub Total		(208,778,886)	(1,263,508,260)
A) Net Cash from Operating Activities		(114,539,552)	(810,587,900)
Cash flows from Investing Activities			
Purchase/sale of non trading securities		-	20,772,271
Adjustment of Depreciation for 2010		1,621,150	-
Proceeds from Sale of fixed assets		2,000	155,200
Purchases/sale of Property, Plant & Equipments		(2,008,996)	(5,315,025)
B) Net Cash from Investing Activities		(385,846)	15,612,446
Cash flows from Financing Activities			
Increase/(decrease) of borrowings		156,453,777	778,973,056
Dividend Paid		-	-
C) Net Cash from Financing Activities		156,453,777	778,973,056
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		41,528,379	(16,002,398)
E) Cash and cash equivalents at the beginning of the period		115,895,664	131,898,062
F) Cash and cash equivalents at the end of the period (D+E)	39	157,424,043	115,895,664



Company Secretary



Managing Director



Director



Director

Statement of Changes in Shareholders' Equity

For the year ended 31 December, 2011

	Share capital Taka	Statutory reserve Taka	General reserve Taka	Revaluation Surplus Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2011	440,415,900	120,208,563	46,702,684	138,223,602	187,008,575	932,559,324
Changes during the period 2011						
Issue of Bonus Share	96,891,490	-	-	-	(96,891,490)	-
Payment to CDBL for Share Split	-	-	-	-	(2,606,161)	(2,606,161)
Doantion to BD Finance Foundation	-	-	-	-	(6,135,280)	(6,135,280)
Profit/(Loss) for the period	-	-	-	-	19,520,925	19,520,925
Transfer to general reserve	-	-	3,297,316	-	(3,297,316)	-
Transfer to statutory reserve	-	3,806,580	-	-	(3,806,580)	-
Revaluation Surplus on Land & Building	-	-	-	-	-	-
	96,891,490	3,806,580	3,297,316	-	(93,215,902)	10,779,484
Balance as at 31 December 2011	537,307,390	124,015,143	50,000,000	138,223,602	93,792,672	943,338,808
Balance as at 1 January 2010	367,013,300	70,981,257	18,919,025	-	94,907,313	551,820,895
Changes during the period 2010						
Issue of Bonus Share	73,402,600	-	-	-	(73,402,600)	-
Profit for the period	-	-	-	-	246,136,530	246,136,530
Adjustment to general reserve	-	-	(3,621,703)	-	-	(3,621,703)
Transfer to general reserve	-	-	31,405,362	-	(31,405,362)	-
Transfer to statutory reserve	-	49,227,306	-	-	(49,227,306)	-
Revaluation Surplus on Land & Building	-	-	-	138,223,602	-	38,223,602
	73,402,600	49,227,306	27,783,659	138,223,602	92,101,262	380,738,429
Balance as at 31 December 2010	440,415,900	120,208,563	46,702,684	138,223,602	187,008,575	932,559,324



Company Secretary



Managing Director



Director



Director

Liquidity Statement Assets & Liabilities Maturities Analysis

As at 31 December 2011

Particulars	Up to 01 Month Taka	01-03 Months Taka	03-12 Months Taka	01-05 Years Taka	More than 05 years Taka	Total Taka
Assets						
Cash in hand	123,067	-	-	-	-	123,067
Balance with Bangladesh Bank	36,784,328	-	-	-	-	36,784,328
Balance with other banks and financial institutions	3,589,116	51,932,533	64,995,000	-	-	120,516,648
Money at Call and Short Notice	80,000,000	-	-	-	-	80,000,000
Investment in securities	24,660,346	514,537,144	92,405,404	28,257,330	-	659,860,224
Investment (Loans and Advances)	20,685,986	36,339,340	598,961,659	2,441,714,114	193,147,450	3,290,848,549
Fixed Assets including premises, furniture and fixtures etc.	-	-	-	7,456,939	190,054,530	197,511,469
Other Assets	28,158,011	-	3,835,704	99,923,714	699,930,000	831,847,429
Non-banking Assets	-	-	-	-	-	-
Total Assets (i)	194,000,854	602,809,016	760,197,767	2,577,352,097	1,083,131,980	5,217,491,715
Liabilities						
Financing (Borrowing) from other banks, financial institutions and agents	19,566,257	255,518,185	606,284,611	943,213,777	61,000,000	1,885,582,831
Deposits and other accounts	131,731,625	148,890,697	63,631,558	833,644,909	609,504,532	1,787,403,321
Provision and other liabilities	39,309,771	192,503,840	63,876,008	97,378,614	206,915,394	599,983,628
Total Liabilities (ii)	190,607,653	594,512,722	733,792,177	1,874,237,301	877,419,927	4,272,969,780
Net Liquidity Gap (i-ii)	3,393,200	8,296,294	26,405,590	703,114,796	205,712,053	944,521,935

Accompanying notes from 1 to 43 form an integral part of these financial statements



Company Secretary



Managing Director



Director



Director

Notes to the Financial Statements

For the year ended 31 December, 2011

1. Legal status and nature of the company

1.1 Domicile, legal form and country of incorporation

Bangladesh Finance and Investment Co. Ltd. (BFIC) 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. In the year 2005 the company opened a branch at Agrabad C/A, Chittagong. 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 and working capital finance to the enterprises as well as professionals.

1.3 Subsidiary companies

1.3.1 BD Finance Securities Limited

BD Finance Securities Limited, a partly owned (57.36% Share) subsidiary company of Bangladesh Finance And Investment Ltd. was incorporated on 28 December 2010 as a public limited company under Companies Act 1994 with authorised 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 delayers 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 Ltd. was incorporated on 10 August 2011 as a public limited company under Companies Act 1994 with authorised 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 upto 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 International Financial Reporting Standards (IFRS) 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.

2.2 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.

2.3 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 figures has been rearranged to conform with the current year presentation.

2.4 Reporting period

These financial statements cover one calendar year form 1 January to 31 December 2011

2.5 Functional and presentation currency

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

2.6 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 Cash Flow Statements.

2.7 Statement of Changes in Equity

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

2.8 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.

2.9 Recognition of property, plant and equipment and depreciation

2.9.1 Property, plant and equipments 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.

2.9.2 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. BFIC followed the (Straightline method) of depreciation and annual rates are as under:

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

2.9.3 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.

2.10 Intangible Assets

a. Components

The main item included in intangible asset is software.

b. 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.

c. 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.

d. Amortization

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

2.11 Cash & Cash equivalents

Cash & cash Equivalent comprise cash at bank & in hand and short –term deposit with maximum maturity of 12 months or less.

2.12 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 non-quoted securities:

Investment in non-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

2.13 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 Ltd. (BFIC) transfers 20% on post tax profit in compliance with the regulation.

2.14 General reserve

Board of Directors Executive Committee of the company decided in its 8th meeting held on 2 February 2011 to create General reserve and transfer therein Tk. 3,14,05,362.00 of the profit after tax for the year 2010 for meeting any future eventuality.

2.15 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 the bank in accordance with the approved Gratuity Fund Rules and operated by a separate Board of Trustees. The gratuity is calculated on the basis of sum equal to 15(fifteen) days basic pay of every employee in service as per BAS-19 "Employee Benefits" and payable as per the modalities of the rules. Gratuity so calculated are transfer to the fund and charged to expenses of the bank.

2.16 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.

BFIC'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	1%
Special mention account	5%
Specific provision on:	
Substandard loans and advances	20%
Doubtful loans and advances	50%
Bad/loss loans and advances	100%

2.17 Income Tax**2.17.1 Current tax**

Provision for current income tax has been made @ 42.50% as prescribed in the Finance Act 2010 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure in compliance with BAS-12.

2.17.2 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.

2.18 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.

2.19 Revenue recognition

Moment of recognition, amount to be recognized and disclosure requirements of revenue has been made as per BAS-18.

2.19.1 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.

2.19.2 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.

2.19.3 Fees base income, penal interest etc.

Fees base income, penal interest etc. are taken to income on cash basis.

2.19.4 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.

2.19.5 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.

2.20 Borrowing Costs

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

2.21 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 cash basis.

2.22 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.

2.23 Proposed dividend

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

BAS 1: Presentation of Financial Statements, also requires the dividend proposed after the balance sheet date 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.

2.24 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 34.

Basic earnings

This represents earnings for the year 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 year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year 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 year.

Basic earnings per share

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

Diluted earnings per share

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

2.25 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.

	31-Dec-11 Taka	31-Dec-10 Taka
3 Cash		
Cash in hand	123,067	365,501
Balance with Bangladesh Bank	36,784,328	21,443,450
	36,907,394	21,808,951
3.a Cash in Hand (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	123,067	-
BD Finance Securities Limited	12,813	-
	135,880	-
3.1 Cash In hand (including foreign currencies)		
In local currency	123,067	365,501
In foreign currency	-	-
	123,067	365,501
3.2 Balance with Bangladesh Bank (including foreign currencies)		
In local currency	36,784,328	21,443,450
In foreign currency	-	-
	36,784,328	21,443,450
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	33,256,000	20,554,000
Actual Reserve held with Bangladesh Bank(In local currency)	36,784,328	21,443,450
Surplus	3,528,328	889,450
3.5 Statutory Liquidity Ratio (SLR): 5% (including 2.5% CRR) of Average Demand and Time Liabilities		
Required Reserve	82,756,000	49,190,000
Actual Reserve held (Note- 3.6)	157,424,043	115,895,664
Surplus	74,668,043	66,705,664
3.6 Held for Statutory Liquidity Ratio		
Cash in hand	123,067	365,501
Balance with Bangladesh Bank	36,784,328	21,443,450
Balance with other bank and financial institutions (Note-4)	120,516,648	94,086,713
	157,424,043	115,895,664
4 Balance with other Banks and Financial Institutions		
Inside Bangladesh (Note - 4.1)	120,516,648	94,086,713
Outside Bangladesh (Note - 4.2)	-	-
	120,516,648	94,086,713
4.a Balance with other Banks and Financial Institutions (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	120,466,648	-
BD Finance Securities Limited	3,816,317	-
BD Finance Capital Holdings Ltd.	100,723,113	-
	225,006,078	-

