

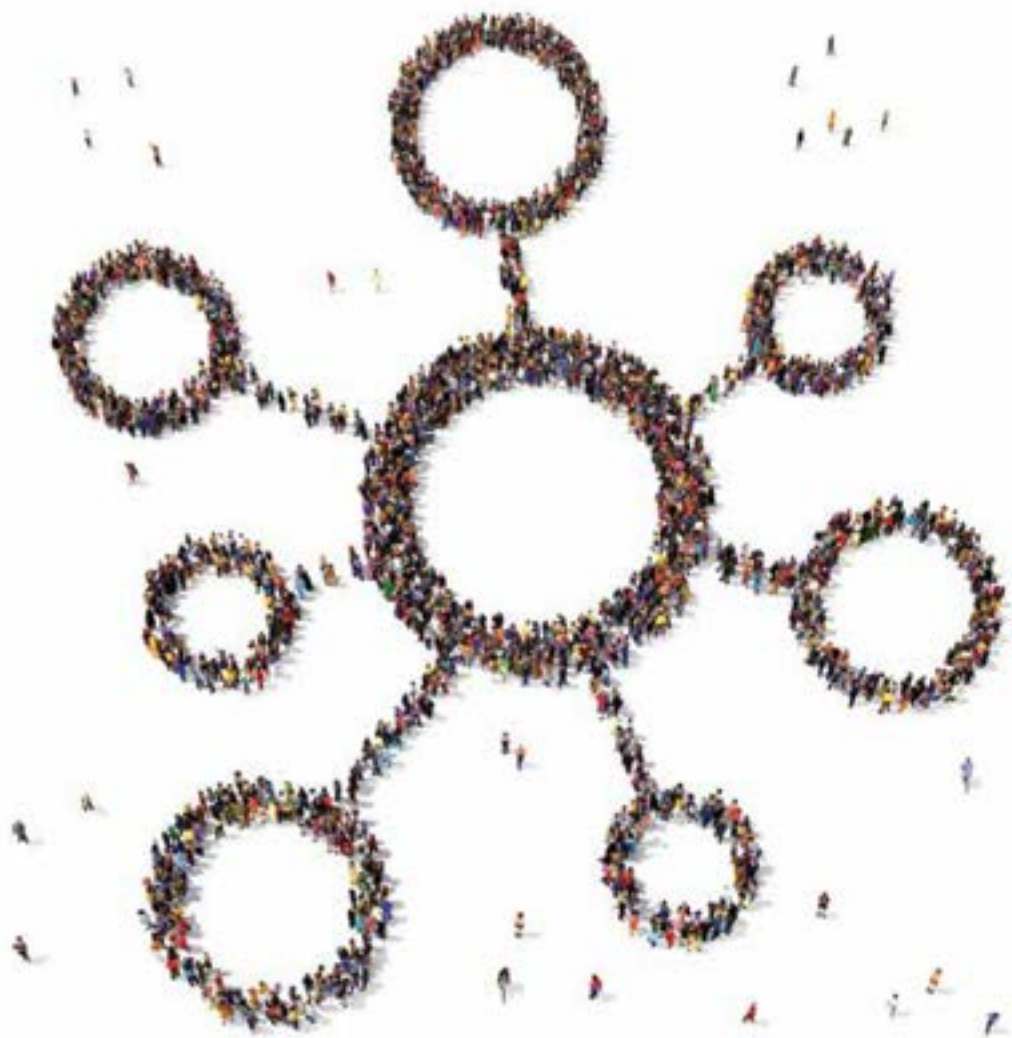


ANNUAL REPORT

2014

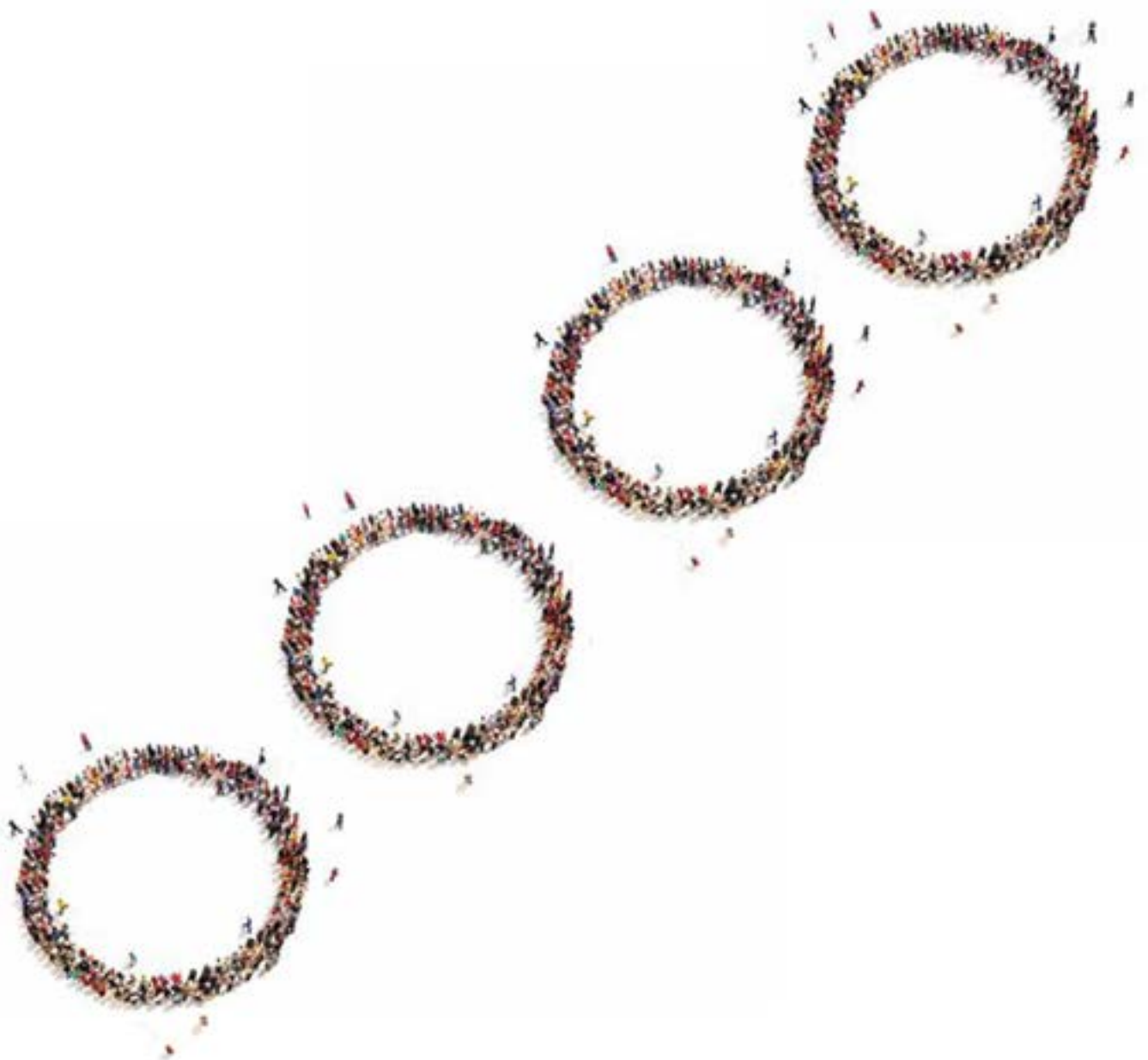
ANNUAL REPORT 2014





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LETTER OF TRANSMITTAL

Date: June 14, 2015

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, 2014.