	31-Dec-11 Taka	31-Dec-10 Taka
4.1 Inside Bangladesh		
Current Account		
Bank Alfalah Ltd, Main Branch	1,881	3,319
BRAC Bank Ltd., Gulshan Branch	1,072	72
Dhaka Bank Ltd., Foreign Exchange Branch	1,807,104	949,234
Dutch Bangla Bank Ltd.	30,347	31,094
EXIM Bank Ltd., Motijheel Branch	35	-
IFIC Bank Ltd., Motijheel Branch	870	870
Islami Bank Bangladesh Ltd., Gulshan Branch	615	615
NCC Bank Ltd. Jatrabari Branch	3,400	3,400
One Bank Ltd., Principal Branch	15,733	16,250
Prime Bank Ltd., Islami Banking Branch, Dilkusha.	20,808	61,078
Rupali Bank Ltd., Local Office.	2,800	3,200
Shahjalal Bank Ltd., Foreign Exchange Branch	181	181
Social Investment Bank Ltd., Principal Branch	1,395,270	55,752
The City Bank Ltd., Shamoly Branch	5,755	5,755
UCBL, Principal Branch	3,247	3,247
	3,589,116	1,134,067
STD Account		
Bank Asia Ltd., Principal Branch	641,948	1,172,798
BRAC Bank Ltd., Gulshan Branch	4,190,369	4,928,987
Dutch Bangla Bank Ltd., Foreign Exchange Branch	667,409	1,346,179
Dutch Bangla Bank Ltd., Nayabazar Branch	9,313	9,388
Mutual Trust Bank Ltd., Principal Branch	5,412,734	549,552
NCC Bank Ltd., Dilkusha Branch	12,772	12,772
Southeast Bank Ltd., Principal Branch	30,177,142	9,598,995
Southeast Bank Ltd., Agrabad Branch	882,553	4,981,744
Southeast Bank Ltd. Corporate Branch, Motijheel.	42,416	786,431
Southeast Bank Ltd. Corporate Branch, Motijheel.	848,448	22,561
Southeast Bank Ltd. Bangshal Branch	4,140,347	722,097
The City Bank Ltd. Foreign Exchange Branch	4,904,836	8,818,899
The City Bank Ltd. Pricipal Branch	2,243	2,243
	51,932,533	32,952,646
FDR with Southeast Bank Ltd.	64,995,000	60,000,000
Cash at Bank	120,516,648	94,086,713
4.2 Outside Bangladesh		
Cash at Foreign Bank	-	-
Total Cash at Bank (Bangladesh & Foreign)	120,516,648	94,086,713
4.3 Maturity-wise groupings of balance with other banks and financial institutions		
On Demand	3,589,116	1,072,989
Not more than 3 months	51,932,533	33,013,724
More than 3 months but less than 1 year	64,995,000	60,000,000
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
	120,516,648	94,086,713
5 Investment in Securities		
a) Government	-	-
b) Others	659,860,224	489,369,077
	659,860,224	489,369,077

	31-Dec-11 Taka	31-Dec-10 Taka
5.a Investment in Securities (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	659,860,224	-
BD Finance Securities Limited	14,476,204	-
	674,336,428	-
5.b. Investment in Securities-Others		
Investment in shares (in quoted companies) (Note 5.1)	621,602,894	451,111,747
Investment in shares (in un-quoted companies) (Note 5.2)	38,257,330	38,257,330
	659,860,224	489,369,077
Maturity-wise Grouping of Investment in Securities:		
On demand	24,660,346	26,333,181
Not more than 3 months	514,537,144	424,778,566
More than 3 months but less than 1 year	92,405,404	10,000,000
More than 1 year but less than 5 years	28,257,330	28,257,330
More than 5 years	-	-
	659,860,224	489,369,077

5.1	Name of the Institution	Book Value 2011	Market Value 2011	Book Value 2010
	Al-Hajtex	5,912,137	5,565,540	5,976,077
	Asia Insurance Co. Ltd.	-	-	3,636,428
	Beacon Pharma	2,535,090	1,355,183	2,171,835
	Beximco Ltd.	46,475,592	27,144,000	40,427,026
	Beximco Pharma	99,116,903	81,880,080	98,445,964
	Eastland Insurance	5,299,361	4,560,000	-
	Exim Bank	5,880,396	5,541,620	4,947,861
	First Security Islami Bank Ltd.	-	-	1,734,971
	Fu-Wang Foods Ltd.	5,033,453	4,565,904	-
	Grammen Phone Ltd.	9,487,631	8,094,720	-
	IDLC	82,405,404	122,553,980	57,486,006
	International Leasing & Fin. Ser. Ltd.	23,471,730	15,980,000	-
	Jamuna Oil Co.	59,628,075	57,318,279	52,120,132
	Khulna Power Ltd.	-	-	70,124
	Lanka Bangla	10,153,621	8,415,000	-
	MAKSON Spinning	1,158,438	708,000	-
	Meghna Life Insurance	1,591,656	1,207,040	-
	Mercantile Insurance	6,117,899	4,490,000	-
	MJL Bangladesh Ltd.	437,246	539,585	-
	National Bank Ltd.	24,271,602	27,658,940	-
	NCC Bank	1,079,192	915,000	-
	Northern Insurance	7,068,467	4,780,000	-
	Ocen Containers Ltd.	-	-	5,945
	One Bank Limited	27,012,990	24,908,000	26,333,181
	Peoples Leasing & Fin.Ser. Ltd.	20,621,408	13,184,330	-
	Prime Islami Life	3,869,472	2,556,000	-
	Prime Textile Mills Ltd.	-	-	23,470
	R.A.K. Ceramics (Bangladesh) Ltd.	4,896	8,736	4,896
	Rupali Bank	519,958	449,130	519,958
	Singer BD	3,370,708	2,205,280	-
	Southeast Bank Ltd.	71,103,250	62,933,080	47,571,641
	Square Pharma	3,060,768	2,755,053	-
	Summit Power	46,569,100	42,632,597	62,143,851
	The City Bank Ltd.	10,226,719	9,496,935	-
	UCBL	288,720	221,000	-
	Union Capital Ltd.	-	-	2,415,112
	United Air	2,487,775	1,969,212	-
	United Leasing	35,343,238	23,063,600	35,343,238
		621,602,894	569,655,823	441,377,717

Name of The Institution	No. of Shares	Rate	31-Dec-11	31-Dec-10
			Taka	Taka
			Cost Price As on 31.12.2011	Market Price As on 31.12.2011
Al-Hajtex	102,120	57.89	5,912,137	5,565,540
Beacon Pharma	43,575	58.18	2,535,090	1,355,183
Beximco Ltd.	240,000	193.65	46,475,592	27,144,000
Beximco Pharma	877,600	112.94	99,116,903	81,880,080
Eastland Insurance	50,000	105.99	5,299,361	4,560,000
Exim Bank	197,915	29.71	5,880,396	5,541,620
Fu-Wang Foods Ltd.	89,880	56.00	5,033,453	4,565,904
Grammen Phone Ltd.	49,600	191.28	9,487,631	8,094,720
IDLC	893,000	92.28	82,405,404	122,553,980
International Leasing & Fin. Ser. Ltd.	313,000	74.99	23,471,730	15,980,000
Jamuna Oil Co.	321,832	185.28	59,628,075	57,318,279
Lanka Bangla	50,000	203.07	10,153,621	8,415,000
MAKSON Spinning	20,000	57.92	1,158,438	708,000
Meghna Life Insurance	6,400	248.70	1,591,656	1,207,040
Mercantile Insurance	100,000	61.18	6,117,899	4,490,000
MJL Bangladesh Ltd.	5,369	81.44	437,246	539,585
National Bank Ltd.	422,820	57.40	24,271,602	27,658,940
NCC Bank	30,000	35.97	1,079,192	915,000
Northern Insurance	100,000	70.68	7,068,467	4,780,000
One Bank Limited	520,000	51.95	27,012,990	24,908,000
Peoples Leasing & Fin.Ser. Ltd.	190,525	108.23	20,621,408	13,184,330
Prime Islami Life	12,000	322.46	3,869,472	2,556,000
R.A.K. Ceramics (BD) Ltd.	112	43.71	4,896	8,736
Rupali Bank	3,300	157.56	519,958	449,130
Singer BD	7,700	437.75	3,370,708	2,205,280
Southeast Bank Ltd.	2,135,800	33.29	71,103,250	62,933,080
Square Pharma	11,610	263.63	3,060,768	2,755,053
Summit Power	573,790	81.16	46,569,100	42,632,597
The City Bank Ltd.	163,850	62.42	10,226,719	9,496,935
UCBL	5,000	57.74	288,720	221,000
United Air	82,740	30.07	2,487,775	1,969,212
United Leasing	411,850	85.82	35,343,238	23,063,600
			621,602,894	569,655,823

5.2 Unquoted

Name of the Institution	Book Value 2011	Market Value 2011	Book Value 2010
Bangladesh Commerce Bank Ltd.	28,257,330	28,257,330	28,257,330
GMG Airlines Ltd.	10,000,000	10,000,000	10,000,000
M.I. Cement Factory Ltd.	-	-	3,608,921
MJL Bangladesh Ltd.	-	-	6,125,108
	38,257,330	38,257,330	47,991,359
	659,860,224	607,913,153	489,369,077

	31-Dec-11 Taka	31-Dec-10 Taka
6 Lease, Loans and Advances		
a) Inside Bangladesh		
i) Net Investment in lease finance		
Gross lease rental receivable	1,374,286,648	1,450,707,779
Less: Unearned interest income	352,045,390	372,549,657
Net Investment in lease finance	1,022,241,258	1,078,158,122
ii) Term Finance	2,266,764,651	1,875,650,040
iii) Housing Finance	1,842,640	2,716,707
Total Loans and Lease Finance inside Bangladesh (i+ii+iii)	3,290,848,549	2,956,524,869
b) Outside Bangladesh	-	-
Total Loans and Lease Finance (a+b)	3,290,848,549	2,956,524,869
6.a Lease, Loans and Advances		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	3,290,848,549	-
Loan to BD Finance Securities Limited	(1,500,000)	-
	3,289,348,549	-
6.1 Maturity wise Classification of Investments: With a residual maturity of		
Receivable on Demand	20,685,986	18,584,457
Not more than 3 months	36,339,340	32,647,556
Over 3 months but not more than 1 year	598,961,659	538,111,984
Over 1 year but not more than 5 years	2,441,714,114	2,193,655,647
Over 5 years	193,147,450	173,525,226
	3,290,848,549	2,956,524,869
6.2 Investments on the basis of significant concentration:		
Investments to allied concern of Directors (Note # 42.5)	76,198,045	109,728,325
Investments to Executives/Officers	9,940,815	12,751,276
Investments to Customer Groups	671,940,036	566,608,549
Industrial Investment	1,334,491,367	1,365,058,665
Others	1,198,278,287	902,378,054
	3,290,848,550	2,956,524,869
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	Nil	Nil
Number of such types of customers	Nil	Nil
Amount of Classified Investments thereon	Nil	Nil
Measures taken for recovery	N/A	N/A

31-Dec-11
Taka

31-Dec-10
Taka

6.4 Sector-wise Classification of Investment:

Sector	As at 31 December 2011		As at 31 Decemabr 2010	
	Amount	Composition	Amount	Composition
Agriculture	4,436,576	0.13%	30,665,219	1.04%
Cement/Clinker & Allied Industries	26,708,683	0.81%	41,816,930	1.41%
Chemical & Pharmaceuticals	11,913,321	0.36%	-	0.00%
Financial Institutions	201,925,834	6.14%	-	0.00%
Food Processing Ind.	66,142,993	2.01%	72,137,980	2.44%
Garments	271,843,910	8.26%	399,989,737	13.53%
Glass & Ceramic Industries	24,920,262	0.76%	41,236,266	1.39%
Iron, Steel & Engineering	924,843	0.03%	2,414,547	0.08%
Jute & Jute Allied Industries	6,367,685	0.19%	5,150,060	0.17%
Merchant Banking	-	0.00%	198,420,827	6.71%
Others	1,082,491,311	32.89%	1,024,857,655	34.66%
Paper, Printing & Packaging	197,971,524	6.02%	100,715,730	3.41%
Plastic Industries	5,910,438	0.18%	5,756,049	0.19%
Real Estate & Housing	205,570,810	6.25%	121,667,559	4.12%
Service Industries	-	0.00%	-	0.00%
Ship & Ship Mfg. Industries	195,669,126	5.95%	85,956,553	2.91%
SME	-	0.00%	-	0.00%
Telecom & Information Technology	62,985,028	1.91%	65,880,035	2.23%
Textile	181,647,073	5.52%	85,900,040	2.91%
Trading	461,932,650	14.04%	368,187,722	12.45%
Transport & Communication	281,486,482	8.55%	305,771,960	10.34%
	3,290,848,549	100.00%	2,956,524,869	100.00%