Dear Sir/Madam:

Enclosed herewith, please find, a copy of the Annual Report together with the audited financial statements including consolidated and separate balance sheet as at December 31, 2014 and income statements, cash flow statements and changes in equity statements for the year ended December 31, 2014 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



Nasim Ahmed
Deputy Managing Director &
Company Secretary



NOTICE OF THE 16TH ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting (AGM) of Bangladesh Finance And Investment Company Limited will be held on Monday 29 June, 2015, at 10.30 AM at BCIC Auditorium, 30-31, Dilkusha C/A, Dhaka- 1000 to transact the following businesses:

1. To receive consider and adopt the Accounts for the year ended on December 31, 2014 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, 2014 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 2015 and to fix-up their remuneration.
5. To transact any other business with the permission of the Chair.

By order of the Board



Nasim Ahmed
DMD & Company Secretary

Dated, Dhaka
June 14, 2015

NOTES:

- a) The Record Date: May 11, 2015.
- 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.





VISION

To be most innovative financial services provider in the country with special focus on creating value for all stakeholders.





MISSION

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





STRATEGIC OBJECTIVES

- Grow & diversify products range
- Optimize stakeholders' value
- Diversify funding sources
- Consolidate investment banking operation
- Optimize distribution point
- Developing & maintaining long term relationship with clients
- Responding quickly to utilize opportunities





CORE VALUES

- Integrity
- Customer focus
- Trust & respect
- Equal opportunity
- Transparency
- Teamwork
- Diversity
- Relationship forever
- Professional excellence





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 with integrity, dignity & ethical Manner;
- We encourage others to perform professional obligations;
- We are fair and honest to our communications;
- We deliver services according to BD Finance policies & professional standards;
- We disclose all relevant information;
- We respect laws and regulations;
- We value our communities;
- We emphasis to optimize Stakeholder's value;

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

Subsidiaries:

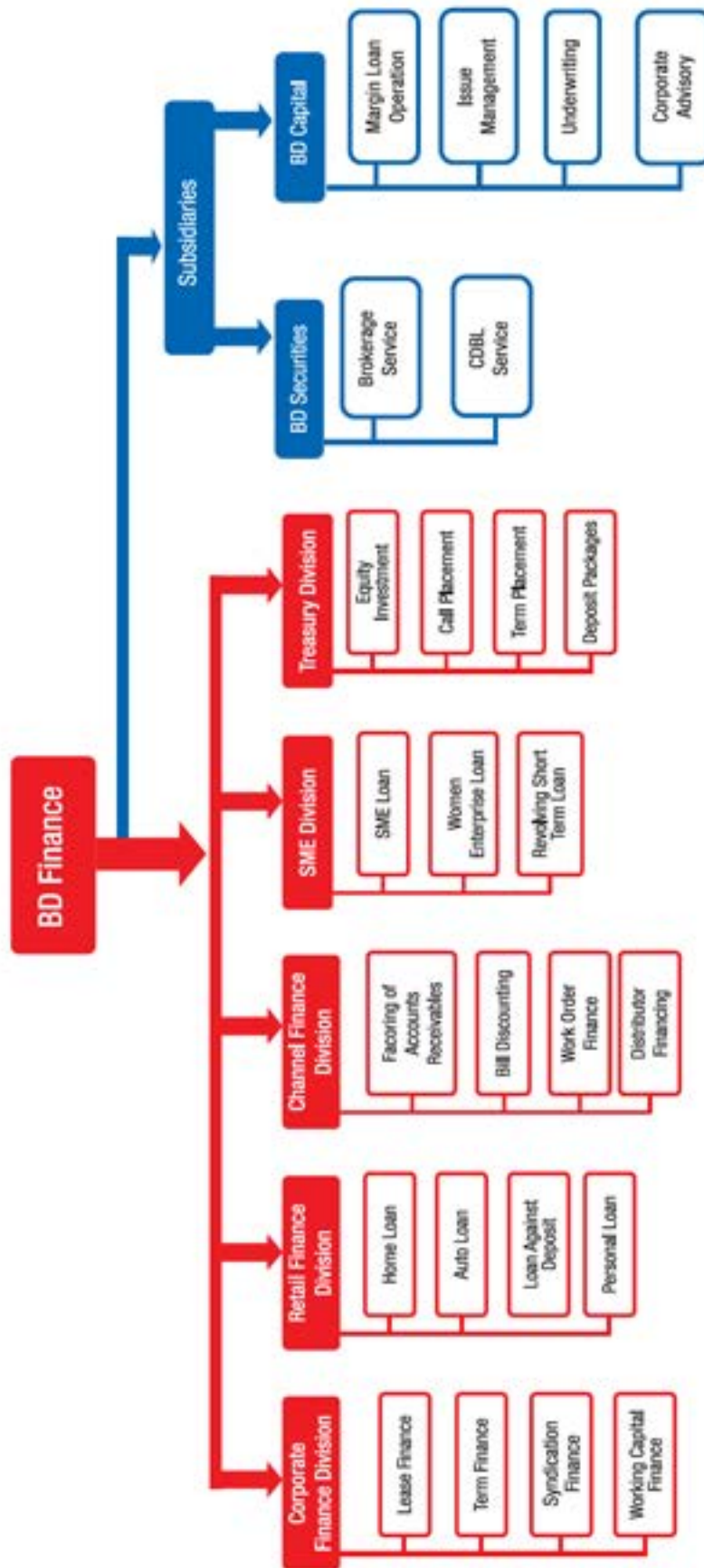
First Subsidiary: BD Finance Securities Limited (BD Securities)

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. Within 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





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 Third Branch opening in Sylhet | : | December 11, 2014 |
| Date of Fourth Branch opening at Uttara | : | December 23, 2014 |
| 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 | : | BD FINANCE |
| Equity Participation in BD Finance Securities Ltd. | : | December 28,2010 |
| Equity Participation in BD Finance Capital Holdings Ltd. | : | August 10,2011 |
| Sponsor of BD Finance Mutual Fund one | : | April 21, 2013 (Proposed) |

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 Office | : Baitul Hossain Building (2 nd floor) 27, Dilkusha C/A, Dhaka-1000, Bangladesh Phone: +88-02-9559146 (Hunting) Fax: +88-02-9566493. E-mail: info@bdfinance.net Website: www.bdfinance.net |
| Chittagong Branch | : Osman Court (2 nd floor) 70, Agrabad C/A, Chittagong Phone: +88-031-2510234 Fax: +BB-031-2526564 Hot Line: +88-01618-448922 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: +88-01618-448923 E-mail: info@bdfinance.net |
| Sylhet Branch | : Firoz Center, (5 th Floor), 891/Ka, Chouhatta, Sylhet Sadar-3100 Hot Line: +88-01618-448942 e-mail: info.sylhet@bdfinance.net |
| Uttara Branch | : Zeenat Center-2, 5 th Floor, Plot No. 111/4, Road No 7, Sector No. 4, Uttara, Dhaka-1230 Hot Line: +88-01618-448941 e-mail: info.uttara@bdfinance.net |

- Head Office of First Subsidiary** : BD Finance Securities Limited
64, Motijheel CIA (2nd Floor), Dhaka-1000.
Tel: +BB-02-9511 094,9554592
E-mail: info@bdsecurities.net
- Head Office of Second Subsidiary** : BD Finance Capital Holdings Limited
64, Motijheel CIA (2nd Floor), Dhaka-1000.
Tel: +88-02-7122165,9553967
Hot Line: +88-01618-448925
- Auditors** : A. Qasem & Co.
Gulshan Pink City
Suites # 01-03, Level : 7, Plot # 15, Road # 103
Gulshan Avenue
Dhaka-1212
- Tax Consultant** : Khandaker & Associates
Room No. 4/3, (4th floor) 73, Kakrail, Dhaka.
- Legal Advisor** : Mr. Md. Nuruzzaman
Barrister-at-law
Capital Law Chamber
Unit # 22B, City Centre (22nd Floor)
103 Motijheel C/A, Dhaka-1000
- Mr. Syed Sanaul Haque
Advocate
Haque & Associates
Green Heaven (8th Floor)
3/48, Purana Paltan
Dhaka-1000.
- Membership** : Associations:
Bangladesh Leasing and Finance Companies
Association (BLFCA)
Bangladesh Association of Publicly Listed Companies
(BAPLC)
Dhaka Chamber of Commerce & Industry (DCCI)



BOARD OF DIRECTORS

Chairman

Mr. Hossain Khaled

Nominated by Anwar Jute Spinning Mills Limited

Directors

Mrs. Tanuja Mehmood

Nominated by Anwar Steel Mills Limited

Mr. Geasuddin Ahmed

Mr. Mohammad Shahin Alam

Nominated by Hossain Dyeing & Printing Mills Limited

Mrs. Shahnaz Rashid

Nominated by Anwar Steel Mills Limited

Mr. Md. Imtiaz

Mr. Haider Ahmed Khan, FCA

Independent Director

Mr. Syed Tareq Akbar Ally

Nominated by Khaled Iron & Steel Mills Limited

Mr. Yousuf Aman

Nominated by Anwar Silk Mills Limited

Mrs. Rashida Youshuf

Nominated by Mehmud Industries (Pvt.) Limited

Mr. Ansar Uddin Ahmed

Independent Director

Mr. A.K.M. Shamsuddin

Independent Director

Mr. Mafizuddin Sarker

Managing Director & CEO

BRIEF PROFILE OF THE DIRECTORS



Mr. Hossain Khaled

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.



Mrs. Tanuja Mehmood

Director

Nominated by Anwar Steel Mills Ltd

Mr. Tanuja Mehmood W/o. Mr. Hossain Mehmood a graduate from North South University & MBA in International Business from Independent University of Bangladesh. She is one of the reputed business women and associated with Anwar Group of Industries in the corporate office and worked in their globalization planning.



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. 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.



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.



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. Ansar Uddin Ahmed
Independent Director

He is a son of a very renowned Teacher of the country. He has graduated and post graduated from Dhaka University. He joined Bangladesh Bank as Assistant Director through Public Service Commission. He served Bangladesh Bank for about 25 years and lastly he held the post of General Manager in different departments. During his tenure at Bangladesh Bank, Mr. Ahmed passed Master Degree in Financial Economics from the University of Wales, UK. After voluntary retirement from Bangladesh Bank, he joined as Deputy Managing Director of Pubali Bank. Subsequently, he served as Managing Director of National Housing Finance and Investment Ltd. & Bangladesh Industrial Finance Co. Ltd.



Mr. A. K. M. Shamsuddin
Independent Director

A career diplomat Mr. Shamsuddin is a former Secretary and High Commissioner and Permanent Representative of Bangladesh to the United Nation's Environment Program (UNEP) and UN Habitat. During his diplomatic tenure Mr. Shamsuddin was elected as Vice Chairman of the Asian Group in UNEP for two consecutive terms.