6.5 Geographical Location-wise loans and lease finance:

Location	As at 31 December 2011		As at 31 Decemabr 2010	
	Amount	Composition	Amount	Composition
Dhaka	2,723,148,093	82.75%	2,454,931,273	83.03%
Chittagong	567,700,456	17.25%	501,593,596	16.97%
	3,290,848,549	100.00%	2,956,524,869	100.00%

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

Sector	As at 31 December 2011		As at 31 Decemabr 2010	
	Amount	Composition	Amount	Composition
Unclassified	2,638,903,915	80.19%	2,682,638,840	90.74%
Special Mention Account (SMA)	336,747,787	10.23%	100,219,488	3.39%
Substandard	89,424,695	2.72%	4,177,424	0.14%
Doubtful	51,444,874	1.56%	26,272,724	0.89%
Bad or loss	174,327,278	5.30%	143,216,393	4.84%
	3,290,848,549	100.00%	2,956,524,869	100.00%

			31-Dec-11	31-Dec-10
			Taka	Taka
6.7 Particulars of provision for Loans and lease finance				
Status	Rate	Basis for Provision		
Unclassified	1%	2,638,903,91	26,389,039	26,826,388
Special Mention Account	5%	316,089,726	15,804,486	4,655,151
			42,193,525	31,481,540
Substandard	20%	67,304,577	13,460,915	703,566
Doubtful	50%		-	6,176,285
Bad or loss	100%	49,900,135	49,900,135	41,663,776
			63,361,050	48,543,627
Required provision for Loans & Lease Finance			105,554,576	80,025,167
Total provision maintained {note # 11.1(a) & (b)}			108,922,788	81,634,298
Surplus Provision			3,368,212	1,609,131

BFIC has maintained provision on unclassified investment amounting to Tk. 26,693,023 (note # 11.1.b) and for classified Loan & Lease Finance Tk. 82,229,765 (note # 11.1.a) totaling Tk. 108,922,788. Surplus provision against unclassified loan/lease is Tk. 3,368,212.

6.8 Particulars of Investments:

(i)	Debts considered good in respect of which the NBFi is fully secured	1,870,938,205	1,658,095,254
(ii)	Debts considered good for which the NBFi holds no other security other than the debtor's personal guarantee	767,965,710	62,534,655
(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	92,982,596	68,434,853
(v)	Debts due by directors or officers of the NBFi or any of them either severally or jointly with any other person	9,940,815	12,276,521
(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 42.5).	76,198,045	109,728,325
(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.	71,765,000	18,400,000
(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	21,780,000	107,000,000
(ix)	Receivable from other NBFi's	201,925,834	100,000,000
(x)	Total amount of advance on which Profit is not credited:	651,944,634	273,886,029
(xi)	Cumulative amount of written off Investments	-	-

	31-Dec-11 Taka	31-Dec-10 Taka
7 Fixed Assets including Premises, Furniture & Fixtures		
A. Cost:		
Opening balance	222,915,718	81,085,552
Addition during the year	412,347	5,315,026
Add: Revaluation During the year	-	138,223,602
Less: Disposal during the year	70,420	1,708,462
Closing balance at cost	223,243,145	222,915,718
B. Depreciation:		
Opening balance	22,245,134	17,731,029
Less: Adjustment in 2010	1,621,150	-
Addition during the year	5,398,960	6,219,367
Less: Adjustment on disposal during the year	291,269	1,705,262
Accumulated Depreciation	25,731,676	22,245,134
Carrying value	197,511,469	200,670,584
Details are given in Annexure-A		
7.a Fixed Assets including Premises, Furniture and Fixtures (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	197,511,469	-
BD Finance Securities Limited - PPE	17,085,731	-
BD Finance Securities Limited - Intangible Assets	2,445,267	-
BD Finance Capital Holdings Ltd.	964,505	-
	218,006,972	-
7.1 Revaluation Surplus on Land And Building		
Revalued Amount		
Less: Acquisition Value	191,148,790	191,148,790
Revaluation Surplus	52,925,188	52,925,188
	138,223,602	138,223,602

The Land and building situated at 64 Motijheel, Dhaka valued Tk. 52,925,188 was acquired in the end of the year 2009. This Land and Building of BD Finance was revalued on December 20, 2010 by a prominent independent valuer, Axis Resources Limited, 9-G, Motijheel C/A, Dhaka and the valuation also counter certified by Hoda Vasi Chowdhury & Co. Chartered Accounts. The acquisition value of the asset was Tk. 52,925,188, the Revalued (Carrying) Amount is Tk. 191,148,790 and the Revaluation Surplus is Tk. 138,223,602. The present market value of land is Tk. 50,000,000 per katha. BD Finance is 50% owner of the said building.

The Following factors considered for revaluation of Land & Building

Factors considered for Land

Location of the Land
Commercial importance of the area
Means of communication
Long-term possession right on the leasehold land
Demand / scarcity of land in the area
Size of the Land
Recent sale prices of land adjacent to the relevant areas
Rate procured from the respective /concerned authorities
Land actually in possession of the Company

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

	31-Dec-11 Taka	31-Dec-10 Taka
8 Other Assets		
Investment in Subsidiaries (Note 8.1)	699,930,000	2,324,340
Receivables, Advances & Deposits (Note 8.2)	131,867,429	113,942,879
	831,797,429	116,267,219
8.a Other Assets (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	131,917,429	-
BD Finance Securities Limited	1,006,335,609	-
Receivable from BD Finance Capital Holding	(1,014,505)	-
BD Finance Capital Holdings Ltd.	75,493	-
	1,137,314,026	-
8.1 Investment In Subsidiaries		
Investment In paid up capital (BD Finance Capital Holdings Ltd.)	99,930,000	-
Investment In paid up capital (BD Finance Securities Ltd.)	5,454,000	-
Share Money Deposit (BD Finance Securities Ltd.)	594,546,000	2,324,340
	699,930,000	2,324,340
8.2 Receivables, Advances & Deposits		
a) Other receivables		
Interest on investment in FDR	6,837,819	4,865,747
Re-imbursable expenses	2,977,913	1,582,466
Receivable Grace Period Interest	2,187,451	2,187,451
Receivable Delinquent Charge	12,534,492	-
Receivable on sale of Shares	2	37,027,164
Receivable against Call Loan	133,333	522,222
Receivable Excise Duty	1,224,534	-
Receivable from BD Capital Holdings Ltd.	1,084,505	-
Receivable-Others	1,615,000	220,000
Receivable against Leased Assets	-	9,479,063
Stock of Stamp	26,555	4,590
	28,621,604	55,888,703
b) Advance Income Tax		
Opening Balance	55,028,899	45,640,039
Add: Addition during the year	43,416,134	9,388,861
	98,445,034	55,028,899
Less: Adjustment during the year	-	-
Closing balance	98,445,034	55,028,899
Break-up of Advance Tax		
Advance Tax u/s 64 and 74 of ITO 1984		
Assessment Year 2002-2003	353,000	353,000
Assessment Year 2007-2008	500,000	500,000
Assessment Year 2010-2011	4,000,000	4,000,000
Assessment Year 2011-2012	7,500,000	7,500,000
	41,300,405	-
	53,653,405	12,353,000

	31-Dec-11 Taka	31-Dec-10 Taka
Advance Tax Deduction at Source		
Assessment Year 2003-2004	417,281	417,281
Assessment Year 2004-2005	6,320	6,320
Assessment Year 2005-2006	31,460	31,460
Assessment Year 2006-2007	192,148	192,148
Assessment Year 2007-2008	4,100,406	4,100,406
Assessment Year 2008-2009	14,773,446	14,773,446
Assessment Year 2009-2010	10,730,354	10,730,354
Assessment Year 2010-2011	10,535,623	10,535,623
Assessment Year 2011-2012	1,888,861	1,888,861
	2,112,996	-
	44,788,895	42,675,899
	98,442,300	55,028,899
c) Advance, deposits and prepayments		
Advances		
Advance office rent	283,677	1,230,178
Advance others	3,020,600	306,000
Advance against 64 Motijheel	25,100	9,686
	3,329,377	1,545,863
d) Deposits with others		
Deposits with BTTB & Mobile	60,600	70,600
Deposits with Baitul Hossain Building	203,814	203,814
Deposit with Land Lord Bangshal Branch	800,000	800,000
Deposit with CDBL	400,000	400,000
Deposit with Sadharan Bima	7,000	5,000
	1,471,414	1,479,414
	131,867,429	113,942,879
Other Assets (a+b+c+d)		
8.3 Maturity wise classification of other assets		
Receivable on Demand	28,158,011	54,893,159
Not more than 3 months	-	4,865,747
Over 3 months but not more than 1 year	3,835,704	55,028,899
Over 1 year but not more than 5 years	99,923,714	-
Over 5 years	699,930,000	1,479,414
	831,847,429	116,267,219
9. Borrowing from other banks, Financial Institutions and agents		
In Bangladesh	1,885,582,831	1,729,129,054
Outside Bangladesh	-	-
	1,885,582,831	1,729,129,054
9.1. In Bangladesh		
Refinance against SME loan from Bangladesh Bank	60,735,805	93,589,814
Refinance against Housing loan from Bangladesh Bank	2,664,285	2,864,286
Term Loan from other Banks (Note - 9.2)	1,488,704,990	1,430,192,725
Short term loan from other banks (Note - 9.3)	333,477,751	202,482,229
Call Loan	-	-
	1,885,582,831	1,729,129,054