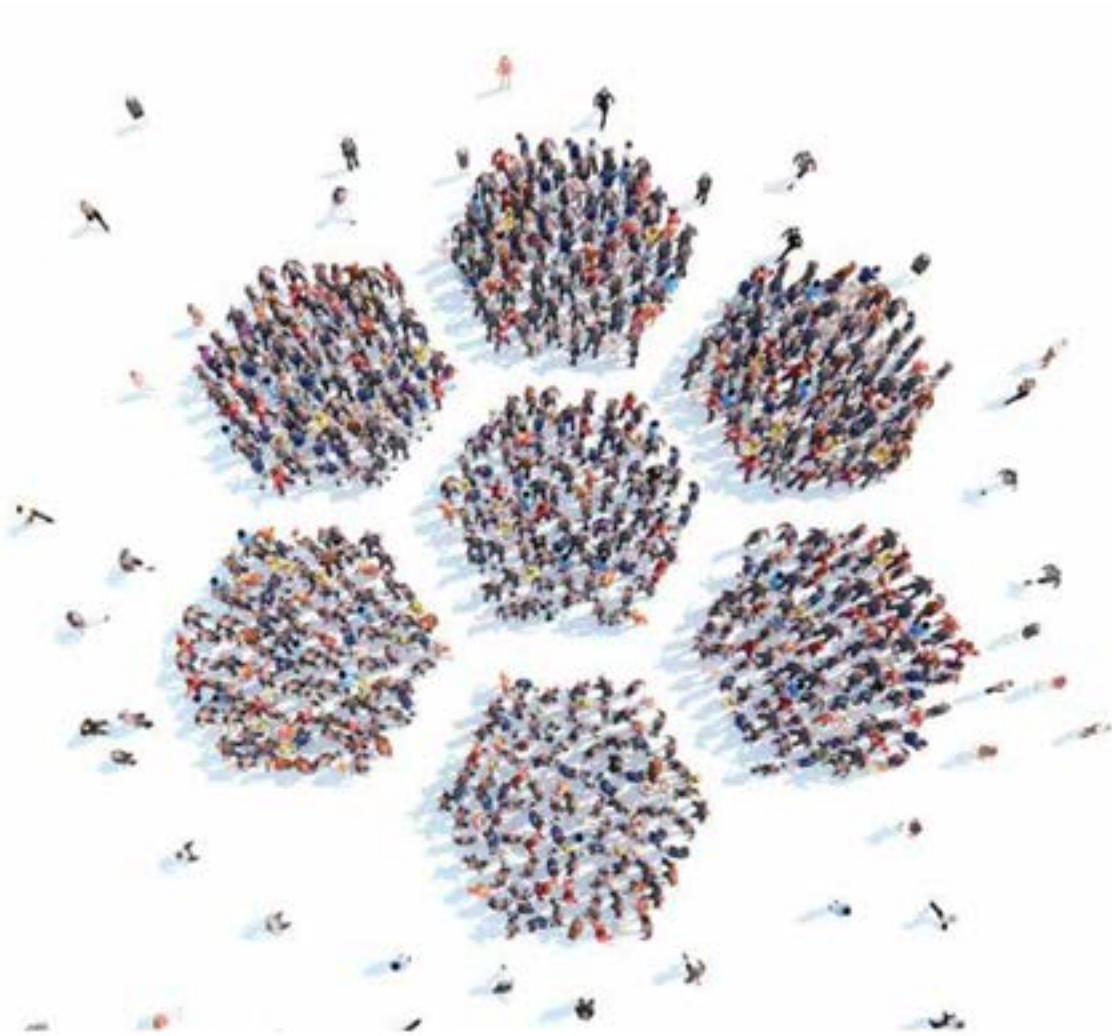


Mr. Mafizuddin Sarker
Managing Director

Mr. Mafizuddin Sarker, Managing Director & CEO, has over 36 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 Manager 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 AND MANAGEMENT

BOARD COMMITTEE

EXECUTIVE COMMITTEE

| | |
|-----------------------------|----------|
| Mr. Hossain Khaled | Chairman |
| Mr. Geasuddin Ahmed | Member |
| Mr. Syed Tareq Akber Ally | Member |
| Mr. Haider Ahmed Khan , FCA | Member |
| Mr. A.K.M. Shamsuddin | Member |
| Mr. Mafizuddin Sarker | Member |

AUDIT COMMITTEE

| | |
|---------------------------|----------|
| Mr. HaiderAhmed Khan, FCA | Chairman |
| Mr. Hossain Khaled | Member |
| Mr. Geasuddin Ahmed | Member |
| Ms. Shanaz Rashid | Member |
| Mr. Md. Imtiaz | Member |
| Mr. Yousuf Aman | Member |

MANAGEMENT COMMITTEE (MANCOM)

| | |
|--|------------------|
| Mafizuddin Sarker Managing Director & CEO | Convener |
| Nasim Ahmed Deputy Managing Director | Member Secretary |
| Shah M. Badar Uddin Senior Vice President & Head of Treasury | Member |
| Md. Abdus Salam Chowdhury Vice President & Head of ICC | Member |
| S.M. Shafique Senior Assistant Vice President & Head of Recovery | Member |
| Sumon C. Karmokar Senior Assistant Vice President & Head of Business-1 (Corporate) | Member |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member |
| Md. Rafiqul Amin AVP & Head of FAD | Member |
| Buddha Dev Sarker AVP & Head of ICT | Member |
| Rajesh Alexander D-Cruze AVP & Head of Business-2 (Retail) | Member |
| Pulak Chaudhuri FAVP & Head of Credit Risk Management (CRM) | Member |
| Mohammad Abu Bakar Siddique Senior Executive Officer & Head of Planning and Branch Control | Member |
| Md. Ali Hossain Senior Executive Officer & Head of Legal | Member |

| | |
|--|--------|
| Md. Safiullah Moni Executive Officer & Head of Business-3 (Channel Financing) | Member |
| Md. Emran Hossain Executive Officer & Head of Admin & HR | Member |
| Chowdhury Khaled Saifullah Managing Director, BD Finance Securities Limited | Member |
| Mohammed Ahsan Ullah Managing Director & CEO, BD Finance Capital Holding Limited | Member |

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

| | |
|--|------------------|
| Mafizuddin Sarker Managing Director & CEO | Convener |
| Shah M. Badar Uddin Senior Vice President & Head of Treasury | Member Secretary |
| Nasim Ahmed Deputy Managing Director | Member |
| S.M. Shafique Senior Assistant Vice President & Head of Recovery | Member |
| Sumon C. Karmokar Senior Assistant Vice President & Head of Business-1 (Corporate) | Member |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member |
| Md. Rafiqul Amin Assistant Vice President & Head of FAD | Member |
| Pulak Chaudhuri First Assistant Vice President & Head of CRM | Member |

CREDIT COMMITTEE (CC)

| | |
|--|------------------|
| Nasim Ahmed Deputy Managing Director | Convener |
| Sumon C. Karmokar Senior Assistant Vice President & Head of Business-1 (Corporate) | Member Secretary |
| S.M. Shafique Senior Assistant Vice President & Head of Recovery | Member |
| Rajesh Alexander D-Cruze Assistant Vice President & Head of Business-2 (Retail) | Member |
| Pulak Chaudhuri First Assistant Vice President & Head of CRM | Member |
| Safiullah Moni Executive Officer & Head of Channel Financing | Member |

BASEL IMPLEMENTATION COMMITTEE

| | |
|--|------------------|
| Mafizuddin Sarker Managing Director & CEO | Convener |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member Secretary |
| Nasim Ahmed Deputy Managing Director | Member |
| Md. Abdus Salam Chowdhury Vice President & Head of ICC | Member |

| | |
|--|--------|
| S.M. Shafique Senior Assistant Vice President & Head of Recovery | Member |
| Sumon C. Karmokar Senior Assistant Vice President & Head of Business-1 (Corporate) | Member |
| Md. Rafiqul Amin Assistant Vice President & Head of FAD | Member |
| Pulak Chaudhuri First Assistant Vice President & Head of CRM | Member |

RISK MANAGEMENT FORUM

| | |
|--|------------------|
| Pulak Chaudhuri FAVP & Head of Credit Risk Management (CRM) | Convener |
| Shah M. Badar Uddin Senior Vice President & Head of Treasury | Member |
| Md. Abdus Salam Chowdhury Vice President & Head of ICC | Member |
| S.M. Shafique Senior Assistant Vice President & Head of Recovery | Member |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member |
| Md. Jahid Humayun Executive Officer, CRM | Member Secretary |

RISK ANALYSIS UNIT

| | |
|--|------------------|
| Md. Rafiqul Amin Assistant Vice President & Head of FAD | Convener |
| Buddha Dev Sarker AVP & Head of ICT | Member |
| Ahmed Ali FAVP, Treasury | Member |
| Mohammad Abu Bakar Siddique Senior Executive Officer & Head of Planning and Branch Control | Member |
| Shiva Shakher Mondal SEO, Auto Loan | Member |
| Shohele Rajuana Executive Officer, Recovery | Member |
| Md. Mainuddin Executive Officer, FAD | Member Secretary |

HR COMMITTEE

| | |
|--|------------------|
| Mafizuddin Sarker Managing Director & CEO | Convener |
| Nasim Ahmed Deputy Managing Director | Member |
| Md. Sajjadur Rahman Bhuiyan AVP & CFO | Member |
| Md. Emran Hossain Executive Officer & Head of Admin & HR | Member Secretary |

INTERNAL CONTROL & COMPLIANCE COMMITTEE

| | |
|--|------------------|
| Mafizuddin Sarker Managing Director & CEO | Convener |
| Md. Abdus Salam Chowdhury Vice President & Head of ICC | Member Secretary |
| Nasim Ahmed Deputy Managing Director | Member |
| Shah M. Badar Uddin Senior Vice President & Head of Treasury | Member |
| S.M. Shafique Senior Assistant Vice President & Head of Recovery | Member |
| Sumon C. Karmokar Senior Assistant Vice President & Head of Business-1 (Corporate) | Member |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member |
| Rajesh Alexander D-Cruze Assistant Vice President & Head of Business-2 (Retail) | Member |
| Md. Ali Hossain SEO , Head of Legal | Member |
| Safiullah Moni Executive Officer & Head of Channel Financing | Member |

CORPORATE GOVERNANCE COMMITTEE

| | |
|--|------------------|
| Mafizuddin Sarker Managing Director & CEO | Convener |
| Nasim Ahmed Deputy Managing Director | Member Secretary |
| Md. Abdus Salam Chowdhury Vice President & Head of ICC | Member |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member |
| Md. Emran Hossain Executive Officer & Head of Admin & HR | Member |

IT COMMITTEE

| | |
|---|------------------|
| Nasim Ahmed Deputy Managing Director | Convener |
| Buddha Dev Sarker AVP & Head of ICT | Member Secretary |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member |
| Pulak Chaudhuri FAVP & Head of Credit Risk Management (CRM) | Member |

NATIONAL INTEGRITY COMMITTEE

| | |
|--|------------------|
| Nasim Ahmed Deputy Managing Director | Focal Point |
| Md. Emran Hossain Executive Officer & Head of Admin & HR | Member Secretary |

| | |
|--|--------|
| Shah M. Badar Uddin Senior Vice President & Head of Treasury | Member |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member |
| Md. Rafiqul Amin Assistant Vice President & Head of FAD | Member |

GREEN BANKING & CSR UNIT

| | |
|--|---------------------|
| Syed Tareq Akbar Ally Member, Director of Board | Convener |
| Nasim Ahmed Deputy Managing Director & Secretary | Head of Unit-Member |
| Sumon C. Karmokar Senior Assistant Vice President & Head of Business-1 (Corporate) | Member |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member |

ANTI MONEY LAUNDERING/COMBAT TERRORIST FINANCING:

CENTRAL COMPLIANCE UNIT (CCU)

CAMLCO

| | |
|--|---------|
| Nasim Ahmed Deputy Managing Director | CAMLCO |
| Shah M. Badar Uddin Senior Vice President & Head of Treasury | DCAMLCO |
| Sumon C. Karmokar Senior Assistant Vice President & Head of Business-1 (Corporate) | Member |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member |
| Ahmed Ali -FAVP, Treasury | Member |

BRANCH COMPLIANCE UNIT (BCU)

BAMLCO

| | |
|--|--------|
| Hossan Al Masud FAVP & Branch In Charge, Chittagong Br. | BAMLCO |
| Md. Abdus Samad SEO & Branch In Charge, Bangshal Br. | BAMLCO |
| Md. Ruhul Kuddus SEO & Branch In Charge, Uttara Br. | BAMLCO |
| Md. Jahid Hasan Sohel SEO & Branch In Charge, Sylhet Br. | BAMLCO |
| Ashraf Al Bari SEO, Treasury Department | BAMLCO |

REVIEW TEAM

| | |
|--|-------------|
| Md. Abdus Salam Chowdhury Vice President & Head of ICC | Coordinator |
| Md. Sajjadur Rahman Bhuiyan Assistant Vice President & CFO | Member |

MANAGEMENT TEAM

Mr. Mafizuddin Sarker
Managing Director & CEO

Nasim Ahmed
Deputy Managing Director & Company Secretary

Mr. M Badar Uddin
Senior Vice President & Head of Treasury

Sumon C. Karmokar
SAVP & Head of Business-1 (Corporate)

Mr. S.M. Shafique
Senior Assistant Vice President & Head of Recovery

Mr. Md. Sajjadur Rahman Bhuiyan
Assistant Vice President & CFO

Mr. Md. Rafiqul Amin
Assistant Vice President & Head of FAD

Mr. Buddha Dev Sarker
AVP & Head of ICT

Mr. Pulak Chaudhuri
First Assistant Vice President & Head of CRM

Mr. Ahammad Ali
First Assistant Vice President (Treasury)

Mr. Md. Hossain Al Masud
First Assistant Vice President & Branch-In-Charge, Chittagong

RISK MANAGEMENT FRAMEWORK

The diversity of business model of Bangladesh Finance And Investment Company Limited ("BD Finance") requires to identify, measure, aggregate and manage risks, and to allocate capital among businesses. BD Finance operates as an integrated business entity through departments, business units and infrastructure functions. Risk and capital are managed via a framework of principles, organizational structures and measurement and monitoring processes are closely aligned with the activities of the departments and business units.