	31-Dec-11 Taka	31-Dec-10 Taka
9.2 Term loan from other banks		
Bank Alfalah Ltd.	20,694,215	12,930,701
Bank Asia Ltd.	54,265,575	85,861,575
Basic Bank Ltd.	114,192,875	153,313,844
BRAC Bank Ltd.	73,300,369	92,517,332
EXIM Bank Ltd.	-	3,358,912
Mercantile Bank Ltd.	90,975,515	122,022,514
Mutual Trust Bank Ltd.	184,880,965	175,118,964
National Bank Ltd.	33,870,773	41,106,211
One Bank Limited	101,441,416	29,178,285
Prime Bank Ltd.	87,350,168	6,692,436
Rupali Bank Ltd.	200,000,000	50,000,000
Shahjalal Islami Bank Ltd.	76,317,878	
Sonali Bank Ltd.	44,728,000	65,784,000
Southeast Bank Ltd.	83,366,204	94,516,726
Standard Bank Ltd.	72,218,101	99,283,544
Uttara Bank Ltd.	278,350,441	322,189,803
	1,488,704,990	1,430,192,725
9.3 Short Term Loan from other banks		
Basic Bank Ltd.	62,051,936	48,825,908
Mercantile Bank Ltd.	47,802,725	7,452,074
Mutual Trust Bank Ltd.	82,209,148	96,253,125
Rupali Bank Ltd.	99,572,281	49,264,166
Uttara Bank Ltd.	41,841,661	686,956
	333,477,751	202,482,229
9.4 Maturity wise classification of loan		
Repayable on demand	-	-
Within 1 month	19,566,257	8,554,336
Over 1 months but not more than 3 months	255,518,185	23,721,904
Over 3 months but not more than 1 year	606,284,611	247,355,213
Over 1 year but not more than 5 years	943,213,777	1,449,497,601
Over 5 years	61,000,000	-
	1,885,582,831	1,729,129,054
10. Deposits		
Deposit & Other Accounts:		
Term Deposits (Note - 10.1)	1,607,805,511	1,053,678,291
Scheme Deposits (Double Benefit Scheme) (Note - 10.2)	85,013,000	109,090,183
Other Deposits (Note - 10.3)	87,358,315	98,684,025
Advance Rent & Installments (Note - 10.6)	7,226,495	-
	1,787,403,321	1,261,452,499
10.1 Term Deposits		
General Deposits	1,357,805,511	723,678,291
Deposit from Other Banks and Fis (Note - 10.5)	250,000,000	330,000,000
	1,607,805,511	1,053,678,291

	31-Dec-11 Taka	31-Dec-10 Taka
10.2 Scheme Deposits		
General Deposits	85,013,000	109,090,183
Deposit from Other Banks and FIs	-	-
	85,013,000	109,090,183
10.3 Other Deposits		
Lease deposits	35,910,911	35,339,101
Security deposits	2,014,170	2,014,170
Loan deposits	28,304,053	32,815,256
Sundry Creditors	21,129,181	28,515,498
	87,358,315	98,684,025
10.4 Total Deposit & Other Accounts		
General Deposits	1,530,176,826	931,452,499
Deposit from Other Banks and Financial Institutions	250,000,000	330,000,000
	1,780,176,826	1,261,452,499
10.5 Term Deposits from other bank and FIs		
Agrani Bank	-	30,000,000
Bangladesh Commerce Bank Ltd.	-	50,000,000
Basic Bank Ltd.	-	100,000,000
Janata Bank Ltd.	50,000,000	50,000,000
Rupali Bank Ltd.	100,000,000	100,000,000
Sonali Bank Ltd.	100,000,000	-
	250,000,000	330,000,000
10.6 Advance Rent & Installments		
Advance Lease Rent	-	-
Advance Term Installments	7,226,495	-
	7,226,495	-
10.7 Maturity wise classification of Deposits are as under		
With a residual maturity of		
Repayable on demand	-	-
Within 1 month	131,731,625	143,402,013
Over 1 months but not more than 3 months	148,890,697	231,249,117
Over 3 months but not more than 1 year	63,631,558	297,182,162
Over 1 year but not more than 5 years	833,644,909	588,289,661
Over 5 years	609,504,532	1,329,545
	1,787,403,321	1,261,452,499
11. Other Liabilities		
Provision for Loans and Lease Finance (Note 11.1)	108,922,788	81,634,298
Provisions for Investment in Securities (Note 11.2)	52,088,606	42,000,000
Interest Suspense (Note 11.3)	69,254,814	45,130,473
Provision for Taxation (Note 11.4)	134,642,550	147,458,650
Deferred Tax (Note 11.5)	3,070,626	2,808,263
Interest payable on Borrowing and Deposits (Note 11.6)	204,018,987	116,651,115
Payable & Provision against expenditure (Note 11.7)	8,069,241	6,608,796
Advance Rent Received	15,960,000	19,470,000
Margin on Guarantee	-	10,000,000
Gratuity Fund	3,044,706	2,951,691
Dividend payable	911,311	873,251
	599,983,628	475,586,537

	31-Dec-11 Taka	31-Dec-10 Taka
11.a Other Liabilities (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	599,983,628	-
BD Finance Securities Limited	6,657,806	-
BD Finance Capital Holdings Ltd.-Provision for Tax	318,157	-
	606,959,591	-
11.1 Provision for Investment:		
(a) Provision on Classified Investment:		
Provision held at the beginning of the year	54,818,589	32,576,444
Net charge to Profit & Loss Account (Note - 31)	27,411,176	22,242,145
Provision held at the end of the year	82,229,765	54,818,589
(b) General Provision on Unclassified Investment:		
Provision held at the beginning of the year	26,815,709	19,145,898
Net charge to Profit & Loss Account (Note - 31)	(122,686)	7,669,811
Balance at the end of the year	26,693,023	26,815,709
Total Provision for Investments	108,922,788	81,634,298
11.2 Provision for Investment in Securities:		
Provision held at the beginning of the year	42,000,000	5,000,000
Addition/(Adjustment) during the year (note-31)	10,088,606	37,000,000
Balance at the end of the year	52,088,606	42,000,000
<p>Required provision against Investment in Securities as on 31 December, 2011 is Tk. 51,947,071 but provision maintained Tk. 52,088,606 where previous year maintained provision was Tk. 42,000,000. Provision against investment in Securities increased by Tk. 10,088,606 due to downtrend of Capital Market's index.</p>		
11.3 Interest Suspense Account:		
Balance at the beginning of the year	45,130,473	25,542,961
Amount transferred to suspense account during the year	24,124,341	19,587,512
Amount recovered from suspense account during the year	-	-
Balance at the end of the year	69,254,814	45,130,473
11.4 Provision for Taxation		
Balance at the beginning of the year	147,458,650	66,003,531
Provision made during the year	18,639,019	81,455,119
Adjustment during the year	(31,455,119)	-
Balance at the end of the year	134,642,550	147,458,650
11.5 Deferred Tax		
Balance at the beginning of the year	2,808,263	3,533,503
Adjustment during the year	262,363	(725,240)
Balance at the end of the year	3,070,626	2,808,263

	31-Dec-11 Taka	31-Dec-10 Taka
11.6 Interest payable on Borrowing and Deposits		
Interest payable on TDR and other deposits	165,085,876	87,119,767
Interest payable on term loan	37,688,520	27,546,365
Interest payable on Refinancing loan from Bangladesh Bank (SME)	1,157,587	1,825,155
Interest payable on Refinancing loan from Bangladesh Bank (Housing)	18,814	91,638
Interest payable on Security Deposit	68,190	68,190
	204,018,987	116,651,115
11.7 Payable & Provision against expenditure		
Advance transfer price	8,001	33,001
Payable others	5,098,076	5,863,389
Payable to BD Finance Foundation	488,023	-
Withholding Excise Duty	1,992,920	-
Withholding tax	390,485	599,096
Withholding VAT	91,736	113,310
	8,069,241	6,608,796
11.8 Maturity wise classification of other liabilities		
Repayable on demand	11,636,612	9,223,945
Within 1 month	27,673,159	117,052,876
Over 1 months but not more than 3 months	192,503,840	171,614,683
Over 3 months but not more than 1 year	63,876,008	93,435,119
Over 1 year but not more than 5 years	97,378,614	15,362,453
Over 5 years	206,915,394	68,897,461
	599,983,628	475,586,537
12. Capital		
2.1 Authorized Capital:		
200,000,000 ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
12.2 Issued, Subscribed and Paid up Capital:		
5,37,30,739 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders	537,307,390	440,415,900
Sponsor Shareholders Group	338,035,270	279,585,100
General Shareholders Group	199,272,120	160,830,800
	537,307,390	440,415,900
General Shareholders Group:		
General Public	154,843,380	124,301,710
Financial Institutes	23,874,450	17,120,100
Unit fund	-	2,649,400
Investors Account	20,554,290	14,756,690
Mutual Fund	-	2,002,900
	199,272,120	160,830,800

Classification of Shareholders by holding:	No. of Share Holding	31-Dec-11	31-Dec-10
		Taka	Taka
Less than 500 shares	12,253	2,431,077	4.52%
501 to 5,000 shares	5,987	8,167,113	15.20%
5,001 to 10,000 shares	272	1,919,140	3.57%
10,001 to 20,000 shares	96	1,291,669	2.40%
20,001 to 30,000 shares	31	751,133	1.40%
30,001 to 40,000 shares	24	837,011	1.56%
40,001 to 50,000 shares	8	353,723	0.66%
50,001 to 1,00,000 shares	13	914,767	1.70%
1,00,001 to 10,00,000 shares	41	15,282,719	28.44%
10,00,001 to 99,99,999 shares	14	21,782,387	40.54%
Total	18,739	53,730,739	100.00%

Year	Declaration	No of Shares	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

12.3 Shareholder's Equity

a) Core Capital (Tier-I):

i) Paid-up Capital	537,307,390	440,415,900
ii) Statutory Reserve (Note # 13)	124,015,143	120,208,563
iii) General Reserve (Note # 14)	50,000,000	46,702,684
vi) Retained Earnings (Note # 15)	94,925,800	187,008,575
	806,248,333	794,335,722

b) Supplementary Capital (Tier-II):

i) Revaluation Surplus on Land & Building	138,223,602	138,223,602
ii) General Provision (Note 11.1(b))	26,693,023	35,815,709
	164,916,625	174,039,311
c) Total Equity (a +b)	971,164,958	968,375,032

	31-Dec-11 Taka	31-Dec-10 Taka
12.4 Capital Surplus/(Deficit)		
<p>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 crore or minimum required risk based capital, which is time to time circulated by the Bangladesh Bank.</p> <p>The following directions will be applicable to the FI's to meet up the deficiency of the paid up capital as regard to the Rules stated above.</p> <p>1) The deficit portion of the paid up capital to be meet within the 30 June 2012.</p> <p>2) To meet the paid up capital FI's may issue IPO or Right Share or Bonus Share as applicable.</p> <p>3) The FI's could not issue Cash Dividend when there was a deficiency in paid up capital as stipulated in the above rules.</p> <p>4) The FI's will make necessary amendments in there MOA and AOA to comply the amended rules stated above.</p>		
Paid up Capital	537,307,390	440,415,900
Requires minimum capital	1,000,000,000	500,000,000
Excess (Shortfall) of Paid up Capital over minimum capital	(462,692,610)	(59,584,100)
<p>As stated above in the procedure (1) BD Finance may meet up the deficiency through declaration of the Bonus Dividend in the Financial Year ended on 31 December 2011 and issue of Right share, if required.</p>		
13. Statutory Reserve		
Opening balance	120,208,563	70,981,257
Add: Addition during the year	3,806,580	49,227,306
	124,015,143	120,208,563
14. General Reserve		
Opening balance	46,702,684	18,919,025
Add: Transfer from Retained Earning	3,297,316	31,405,362
Less: Adjust during the year	-	(3,621,703)
	50,000,000	46,702,684
15. Retained Earnings		
Opening balance	187,008,575	94,907,313
Add: Depreciation adjustment of 2010	1,621,150	-
Less: Payment to CDBL for Share Split	(2,606,161)	-
Less: Doantion to BD Finance Foundation	(6,135,280)	-
Add: Profit After Tax during the year	19,032,902	246,136,530
Less: Transfer to General Reserve	(3,297,316)	(31,405,362)
Less: Transfer to Statutory Reserve	(3,806,580)	(49,227,306)
Less: Issue of Bonus shares	(96,891,490)	(73,402,600)
	94,925,800	187,008,575