Credit Risk Management

Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a company's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions. BD Finance has a comprehensive credit risk management architecture. The Board of Directors of BD Finance endorses the credit risk strategy and approves the credit risk policies of the company. This is done taking into consideration the company's risk appetite, derived from perceived risks in the business, balanced by the targeted profitability level for the risks taken up. The Board oversees the credit risk management functions of the company. The Risk Management Forum ("RMF"), which is a committee of the management, guides the development of policies, procedures and systems for managing credit risk, towards implementing the credit risk strategy of the company. The RMF ensures that these are adequate and appropriate to changing business conditions, the structure and needs of the company and the risk appetite of the company. The RMF periodically reviews the company's portfolio composition and the status of impaired assets. The company's Credit and Market Risk drives credit risk management centrally in the company. It is primarily responsible for implementing the risk strategy approved by the Board, developing procedures and systems for managing risk, carrying out an independent assessment of credit and market risk, approving individual credit exposures and monitoring portfolio composition and quality. The risk management function in the company is clearly demarcated and independent from the operations and business units of the company. The risk management function is not assigned any business targets.

Market Risk Management

Market risk arises from the uncertainty concerning changes in market prices and rates including interest rates, equity prices, foreign exchange rates, commodity prices as well as correlations among them and their level of volatility. Being a financial institution, BD Finance is exposed to risk associated with fluctuations in interest rate and equity price. Interest rate risk is the current or prospective risk that earnings and/or capital are negatively affected by interest rate changes in the financial markets. This risk is inherent to the company's business. BD Finance uses various indicators to measure interest rate risk. The interest rate risk position is monitored by the Asset and Liability Committee on a monthly basis. The interest rate risk is managed with an interest risk model, using guidelines and limits and by performing various interest rate stress scenarios. Limits are agreed by the Management Committee based on a proposal made by the Asset and Liability Committee.

Operational Risk Management

In the course of its normal business, BD Finance runs operational risks. These risks relate to losses BD Finance could incur as a result of inadequate or failing internal processes, systems, human behavior or external events. BD Finance limits these risks as much as possible by making sure there are clear policies, reports and procedures in place for all business processes. Control measures are embedded in IT-systems and recorded in monitoring procedures and work instructions. Co-worker training, level of experience and involvement all support this, because people are key to the success of managing risks. The operational risk framework uses several tools and technologies to identify, measure, mitigate and monitor risks on an operational, tactical and strategic level. This process takes into account our duty of care to clients, and company's substantial objective, such as screening for environmental criteria. A special part of Operational Risk Management is Information Security and Business Continuity. Activities to manage risks related to these subjects are executed under the responsibility of the Deputy Managing Director-Operations. The Basic Indicator Approach is used for the capital calculation of operational risk, in accordance with Basel II. The operational risk framework follows the principles based on sound practices for the management and supervision of Operational Risk.

CORPORATE GOVERNANCE

Corporate Governance is the system of principles, policies, procedures and clearly defined responsibilities and accountability designed by key stakeholders to overcome the conflicts of interest inherent in the corporate form. Corporate in today's business world is subject to a variety of conflicts of interest due to its inherent complexities in forms and structures. So Corporate Governance must be there in order to:

- Eliminate or mitigate conflicts of interest, particularly those between management and shareholders
- Ensure that the assets of the company are used efficiently and effectively and in the best interest of its shareholders and stakeholders

From the view point of conflicts of interest, two relationships (between management and shareholders and directors and shareholders) are the primary focus of most of the systems of corporate governance. Board of Directors is a critical component of the check and balance system that lies at the heart of corporate governance system. Board member owes a duty to make decisions based on what ultimately is best for the long term interests of the shareholders. In order to do this effectively, Board members need a combination of three things:

- A. Independence
- B. Experience and
- C. Resources

CORPORATE GOVERNANCE PRACTICE AT BD FINANCE

BD Finance is guided in its corporate governance practices mainly by two regulatory bodies: Bangladesh Bank (Central Bank of Bangladesh) and Bangladesh Securities and Exchange Commission (BSEC).

However, BD Finance's corporate governance philosophy encompasses not only regulatory and legal requirements but also various internal rules, policies, procedures and practices based on the best practices of a financial institution. At BD Finance attribute a simple meaning to Corporate Governance, which is due diligence in observing responsibilities by Board of Directors as well as management to safeguard interests of key stakeholders, i.e. depositors, shareholders, employees and the society as a whole. Two very important pillars of good Corporate Governance structure are:

And these two pillars are backed by strong internal control and compliance structure and MIS capabilities in BD Finance.

BOARD OF DIRECTORS

The Board of Directors is currently constituted with 14 directors among whom 13 (thirteen) are Non Executive directors including the Chairman and 1 (one) is Managing Director (Ex-Officio). Board members include persons of high caliber, with academic and professional qualification in the field of business and professionals. This gives strength for effective discharge of duties and responsibilities by the Board. The Board approves the BD Finance's budget and business plan and reviews those on monthly basis so as to give directions as per changing economic and market environment. The Board reviews the policies and manuals of the various segments of businesses in order to establish operations. The Board and the Executive Committee review the policies and guidelines issued by Bangladesh Bank regarding credit and other operations of the industry. The management operates within the policies, manuals and limits approved by the Board. Regular meeting of the Board is held, at least once a month.

APPOINTMENT OF DIRECTORS

The members of the Board of Directors of BD Finance are appointed according to the provision of Companies Act 1994, Bank Company Act 1991 (Amended up to 2013), Corporate Governance Guidelines of BSEC, Guidelines of Bangladesh Bank and Articles of Association of the BD Finance.

The Board of Directors is comprised of experienced members with diverse professional experience and knowledge such as business, banking and finance, IT, accounting, marketing, administration, engineering which make the Board very proficient and balanced in directing Bank to achieve its desired objectives.

BOARD OF DIRECTORS MEETING

The Board of Directors holds meeting on a regular basis. At each meeting, management provides information, references and detailed working papers for each agenda to all directors for consideration at least three days before the meeting. The Chairman of the Board of Directors allocates sufficient time for the directors to consider each agenda in a prudent way and allows them to freely discuss, inquire and express opinions on the topics of interest at the meeting in order to fulfill the directors' duties to the best of their abilities at the meeting.

SEPARATION OF CHAIRMAN AND MANAGING DIRECTOR ROLES

In compliance with Bangladesh Bank BRPD Circular No.06, February 04, 2010 and clause 1.4 of BSEC Corporate Governance Guidelines dated August 7, 2012, we report that the Chairman of the Board has been elected from among the directors and there are clear and defined roles and responsibilities of the Chairman and the Managing Director.