	31-Dec-11 Taka	31-Dec-10 Taka
<p>In 2010 the share of BD Finance was split to Tk. 10 per share and according to a CDBL charge was born but due to unavailability of any reliable estimate we could not make provision for the payment. Subsequently the bill was received after the audit report was final, so we made the payment out of the Retained Earnings of 2010, an amount of Tk. 2,606,161.</p> <p>BD Finance has a commitment to payment to its CSR activities from its net profit at 2.5%, for the year 2010 BD Finance paid Tk.6,135,280 to BD Finance Foundation from its Retained Earnings.</p> <p>As per recommendation of the Board BD Finance has transferred Tk. 3,297,316 to its General reserve from its Retained Earnings of 2010.</p>		
15.a Retained Earnings (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	94,925,800	-
BD Finance Securities Limited (Retained Loss of Parents Share)	(9,985,865)	-
BD Finance Capital Holdings Ltd.(Retained Profit for Parent Share)	430,449	-
Adjustment for Minority Interest	4,257,672	-
	89,628,055	-
15.b Non Controlling Interest (Consolidated)		
BD Finance Securities Limited		
Paid up Capital	446,000,000	-
Retained Loss	(4,257,974)	-
	441,742,026	-
BD Finance Capital Holdings Ltd.		
Paid up Capital	70,000	-
Retained Loss	302	-
	70,302	-
	441,812,328	-
16. Letters of guarantees		
Letters of guarantee	4,801,330	350,000,000
Less: Margin	-	-
	4,801,330	350,000,000
17. Profit and Loss Account		
Income		
Interest, discount and similar income (Note-18)	469,311,700	404,369,516
Dividend income {Note-20 (b)}	5,020,908	4,086,668
Commission, Exchange and Brokerage	266,614	4,990,000
Gains less losses arising from investment securities {Note-20 (a)}	27,750,418	318,744,318
Other operating income (Note-21)	31,824,290	10,588,630
	534,173,930	742,779,132
Expenses:		
Interest paid on Deposits & Borrowing (Note-19)	438,363,691	298,635,244
Administrative expenses	34,309,034	31,307,689
Other operating expenses (Note-30)	11,818,195	12,838,467
Depreciation on Fixed assets {Note-29(a)+29(b)}	5,168,111	6,219,367
	489,659,031	349,000,767
Income over expenditure	44,514,898	393,778,365

	31-Dec-11 Taka	31-Dec-10 Taka
18. Interest Income		
Interest income on Loans & Lease Finance (Note-18.1)	449,710,821	385,556,867
Interest on placement with other Banks & Fis (Note-18.2)	19,600,879	18,812,649
	469,311,700	404,369,516
18.a Interest Income (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	469,311,700	-
BD Finance Securities Limited-Adjustment	(12,500)	-
BD Finance Capital Holdings Ltd.	754,928	-
	470,054,128	-
18.1 Interest on Loans & Lease Finance		
Interest income on lease finance	132,851,361	151,882,302
Interest income on term finance	316,667,690	233,422,209
Interest on housing finance	191,770	252,356
	449,710,821	385,556,867
18.2 Interest on placement with other banks & Fis		
Interest on TDR	7,572,072	5,666,357
Interest on STD accounts	5,519,641	3,911,292
Interest on fund placements	6,509,167	9,235,000
	19,600,879	18,812,649
19. Interest paid on deposits & borrowing		
Interest paid on deposits	184,328,982	139,195,528
Interest paid on borrowings (Note-19.1)	254,034,708	159,439,716
	438,363,691	298,635,244
19.1 Interest paid on borrowing		
Interest Expenses on Term Loan	235,011,741	141,228,084
Interest Expenses on SOD Loan	14,954,887	7,987,067
Interest Expenses on Call Loan	16,111	4,869,792
Interest Expenses on Re financing loan	4,051,970	5,354,773
	254,034,708	159,439,716
20. Income from Investment in Securities		
Income from Investment in Shares	27,750,418	318,744,318
Dividend Income	5,020,908	4,086,668
	32,771,326	322,830,986
20.a Income from Investment in Securities (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	32,771,326	-
BD Finance Securities Limited	(4,787,332)	-
	27,983,994	-
20.b Commission, Exchange and Brokerage (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	200,000	-
BD Finance Securities Limited-Net Commission	66,614	-
	266,614	-

	31-Dec-11 Taka	31-Dec-10 Taka
21. Other Operating Income:		
Penal Interest	20,780,861	5,108,954
Prepayment Interest	473,063	554,720
Transfer Price	370,125	323,240
Processing fees	790,640	2,242,300
Legal & Documentation charge	354,001	1,531,273
Office Rent (64 Motijheel)	8,831,400	550,000
Other Income (Note-21.1)	224,200	278,143
	31,824,290	10,588,630
21.a Other Operating Income (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	31,824,290	-
BD Finance Securities Limited-Net Interest Received	20,088	-
	31,844,378	-
21.1 Other Income		
Gain/(loss) on sale of fixed assets	2,000	152,000
Miscellaneous income	222,200	126,143
	224,200	278,143
22. Salary & Allowances:		
Basic Salary	9,619,130	8,773,198
Allowances	5,703,397	4,507,340
Bonus (Festival & Incentive)	1,518,393	3,905,038
BFIC's Contribution to Provident fund	233,419	135,468
Wages	710,175	707,662
	17,784,514	18,028,706
22.a Salary & Allowances (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	17,784,514	-
BD Finance Securities Limited	2,612,443	-
	20,396,957	-
23. Rent, Taxes, Insurance, Electricity etc.		
Rent, Rates & Taxes	6,522,742	5,654,174
Insurance	131,091	302,136
Electricity & Lighting, WASA, Gas etc.	693,683	641,493
	7,347,516	6,597,803
23.a Rent, Taxes, Insurance, Electricity etc.(Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	7,347,516	-
BD Finance Securities Limited	412,348	-
	7,759,864	-
24. Legal Expenses		
Legal Fees & Charge	734,235	174,885
Other Legal Expenses	-	-
	734,235	174,885

	31-Dec-11 Taka	31-Dec-10 Taka
25. Postage, Stamps, Telecommunication etc.		
Stamp & Court Fees	115,432	189,600
Commission on purchase of stamps	4,192	5,390
Internet expenses	92,250	43,447
Postage & Courier Expenses	32,582	31,404
Telephone & Fax Expenses	75,581	136,321
Mobile Expenses	150,191	138,358
	470,228	544,520
25.a Postage, Stamps, Telecommunication etc.(Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	470,228	-
BD Finance Securities Limited	8,466	-
	478,694	-
26. Stationery, Printing, Advertisements etc.		
Stationary-Toner & Cartridge	160,900	121,400
Stationary Expenses	197,090	186,701
Printing Expenses	641,295	356,529
Advertisement and Publicity	663,255	417,575
	1,662,540	1,082,205
26.a Stationery, Printing, Advertisements etc.(Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	1,662,540	-
BD Finance Securities Limited	125,688	-
	1,788,228	-
27. Managing Director's Salary and Allowances		
Basic Salary	2,703,226	1,780,000
Allowances	1,344,234	627,500
Bonus	490,000	470,000
	4,537,460	2,877,500
28. Directors' Fees & Conveyance		
Director Fees	753,250	938,400
Local Conveyance & Entertainment Exp.	236,577	287,353
	989,827	1,225,753
Total 11 nos of Board Meeting, 1 nos of Executive Committee Meeting and 5 nos of Audit Committee Meeting were held during the Financial Year 2011. Each Director was paid Tk. 5,000 for attending in the meeting as per Bangladesh Bank Circular.		
28.a Directors' Fees & Conveyance (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	989,827	-
BD Finance Securities Limited	167,245	-
	1,157,072	-

	31-Dec-11 Taka	31-Dec-10 Taka
29. Depreciation and Repair of NBFIs Assets		
a) Depreciation of NBFIs Assets		
Building	539,880	539,879
Furniture & Fixtures	418,722	689,931
Office Equipments	575,187	1,081,180
Motor Vehicles	2,729,463	2,682,158
	4,263,252	4,993,149
b) Amortization Expenses		
System & Software	33,646	355,000
Office Renovation	871,213	871,218
	904,859	1,226,218
c) Repair of NBFIs Assets		
Office Equipment	188,163	185,102
Office Furniture & Fixtures	465	-
Motor Vehicles	594,086	476,215
	782,714	661,317
	5,950,825	6,880,684
29.a Depreciation and Repair of NBFIs Assets (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	5,950,825	-
BD Finance Securities Limited	1,113,318	-
	7,064,143	-
30. Other Expenses		
Petrol, Oil, Lubricants, CNG & others	3,309,982	3,066,996
Entertainment	562,916	643,912
Donation and Subscription	604,759	1,465,239
Traveling and Conveyance	82,528	14,171
Training Expenses	10,000	115,685
Retirement benefits and gratuity	853,015	1,968,457
Registration & Renewal Expenses	186,173	110,616
Papers & Periodicals	96,575	87,519
Office Maintenance	141,543	220,534
Office Supplies	97,365	66,790
Uniform & Liveries	-	37,470
Bank Charges & Excise Duty	350,405	552,563
Business development & Promotion	178,564	311,999
Security Service-Outsourcing	287,538	126,438
AGM & Meeting expenses	4,466,004	3,317,675
Miscellaneous Expenses	590,829	732,403
	11,818,195	12,838,467
30.a Other Expenses (Consolidated)		
Bangladesh Finance And Investment Co. Ltd. (BD Finance)	11,818,195	-
BD Finance Securities Limited	681,103	-
BD Finance Capital Holdings Ltd.	6,324	-
	12,505,622	-

	31-Dec-11 Taka	31-Dec-10 Taka
31. Provision against loans, lease finance & Others		
Provision on classified investment {Note-11.1(a)}	27,411,176	22,242,145
Provision on unclassified Loans & Advances {Note-11.1(b)}	(122,686)	7,669,811
Provisions on Investment in Securities (Note - 11.2)	10,088,606	37,000,000
	37,377,096	66,911,956
32. Earning Per Share (EPS)		
Calculation of Earning Per Share (Note - 2.24):		
Net Profit after Tax	19,520,925	246,136,530
Number of Ordinary Shares outstanding (Denominator)	53,730,739	53,730,739
Earning Per Share (Re-stated)	0.36	4.58
33. Interest received		
Interest received (Note-18)	469,311,700	404,369,516
Add: Opening interest Receivable on TDR	4,865,747	6,707,080
Less: Closing interest receivable on TDR	(6,837,819)	(4,865,747)
Add: Opening Receivable Delinquent & Call	522,222	-
Less: Closing Receivable Delinquent & Call	(12,667,825)	(522,222)
Add: Closing interest suspense account	69,254,814	45,130,473
Less: Opening Interest Suspense Account	(45,130,473)	(25,542,961)
	479,318,366	425,276,139
34. Interest Paid on Deposits & Borrowings		
Interest Paid on Deposits & Borrowings (Note-19)	438,363,691	298,635,244
Add: Opening interest payable on deposit & borrowings	116,651,115	75,094,249
Less: Closing interest payable on deposit & borrowings	(204,018,987)	(116,651,115)
	350,995,819	257,078,378
35. Cash Received from other Operating activities		
Income from investment in shares (Note 20)	27,750,418	318,744,318
Other operating income (except gain/(loss) on sales of fixed assets)	31,822,290	10,436,630
	59,572,707	329,180,948
36. Cash Payments for other Operating activities		
Rent, Taxes, Insurance, Lighting etc.	7,347,516	6,597,803
Legal Expenses	734,235	174,885
Postage, Stamp, Telegram & Telephone	470,228	544,520
Directors' Fee & Expenses	989,827	1,225,753
Auditors' Fee	104,000	115,000
Repair, Maintenance of NBFIs Assets	782,714	661,317
Other Expenses	11,818,195	12,838,467
CDBL Payments for Share Split	2,606,161	-
Donation to BD Finance Foundation - 2011	488,023	-
Donation to BD Finance Foundation - 2010	6,135,280	-
	31,476,180	22,157,745