The Chairman of the Board approves the agenda for the Board Meetings, assisted by the Managing Director and the Company Secretary. Regular agenda items include approving credit beyond MD's authority and aspects of BD Finance's corporate strategy, financial performance, core risk and credit policy, corporate governance, CSR and organizational structure, human resources policy, customer and service strategies, procurement policy, etc.

On the other hand, MD, being the head of management team, is accountable to the Board and its committee to run and manage the BD Finance in accordance with the prescribed policies, principles and strategies, established by the Board and rules, regulations and guidelines from Central Bank, BSEC and other regulatory authority. Management's primary responsibilities are:

- Manage the operation of the BD Finance safeguarding interests of customers and other stakeholders in compliance with the highest standards of ethics and integrity;
- Implement the policies and strategic direction, established by Board;
- Establish and maintain a strong system of internal control;
- Ensure the bd financ's compliance with applicable egal and regulatory requirement.

RESPONSIBILITIES OF THE CHAIRMAN OF THE BOARD

The overall responsibilities of the Chairman are to:

- Ensure that the Board sets and implement the bd finan's direction and strategy effectively;
- Act as the BD Finance's led representative, explaining aims and policies to the shareholders;
- Ensure no participation in or interfere in the administrative or operational and routine affairs of BD Finance.

The Specific responsibilities of the Chairman, among others, are to:

- Provide all over leadership to the Board, supplying vision, mission and imagination, working closely with the MD;

Take leading role in determination of composition and structure of the Board, which will involve in regular assessment of the:

- _ Size of the Board
- _ Interaction, harmony and involvement of the directors

- Set the Board's agenda and plan Board Meeting;
- Chair all Board Meetings, directing debate towards consensus;
- Ensure that the Board receives appropriate, accurate, timely and clear information;
- Chair the AGM and other shareholders' meetings to foster effective dialogue with shareholders;
- Ensure that the views of the shareholders are communicated to the Board as a whole;
- Work with Chairman of Board Committee;

BENEFITS PROVIDED TO DIRECTORS AND MANAGING DIRECTOR

- Directors are entitled to fees for attending the Board/ Executive Committee meetings (Notes to the Financial Statement No. 28)
- Managing Director is paid salaries and allowances as per approval of the Board and Bangladesh Bank (Notes to the Financial Statement No.27)
- BD Finance has fully complied with Bangladesh Bank Circular and Guidelines.

APPOINTMENT OF EXTERNAL AUDITORS

Bd Finance in its 15th Annual General Meeting held on June 18, 2014 appointed M/s. A. Qasem & Co., Chartered Accountants as the External auditor for the year 2014.

SERVICES NOT PROVIDED BY EXTERNAL AUDITORS

As per BSEC guidelines, we declare, Chartered Accountants, involved in statutory audit were not involved in any of the followings during the year 2014:

- Appraisal or valuation services or fairness opinions;
Designing and implementing financial information system;
- Bookkeeping or other related services;
- Broker-Dealer services;
- Actuarial services;
- Internal Audit services;
- Any other services that the Audit committee determines.

No partner or employee of M/s. A. Qasem & Co, Chartered Accountants possess any share of the BD Finance during the tenure of their audit assignment at BD Finance.

CENTRAL BANK INSPECTIONS

Bangladesh Bank carried out a comprehensive inspection of the BD Finance's Head Office Bangladesh Bank Representatives and related management personnel of BD Finance had detailed discussion in the observation. The management took the observation with utmost importance and necessary compliance is made to Bangladesh Bank's suggestion for improvement.

BOARD COMMITTEE AND ITS RESPONSIBILITIES

To ensure proper accountability and transparency through Due Diligence the Bank has two Board Committed namely Audit Committee and Executive Committee mainly to oversee and direct operations, performance and strategic direction of the Bank.

MANAGEMENT COMMITTEES AND THEIR RESPONSIBILITIES

In an effective Corporate Governance Structure, Bd Finance management has a collective mandate under the

leadership of Managing Director to carry out daily operations to the best interest of the stakeholders. Several management committees have been formed to handle the banking operation and identify and manage risk. The committees are MANCOM, ALCO, RMU, Investment Committee and Purchase Committee. Managing Director leads the three most important Committees, MANCOM, ALCO and Investment Committee.

MANAGEMENT COMMITTEE (MANCOM)

MANCOM is considered the highest decision and policy making authority of BD Finance which consists of MD and different business and support unit head. Routine works of the committee are:

- Monthly business and financial performance analyses;
- Monthly business review and analyses of each business unit (Corporate, SME, Retail and Treasury) performance
- Operational Risks

RISK MANAGEMENT UNIT

BD Finance Risk Management Unit (RMU) with DMD & CRO in the chair to ensure proper and timely identification, management and mitigation of risks exposed by the Bank in a comprehensive way.

ASSETS LIABILITY COMMITTEE (ALCO)

ALCO was engaged with full activity in setting strategies and revamping previously taken strategies to cope with current market scenario.

INVESTMENT COMMITTEE (IC)

A committee looks after investment in capital market and meets as and when required. They oversee and monitor to ensure that the investment decisions are carried out as per approved strategy and investment policy. This committee regularly monitors BD Finance's holdings of shares and capital market exposures and ensures keeping investment within prescribed limit set by Central Bank.

PURCHASE COMMITTEE

A purchase committee plays an instrumental role in the procurement procedure of the BD Finance.

INTERNAL CONTROL: THE WATCHDOG OF TRANSPARENCY AND ACCOUNTABILITY

One of the key strategic objectives of BD Finance is to sustain the quality of its overall operations. Internal Control & Compliance Department (ICCD) plays a major role towards achieving this goal. An appropriate and effective internal control environment is in place to ensure that the BD Finance is managed and controlled in a sound and prudent manner by way of maintaining highest standards of operational procedures & control and to keep the operations on the right track by eliminating all system & process flaws & deficiencies.

To ensure appropriate level of Internal Control System, the BD Finance's ICCD has been structured as per prescribed organizational structure of Bangladesh Bank's Core Risk Management Guidelines. ICCD operates independently as a department and has a unique reporting line to the BD Finance's Board of Directors through the Audit Committee and to the Managing Director. Thus it acts as a bridge between the Board of Directors and the Management.

Internal Control and Compliance department consist of three units to conduct effective functions:

- (i) **Monitoring Unit** : The Monitoring Unit monitors the operational performance of various branches & divisions and raises flags in case of deviations detected. They also collect relevant data and analyze those to assess the risk of individual units.
- (ii) **Audit & Inspection Unit** : Key operational risk areas of the core business lines (Corporate Finance, Retail Finance, Auto Loan, Home Loan, SME Finance' Channel Finance and Treasury & Market Risk) along with the other segments of BD Finance, i.e., operations, risk and support functions are identified

and assess through regular audit process carried out by the Audit & Inspection Unit under an approved annual audit plan. In addition, special investigations and review assignments are also undertaken as per the management requirements.