	31-Dec-11 Taka	31-Dec-10 Taka
37. Cash Increase/ Decrease in Other Assets		
Re-imbercable Expenses	2,977,913	1,582,466
Receivable Grace Period Interest	2,187,451	2,187,451
Receivable against Call Loan & Others (Rent from 64)	1,615,000	220,000
Receivable Exise Duty	1,224,534	-
Receivable from BD Capital Holdings	1,084,505	-
Receivable on sale of shares	2	37,027,164
Receivable against lease finance	-	9,479,063
Investment In Subsidiaries	699,930,000	2,324,340
Advance against expenditure (Note-8.2)	3,329,377	1,545,863
Deposits (with other organization Note-8.3)	1,471,414	1,479,414
Stock of Stamp	26,555	4,590
	713,846,751	55,850,351
Cash (Increase)/ Decrease in Other Assets	(657,996,400)	(24,817,213)
38. Cash Increase/ (Decrease) In Other Liabilities		
Payable others	8,069,241	6,608,796
Advance Rent (against 64 Motijheel)	15,960,000	19,470,000
Margin on Guarantee	-	10,000,000
Gratuity Fund	3,044,706	2,951,691
Dividend payable	911,311	873,251
	27,985,257	39,903,738
Cash Increase/ (Decrease) in Other Liabilities	(11,918,481)	24,617,852
39. Cash and Cash Equivalents		
Cash in Hand	123,067	365,501
Balance with Bangladesh Bank & Sonali Bank Ltd (as agent of B.Bank)	36,784,328	21,443,450
Balance with Other Banks & Financial Institutions	120,516,648	94,086,713
	157,424,043	115,895,664

40. 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 60 (In the year 2010 it was 46).

41. 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 BFIC formed a Five members Audit Committee called "Board Audit Committee".

Name	"Status with BD Finance"	Status with the Committee	Educational Qualification
Mr. Haider Ahmed Khan FCA	Independent Director	Chairman	M.Com
Mr. Hossain Akhtar	Director	Member	B.B.S
Mr. Hossain Khaled	Director	Member	MBA
Mr. Geasuddin Ahmed	Director	Member	B.Sc
Mr. S.M Didarul Alam	Director	Member	B.A

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 Board Meeting.

b) Meeting of Audit Committee

During 1 January to 31 December 2011, the Audit Committee of the Board conducted 5 (Five) 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 company :

- 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 BFIC'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.

42. Related Party Disclosures:

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

Name	Status with BD Finance	"Name of Firms/Companies in which interested as"
Mr. Anwar Hossain	Chairman	Anwar Silk Mills Ltd. Anwar Integrated Steel Plant Ltd. Anwar Landmark Ltd. Anwar Galvanizing Ltd. Anwar Jute Spinning Mills Ltd. Anwar Cement Ltd. AG Automobiles Ltd. A One Polymer Ltd. BD Finance Capital Holdings Ltd. BD Finance Securities Ltd. City General Insurance Co. Ltd. Hossain Dyeing & Printing Mills Ltd. Mehmud Industries (Pvt.) Ltd.

Name	Status with BD Finance	"Name of Firms/Companies in which interested as"
Mr. Hossain Khaled	Vice Chairman	Anwar Silk Mills Ltd. Anwar Integrated Steel Plant Ltd. Anwar Landmark Ltd. Anwar Galvanizing Ltd. Anwar Jute Spinning Mills Ltd. Anwar Cement Ltd. Anwar Ispat Ltd. AG Automobiles Ltd. A One Polymer Ltd. BD Finance Capital Holdings Ltd. BD Finance Securities Ltd. City General Insurance Co. Ltd. Hossain Dyeing & Printing Mills Ltd. Mehmud Industries (Pvt.) Ltd. The City Bank Ltd.
Mr. Manwar Hossain	Director	Anwar Silk Mills Ltd. Anwar Integrated Steel Plant Ltd. Anwar Landmark Ltd. Anwar Galvanizing Ltd. Anwar Jute Spinning Mills Ltd. Anwar Cement Ltd. Anwar Ispat Ltd. AG Automobiles Ltd. A One Polymer Ltd. BD Finance Capital Holdings Ltd. BD Finance Securities Ltd. City General Insurance Co. Ltd. Bangladesh Commerce Bank Hossain Dyeing & Printing Mills Ltd. Kaba Trading Co. Mehmud Industries (Pvt.) Ltd.
Mr. Hossain Akhtar	Director	Anwar Fisheries & Poultryes Ltd. City General Insurance Co. Ltd.
Ms. Bibi Amena	Director	Anwar Silk Mills Ltd. Anwar Landmark Ltd. Anwar Jute Spinning Mills Ltd. Anwar Cement Ltd. AG Automobiles Ltd. Hossain Dyeing & Printing Mills Ltd. Mehmud Industries (Pvt.) Ltd.
Mr. Haji M.A. Taher	Director	Al-Haj Mostafa Hakim Housing & Real Estate Ltd. Al-Haj Mostafa Hakim Cement Industries Ltd. BD Finance Securities Ltd. Golden Oxygen Ltd. Golden Steel Alloy Works Ltd. Taher & Co. Ltd. Golden Iron Works Ltd.

Name	Status with BD Finance	"Name of Firms/Companies in which interested as"
		Golden Brick Works Ltd. Eagle Star Textile Mills Ltd. Mutual Jute Spinner Ltd. City General Insurance Co. Ltd.
Mr. Geasuddin Ahmed	Director	BD Finance Securities Ltd. City General Insurance Co. Ltd. Dhaka Complex (Pvt) Ltd. Momota Enterprise
Mr. S.M. Didarul Alam	Director	Al-Haj Mostafa Hakim Housing & Real Estate Ltd. Al-Haj Mostafa Hakim Cement Industries Ltd. Golden Oxygen Ltd. Eagle Star Textile Mills Ltd. Mutual Jute Spinner Ltd.
Mr. Chowdhury Erteza Ahmed Siddiqui	Director	Nil
Haji Md. Yousuf	Director	BD Finance Securities Ltd. City General Insurance Co. Ltd. Moon Traders
Mr. Md. Imtiyaj	Director	Imtiyaj Steel Precious Steel Corporation
Mr. Haider Ahmed Khan, FCA	Independent	Ahmed Khan & Co. Director Flower Faisons Ltd. MM Agro Enterprises Ltd. Mifkif Apparel Ltd. Seasons Aid Ltd. Seasons Dresses Ltd.

42.2 Significant Contracts where BFIC is a party and wherein Directors have interest: Nil

42.3 Shares issued to Directors & Executives without consideration or exercise at discount: Nil

42.4 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

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

Name of the Party	Related By	Nature of transaction	Amount in Tk.	Status
i) City General Insurance Co.Ltd.	Common Director	Short Term Finance	74,685,545	Standard
ii) BD Finance Securities Ltd.	Common Director	Short Term Finance	1,512,500	Standard
			76,198,045	

43 Events After Balance Sheet Date:

The Board of Directors of BD Finance has recommended 10% Stock Dividend for the year 2011.



Company Secretary



Managing Director



Director



Director

Schedule of Fixed Assets

For the year ended 31 December, 2011

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 2011
	Balance as on 1 January 2011	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the year	Balance at 31 December 2011		Balance as on 1 January 2011	Transfer/ Adjustment during the year	Charge for the year	Balance at 31 December 2011	
Land	185,750,000	-	-	-	185,750,000	0%	-	-	-	-	185,750,000
Building	5,398,790	-	-	-	5,398,790	10%	539,879	-	539,880	1,079,759	4,319,031
Furniture & Fixture	6,374,096	-	5,300	64,420	6,314,976	20%	4,840,045	39,920	418,722	5,218,847	1,096,129
Office Equipment	4,692,160	-	341,990	20,500	5,013,650	25%	3,505,616	20,500	575,187	4,060,303	953,347
Office Renovation	4,356,089	-	-	-	4,356,089	20%	2,399,094	-	871,213	3,270,307	1,085,782
Motor Vehicle	14,741,916	-	65,057	-	14,806,973	20%	7,770,329	-	2,729,463	10,499,792	4,307,181
Other Assets	182,667	-	-	-	182,667	20%	182,667	-	-	182,667	-
System and Software	1,420,000	-	-	-	1,420,000	25%	1,386,354	-	33,646	1,420,000	-
31 December 2011	222,915,718	-	412,347	84,920	223,243,145		20,623,984	60,420	5,168,111	25,731,676	197,511,469
31 December 2010	81,085,553	138,223,602	5,315,025	1,708,462	222,915,718		17,731,030	1,705,262	6,219,366	20,623,984	200,670,584

Bangladesh Finance And Investment Company Limited
Highlights of Performance

SL #	PARTICULARS	2011	2010
1	Paid up Capital	537,307,390	440,415,900
2	Total Capital	971,164,958	968,375,033
3	Capital Surplus / (Deficit)	(462,692,610)	(59,584,100)
4	Total Assets	5,217,441,715	4,398,727,414
5	Total Deposit	1,787,403,321	1,261,452,499
6	Total Loans/Lease Finance	3,290,848,549	2,956,524,869
7	Total Contingent Liabilities and Commitment	4,801,330	350,000,000
8	Investment Deposit Ratio (%)	184.11%	234.37%
9	Percentage of Classified Investment against total Investments	9.58%	5.87%
10	Profit after Tax and Provision	19,520,925	246,136,530
11	Amount of Classified Investment	315,196,847	173,666,541
12	Provisions kept against Classified Investment	82,229,765	45,818,589
13	Provisions surplus	3,368,212	1,609,131
14	Cost of Fund	12.09%	12.05%
15	Interest Earning Assets	4,151,225,422	4,059,980,660
16	Non-Profit Earning Assets	1,066,216,293	338,746,755
17	Return on Investment in Securities (ROI)	1.43%	75.07%
18	Return on Assets (ROA)	0.41%	6.84%
19	Income from Investment in Securities	32,771,326	322,830,986
20	Earning Per Share (Re-stated)	0.36	4.58
21	Price Earning Ratio (Times)	172.86	53.16
22	Book value per share (Per 10 Tk.)	17.58	21.17

Auditors' Report

To the Shareholders of Bd Finance Securities Limited

We have audited the accompanying financial statements of BD Finance Securities Limited, which comprises the balance sheet as at 31 December, 2011 and the related profit & loss accounts and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

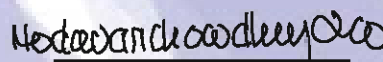
Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2011 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by BD Finance Securities Limited so far as it appeared from our examination of those books;
- (iii) the company's Balance Sheet, Profit & Loss account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the company's business.

Place: Dhaka
Dated: 02 Feb 2012



Hoda Vasi Chowdhury & CO.
CHARTERED ACCOUNTANTS

Statement Of Financial Position

As on 31 December, 2011 (The Company was incorporated on 28 December 2010)

	Note	31-Dec-11 Taka
SOURCES OF FUNDS		
Shareholders' Equity		
Share Capital	5	10,000,000
Retained Earnings		(9,985,865)
Share Money Deposit	6	1,036,000,000
		1,036,014,135
APPLICATION OF FUNDS		
Property, Plant & Equipment	3	17,085,731
Intangible Assets	4	2,445,267
Investment	7	
In DSE Membership		989,290,000
In Share		14,476,204
Non Current Assets		1,023,297,202
Current Assets		
Clients	8	6,693,484
Receivable from DSE	9	-
Account Receivables	10	-
Advances, Deposits & Prepayments	11	10,200,000
Advance Income Tax	12	152,125
Cash & Cash Equivalent	13	3,829,130
		20,874,739
Current Liabilities		
Payable to DSE	14	684,187
Short Term Loan	15	1,500,000
Provision for Unrealized Loss on Investment in Share		5,578,906
Provision for tax	16	152,125
Liabilities for expenses	17	242,588
		8,157,806
Net current assets		12,716,933
Net asset employed		1,036,014,135



Company Secretary



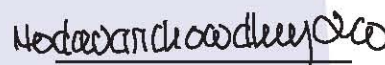
Vice Chairman



Managing Director & CEO

Auditors' Report to the shareholders See annexed report to date

Place: Dhaka
Dated: 02 Feb 2012



Hoda Vasi Chowdhury & CO.
CHARTERED ACCOUNTANTS

Statement Of Financial Performance

For the year ended 31 December, 2011 (The Company was incorporated on 28 December 2010)

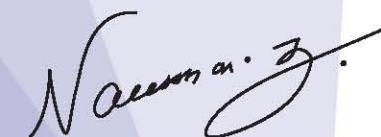
	Note	31-Dec-11 Taka
Operating Profit		
Commission	18	70,288
BO Account Maintenance	19	(3,674)
		66,614
Less : Operating Expenses	20	(6,591)
Gross Profit		60,023
Non Operating Income		
Interest received on account	21	20,088
Financial Expenses	22	(20,088)
		-
Income before general and administrative expenses		60,023
General and administrative expenses	23	(5,106,431)
Other Comprehensive Income		
Net Gain/(Loss) on investment in Shares	7.2	(4,817,332)
Dividend Income	7.3	30,000
Profit before tax		(9,833,740)
Income Tax Expense	16	152,125
Profit/(Loss) after tax		(9,985,865)



Company Secretary



Vice Chairman



Managing Director & CEO

Auditors' Report to the shareholders See annexed report to date

Place: Dhaka
Dated: 02 Feb 2012


Hoda Vasi Chowdhury & CO.
CHARTERED ACCOUNTANTS

Statement of Changes in Equity

For the year ended 31 December, 2011

Particulars	Share Capital	Retained Earnings	Total
From 10th July, 2010 to 31st, December, 2011	100,000,000		100,000,000
Net Profit/Loss for the period		(9,985,865)	(9,985,865)
Balance as on 31-12-2011	100,000,000	(9,985,865)	14,135

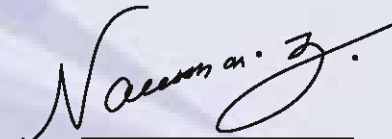
Annual Report 2011/12



Company Secretary



Vice Chairman



Managing Director & CEO

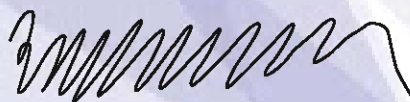
Statement of Cash Flows

For the year ended 31 December, 2011 (The Company was incorporated on 28 December 2010)

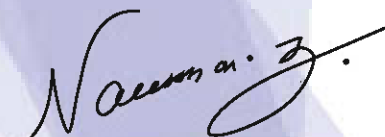
	31-Dec-11
	Taka
A. CASH FLOW FROM OPERATING ACTIVITIES:	
Net Income/(Loss)	(9,985,865)
Depreciation	1,113,317
Capital Gain on Investment in Share	(761,574)
Receivable from Clients	(6,693,484)
Advanced, Deposit & Prepayments	(10,200,000)
Advanced Income Tax	(152,125)
Payable To DSE	684,187
Short Term Loan	1,500,000
Provision for Unrealized Loss	5,578,906
Provision for Tax	152,125
Liability for Expenses	242,588
	<u>(8,536,060)</u>
	<u>(18,521,925)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Assets	(20,644,316)
Acquisition of DSE Membership	(989,290,000)
Investment in Share	(33,818,994)
Sale of Investment in Share	20,104,365
	<u>(1,023,648,945)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:	
Paid Up Capital	10,000,000
Share Money Deposit	1,036,000,000
	<u>1,046,000,000</u>
D. Net Cash Inflow / (Outflow) for the period (A+B+C)	3,829,130
Opening Cash & Bank Balances	-
Closing Cash & Bank Balances	<u>3,829,130</u>



Company Secretary



Vice Chairman



Managing Director & CEO

Notes to the Financial Statements

For the year ended 31 December, 2011

1. Company & Its Activities

1.1 Legal form of the company

The Company was incorporated in Bangladesh as a public limited company on 28 December 2010 vide Registration No. C-89204/10 under The Companies Act 1994. The Company has purchased Dhaka Stock Exchange Membership, whose Registration Number is 030.

1.2 Nature of business

The main object of BD Finance Securities Limited is to act as a member of stock exchange, the central depository system (CDS) companies and to carry on business of broker, jobber or dealers in stocks, securities, bonds, debentures etc. The company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares, stocks and fixed income securities.

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

The Financial Statements of BD Finance Securities Limited includes the Balance Sheet and Notes to the accounts. These Financial Statements have been prepared under the historical cost convention on a going concern basis on Generally Accepted Accounting Principles (GAAP) and in accordance with the International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). So far, the Companies Act, 1994, Securities and Exchange Rules, 1987.

2.2 Revenue Recognition

Revenue which comprises of brokerage commission service rendered and capital gain is recognized in accordance with BD Accounting Standard (BAS) 18: Revenue Recognition.

2.3 Provision for expenses

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

2.4 Cash and cash equivalent

Cash and cash equivalent includes cash at bank which are held and are available for use by the Company without any restriction

2.5 Currency

The amount in the Financial Statements has been rounded off to the nearest integer in Bangladeshi Taka.

2.6 Reporting Period

The Financial Statements prepared on dated 31 December 2011.

3. Property Plant & Equipment:

Figures in Taka

Particulars	Cost			Depreciation			Written Down Value
	Acquired During the Period	Disposal /Adj. during the year	As on 31-12-2011	Rate %	As on 01-07-2010	Charged during the year	As on 31-12-2011
Office Equipment	87,737	-	87,737	20%	-	2,925	84,812
Electrical Equipment	6,094	-	6,094	20%	-	203	5,891
Furniture & Fixture	761,788	-	761,788	20%	-	25,393	736,395
Computer & Peripheral	848,800	-	848,800	20%	-	35,367	813,433
Vehicle	3,546,000	-	3,546,000	20%	-	327,300	3,218,700
Office Renovation/Furnishing	12,870,000	-	12,870,000	20%	-	643,500	12,226,500
Total Taka	18,120,419	-	18,120,419		-	1,034,688	17,085,731

4. Intangible Assets:

Figures in Taka

Particulars	Cost			Amortization			Written Down Value
	Acquired During the Period	Disposal /Adj. during the year	As on 31-12-2011	Rate %	As on 01-07-2010	Charged during the year	As on 31-12-2011
Software	150,000	-	150,000	50%	-	-	150,000
TWS Installation	15,000	-	15,000	50%	-	-	15,000
Preliminary Expenses	2,358,897	-	2,358,897	20%	-	78,630	2,280,267
Total Taka	2,523,897	-	2,523,897		-	78,630	2,445,267

		31-Dec-11
		Taka
5. Share Capital		
5.1 Authorized Capital		5,000,000,000
500,000,000 ordinary shares of Taka 10 each		
5.2 Issued, Subscribed and Paid up capital	Number of Share	Amount
BFIC	545,400	5,454,000
Anwar Landmark Ltd.	200,000	2,000,000
City General Insurance Co.	100,000	1,000,000
Mr. Manwar Hossain	27,300	273,000
Mr. Hossain Mehmud	27,300	273,000
Mr. Hossain Khaled	27,300	273,000
Mr. M. Abu Taher	27,300	273,000
Mr. Md. Yousuf	27,300	273,000
Mr. Geasuddin Ahmed	18,100	181,000
	<u>1,000,000</u>	<u>10,000,000</u>
6 Share Money Deposit		
BFIC		594,546,000
Anwar Landmark Ltd.		183,000,000
City General Insurance Co.		90,000,000
Mr. Manwar Hossain		29,727,000
Mr. Hossain Mehmud		29,727,000
Mr. Hossain Khaled		29,727,000
Mr. M. Abu Taher		29,727,000
Mr. Md. Yousuf		29,727,000
Mr. Geasuddin Ahmed		19,819,000
		<u>1,036,000,000</u>
7 Investment		
7.1a	This represents one share (Membership) in Dhaka Stock Exchange (DSE) Limited of Tk.	989,290,000.00
7.1b	Investment in Publicly Traded Shares of Tk.	14,476,204.00
7.2 Capital Gain		
	Capital Gain From Tradeable Securities	761,574
	Less: Unrealized Loss on Investment in Share	(5,578,906)
	Net Gain/Loss on Investment In Shares	(4,817,332)
7.3 Cash Dividend Income		
	Cash Dividend Received from Squire Pharma	30,000
		-
		<u>30,000</u>
7.4 Investments:		
	Investment In Membership of DSE (30)	989,290,000
	Investment In Shares	14,476,204
	Total	<u>1,003,766,204</u>

		31-Dec-11
		Taka
8	Net Receivable from clients	
	Net Receivable from various clients	6,693,484
	Less: Provision for doubtful debts	-
		<u>6,693,484</u>
9	Receivable from DSE	
	Dhaka Stock Exchange Ltd.	-
	Details Of Receivable from DSE	
	ABGN	-
	Z	-
	Z	-
	Z	-
	ABGN	-
	Z	-
	Z	-
	Z	-
		<u>-</u>
10	Account Receivables	
	BO A/C opening fee receivable	-
	BO A/C renewal fee receivable	-
	Bank Interest Receivable	-
	Interest receivable on margin loan	-
		<u>-</u>
11	Advances, deposits and prepayments	
	Security Deposit with CDBL	200,000
	Security Deposit with DSE	10,000,000
		<u>10,200,000</u>
12	Advance Income tax	
	Advanced Tax Paid on Bank Interest Income	137,553
	For Cash Dividend	6,000
	Addition during the year	8,572
	Closing balance	<u>152,125</u>
13	Cash and cash equivalent	
	Cash in hand (Petty Cash)	12,813
	Cash at banks:	
	Mulual Trust Bank (General Ac.)	2,206,355
	The City Bank Ltd(General Ac.)	301,350
	One Bank Customer Ac.	1,289,767
	One Bank General Ac.	-
	One Bank Dealer Ac.	-
	Jamuna Bank Salary Ac.	3,845
	Rupali Bank Customer Ac.	15,000
		<u>3,816,317</u>
		<u>3,829,130</u>

			31-Dec-11
			Taka
14 Payable to DSE			
Dhaka Stock Exchange Ltd.			684,187
			<u>684,187</u>
Details Of Payable to DSE			
ABGN			-
Z			-
A			-
Z			-
N			-
Z			-
			<u>-</u>
15 Short Term Loans			
Loan from BFIC			1,500,000
			<u>1,500,000</u>
16 Provision for tax			
	Under section	BDT	
	82C of ITO 1984	On other	
Income year		income	
	Taka	Taka	
Addition during the period	8,572	143,553	152,125
	<u>8,572</u>	<u>143,553</u>	<u>152,125</u>
Net Provision for Tax			<u>152,125</u>
16.B Net Capital Gain			(4,817,332)
Tax Rate (@ 10%)			-
Tax Payable			<u>-</u>
Adjustment for Bank interest			137,553
Add: Cash dividend			6,000
Net Payable			<u>143,553</u>
16.C Cash Dividend Income			30,000
Tax Rate			20%
Tax Payable			<u>6,000</u>
17 Liabilities for expenses			
Liability for audit fees			-
Liability for application software			
Liability for rent			
Provision for CDBL BO A/C Opening Charge			38,800
Provision for Utility bill			28,641
Provision for Interest on BFIC Loan			12,500
Liability to ANF Mng.			10,586
Liability for CDBL Expenses(Share Maintenance)			152,061
			<u>242,588</u>
Provision for Unrealized Loss on Investment in Share			<u>5,578,906</u>

	31-Dec-11
	Taka
18 Income from Brokerage Commission	
Brokerage Commission	70,288
Less: Rebate on Brokerage Commission	-
	<u>70,288</u>
19 Income from BO Account Maintenance	
BO Account Maintenance Fee/Opening Fee	93,500
CDBL Settlement Transfer Income	1,534
CDSL Bulk A/C Transfer Income	208,018
CDSL Demate of Existing Securities Income	78
	<u>303,130</u>
Less:	
Discount on BO A/C Opening Fee	21,500
Expenses For BO A/C Maintenance	33,900
CDBL Settlement Transfer Expenses	2,008
CDBL BO A/C Opening Charge	38,800
CDSL Demate of Existing Securities Income	78
CDSL Bulk A/C Transfer Expenses	208,018
CDBL Other Charges	2,500
	<u>306,804</u>
Net Income	<u>(3,674)</u>
20 Operating Expenses	
Stock Exchange Charges:	
DSE Charges	6,591
	<u>6,591</u>
DSE charges	
Howla Charge	1,126
Laga Charge	3,429
DSE Nikunja Installment Adjustment	
DSE Authorization Fee	2,036
	<u>6,591</u>
21 Interest Income	
Interest on Margin Loan	42,519
Interest income on Bank Deposit	1,375,540
	1,418,059
Less : Expenses on Interest Income Other than Financial Exp.	1,397,971
	<u>20,088</u>
22 Financial Expenses	
Interest Expenses on BFIC Loan	12,500
Bank Charges	7,588
	<u>20,088</u>

	31-Dec-11
	Taka
23 General and Administrative Expenses	
Salary, Wages and Benefits	2,190,746
Directors Remuneration	167,245
Festival Bonus	421,697
Office Rent	300,000
Conveyance	5,899
Printing & Stationery	125,688
Mobile Bill	8,259
Telephone ,Postage & Telegram	207
Network Connectivity Charge	34,050
Web & Online Maintenance Fee	1,200
Entertainment	40,097
Advertisement	310,924
Fuel, Oil and Lubricants	127,126
Govt. Taxes, Stamps Duty & Licence Fees	4,803
Utility Bill	112,348
Newspaper & periodicals	496
Miscellaneous Expenses	33,249
Office Cleaning Expenses	2,766
RJSC Expenses	25,200
Trade License Renewal fee	5,705
SEC DP Registration Expenses	10,000
Insurance Premium Expenses	65,409
Amortization	78,630
Depreciations	1,034,688
	-
	<u>5,106,432</u>

24 General

24.1 Figures have been rearranged where necessary to conform to current year's presentation.

24.2 Figures have rounded off to the nearest taka.

Auditors' Report

To the Shareholders of BD Finance Capital Holdings Ltd.

We have audited the accompanying financial statements of BD Finance Capital Holdings Limited, which comprises the financial position as at 31 December, 2011 and the related statement of financial performance and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2011 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification there of;
- (ii) in our opinion, proper books of account as required by law have been kept by BD Finance Capital Holdings Limited so far as it appeared from our examination of those books;
- (iii) the company's Statement of Financial Position, Statement of Financial Performance and Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the company's business.

Place: Dhaka
Dated: 05 Jan 2012


Hoda Vasi Chowdhury & CO.
CHARTERED ACCOUNTANTS

Statement of Financial Position

As on 31 December, 2011 (The Company was incorporated on 10 August 2011)

	Note	31-Dec-11 Taka
SOURCES OF FUNDS		
Shareholders' Equity		
Share Capital	3	100,000,000
Retained Earnings		430,449
Current Liabilities:		
Payable to BD Finance	4	1,014,505
Provision for Tax		318,157
		101,763,111
APPLICATION OF FUNDS		
Non Current Assets		
Preliminary Expenses	5	964,505
Current Assets		
Advance Income Tax		75,493
Cash & Cash Equivalent	6	100,723,113
		100,798,606
		101,763,111



Company Secretary



Director



Managing Director & CEO

Auditors' Report to the shareholders
See annexed report to date

Place: Dhaka
Dated: 05 Jan 2012


Hoda Vasi Chowdhury & CO.
CHARTERED ACCOUNTANTS

Statement of Financial Performance

For the year ended 31 December, 2011 (The Company was incorporated on 10 August 2011)

	31-Dec-11
	Taka
Operating Profit	
Commission	-
Interest Income	-
	-
Less : Operating Expenses	-
Gross Profit	-
Non Operating Income	
Interest Income(Bank Balance)	754,928
Non Operating Expense	
Bank Charges	1,323
Excise Duty	5,000
	6,323
Profit before tax	748,606
Provision for Tax	318,157
Profit/(Loss) after tax	430,449



Company Secretary



Director



Managing Director & CEO

Auditors' Report to the shareholders
See annexed report to date

Place: Dhaka
Dated: 05 Jan 2012



Hoda Vasi Chowdhury & CO.
CHARTERED ACCOUNTANTS

Statement of Changes in Equity

For the year ended 31 December, 2011 (The Company was incorporated on 10 August 2011)

Particulars	Share Capital	Retained Earnings	Total
From 10th August, 2011 to 31st, December, 2011	100,000,000		100,000,000
Net Profit/Loss for the period		430,449	430,449
Balance as on 31-12-2011	100,000,000	430,449	100,430,449

Annual Report 2011/12



Company Secretary



Director



Managing Director & CEO

Statement of Cash Flows

For the year ended 31 December, 2011 (The Company was incorporated on 10 August 2011)

	31-Dec-11
	Taka
A. CASH FLOW FROM OPERATING ACTIVITIES:	-
	-
B. CASH FLOW FROM INVESTING ACTIVITIES:	
Interest received	754,928
Withhold Tax Paid	(75,492)
Bank Charge Paid	(1,323)
Excise Duty Paid	(5,000)
	673,113
C. CASH FLOW FROM FINANCING ACTIVITIES:	
Amount received from shareholders	100,000,000
Deposit money for opening bank account	50,000
	100,050,000
D. Net Cash Inflow / (Outflow) for the period (A+B+C)	100,723,113
Opening Cash & Bank Balances	-
Closing Cash & Bank Balances	100,723,113



Company Secretary



Director



Managing Director & CEO

Notes to the Financial Statements

For the year ended 31 December, 2011 (The Company was incorporated on 10 August 2011)

1. Company & Its Activities

1.1 Legal form of the company

The Company was incorporated in Bangladesh as a public limited company on 10 August 2011 vides Registration No. C-89204/10 under The Companies Act 1994.

1.2 Nature of business

The main object of BD Finance Capital Holdings Limited is to carry on the business of Merchant Banking, fund management, managing portfolio investments, financial consultancy services etc. The company is also to carry out the business of sale or purchase of Securities or transfer thereof by any other means.

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

The Financial Statements of BD Capital Holdings Limited includes the Balance Sheet and Notes to the accounts. These Financial Statements have been prepared under the historical cost convention on a going concern basis on Generally Accepted Accounting Principles (GAAP) and in accordance with the International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). So far, the Companies Act, 1994.

2.2 Revenue Recognition

Revenue which comprises of brokerage commission service rendered and capital gain is recognized in accordance with BD Accounting Standard (BAS) 18: Revenue Recognition.

2.3 Provision for expenses

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

2.4 Cash and cash equivalent

Cash and cash equivalent includes cash at bank which are held and are available for use by the Company without any restriction.

2.5 Currency

The amount in the Financial Statements has been rounded of to the nearest integer in Bangladeshi Taka.

2.6 Reporting Period

The Financial Statement prepared on dated 31 December 2011.

		31-Dec-11
		Taka
3. Share Capital		
3.1 Authorized Capital		2,000,000,000
	200,000,000 ordinary shares of Taka 10 each	
3.2 Issued, Subscribed and Paid up capital		100,000,000
	10,000,000 ordinary shares of Taka 10 each fully paid	100,000,000
Shareholders	Number of Share	Amount
Bangladesh Finance And Investment Co. Ltd.	9,993,000	99,930,000
Mr. Manwar Hossain	1,000	10,000
Mr. Hossain Khaled	1,000	10,000
Mr. Hossain Mehmud	1,000	10,000
Mr. Md. Rafiqul Islam Khan	1,000	10,000
Mrs. Rokeya Anowara Begum	1,000	10,000
Mrs. Rashida Youshuf	1,000	10,000
Mr. M. Maniruzzaman Khandaker	1,000	10,000
	10,000,000	100,000,000
4 Payable to BD Finance		
Preliminary Expenses		964,505
Deposit Money for Opening Bank Accounts		50,000
		1,014,505
5 Preliminary Expenses		
Registration fees		925,565
Misc. Expense (RJSC)		10,000
Trade License		14,300
Online Charge for Registration Purpose		2,200
Non Judicial Stamps for Affidavit of the Directors		1,240
Deposit to Brac Bank for Certified Copy		3,800
Certified Copy of MOA, AOA & Form 12		4,000
SEC Application Fees & Pay Order Charge		1,230
Notary Public Fee		1,670
Name Clearance for Merchant Banking		500
		964,505
6 Current Asset		
Cash at Bank		
The City Bank Ltd.		100,723,113
		100,723,113