- (iii) Compliance Unit : The Compliance Unit follows up with different divisions and/or branches to ensure that all audit issues as well as regulatory requirements are rectified and complied with within specific deadlines. They also maintains liaison with the regulators/policy makers at all levels and notify the other units regarding regulatory/procedural changes.

BD Finance formulate and update from time to time its Internal Control policies and manuals Internal Control focuses on ensuring compliance with BD Finance's policies together with regulatory requirements (including all Core Risk Management Guidelines provided by Bangladesh Bank), social, ethical and environmental risks and also recommending appropriate measures to further improve internal control framework. In this way, ICC plays its role both as a watchdog as well as a facilitator of the BD Finance's sustainable growth.

Our functions determine for ascertaining strong internal control in BD Finance in line with regulatory requirements for maintaining adequate compliance culture.

RISK MANAGEMENT

Risk Management practices at BD Finance is made in line with best practices and premised on the commitment of the Board of Directors to adhere to sound corporate governance standards within the industry. Market Disclosure provides qualitative and quantitative disclosure is aimed at providing detail of risk management structure and relevant information to all stakeholders and thereby continues to boost the confidence of the market in BD Finance.

BD Finance is committed to its stakeholders to attain a sustainable business growth commensurate with its strategy through implementation of a robust Enterprise Risk Management (ERM) framework within the organization. The main objective of this ERM is to inculcate the risk culture at every part of its operation, so that risk elements (whether credit, market, operation or other pillar II risk elements) remain within its acceptable level and the BD Finance is not exposed to any threats for exceeding its tolerance parameters.

BD Finance has Risk Management Unit (RMU), a committee to oversee the risk management activities across BD Finance, comprising of member of senior management, headed by CRO. Activities of Risk Management Unit (RMU) are supported by Risk Management Department (RMD) of BD Finance.

CREDIT RISK

BD Finance Credit team operates in a comprehensive and robust framework for the identification, analysis and monitoring of credit risks arising within each business.

Credit risk of Corporate, SME, Branch and Commercial Banking business segment is being managed by Credit Risk Management (CRM) Division while the same of Small and Retail business segment is being managed by a separate division namely Credit and Collection of Small and Retail Business. Credit Risk management process are guided by Credit Policy Manual (CPM) which is supported by a number of Credit Instruction Manuals (CIMs), which is reviewed regularly, last review been completed in August, 2014. Key aspects of this framework are discussed below:

Analysis and Approval of Exposures: Boards delegated discretions to approve credit to MD of the BD Finance, who further sub-delegates credit authorities to appropriate individuals. Credit proposals are initiated by respective business segments and are independently assessed by respective credit risk department and finally approved or declined by appropriate approval authority. All credit exposures are reviewed at least once a year.

Measuring Credit Risk: For Corporate and SME loan, BD Finance follows Credit Risk Grading Model (CRGM) recommended by Bangladesh Bank. BD Finance is at final stage to implement CRGM; BD Finance is in the process of development of internal risk rating models to facilitate migration to Foundation Internal Rating Based (IRB) approach of credit risk assessment.

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 paperless office and greener IT infrastructure for an organization.

HUMAN RESOURCES OF BD FINANCE: Inspiring the hidden Potentialities

High quality and competent human resource are undoubtedly crucial to continued growth and success of any business entity. Human Resource Management is responsible for effective designing and implementation of various policies, procedures and programs. It is all about developing and managing knowledge, skills, creativity, aptitude and talent and using them optimally.

We at BD Finance give more importance to a sound basis for efficient and effective HR. Because, a competent, well-trained, committed & motivated team of human resources with positive & sincere attitude towards customers that can develop, maintain and strengthen trust & confidence in the customers that is crucial for success. A talented, committed, skilled and fully motivated team of human resources is the main driving force for providing better, faster and coordinated services to the clients and for performing at the highest level in a fiercely competitive financial market. Accordingly, our HR Policy is to attract, retain and motivate the most talented people and providing them with healthy, safe and progressive working environment and competitive compensation package. BD Finance reviews regularly its competitive position with other companies so as to keep in line with the market trends.

BD Finance initiated employee recognition policy aimed at motivating and improving employee morale. The policy provides the required tools to reward and recognize employees who demonstrate positive behavior through their performance towards achievement of goals and/or enhancing the image of the institution. At BD Finance we consider it important that everyone is treated well and with respect regardless of gender, age, responsibility, sexual orientation and ethnic background. We value diversity in terms of the unique characteristics that each member of our team brings to the organization as reflected in diverse educational and professional backgrounds, cultural and gender perspectives

BD Finance seeks to attract, retain and develop the right people, who display in addition to their professional skills and competencies of the employees including customer orientation, people orientation, achievement orientation, leadership, Impact, self-confidence. We at BD Finance develop the skills of all employees to create high levels of motivation and performance and to allow them to reach their full potential. The policy is to have well-trained and highly knowledgeable staff & strive for the highest standards of safety and health performance. The employee strength of the company is presented below:

| | 2013 | 2014 |
|-----------------------|------|------|
| Beginning of the year | 53 | 70 |
| New recruitment | 29 | 21 |
| Released | (12) | (8) |
| Closing of the year | 70 | 83 |

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REPORTS OF THE CEO AND CFO IN RESPECT OF FINANCIAL REPORTING

We have reviewed accompanying consolidated financial statements of Bangladesh Finance And Investment Company Limited (BD Finance) and its subsidiaries as well as the financial statements of BD Finance which comprise the consolidated and the separate balance sheet as at 31 December 2014, profit and loss account, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

These financial statements have been prepared and presented fairly in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994 and other applicable laws and regulations.

The Company has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The Internal Control and Compliance Department of the Company conducts periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

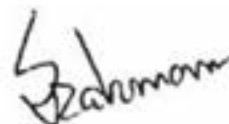
Based on the internal control system of the Company and our review of these financial statements, we certify that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;
3. No transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct;
4. Proper books of account as required by law have been kept by the Company;
5. The expenditure incurred was for the purpose of the Company's business;
6. Adequate provisions have been made for leases and advances and other assets which are, in our opinion, doubtful of recovery.

We further certify that to the best of our knowledge and belief there were no transactions entered into by the Company during the year, which are fraudulent, illegal, or violation of the Company's code of conduct.



Mafizuddin Sarker
Managing Director & CEO



Md. Sajjadur Rahman Bhuiyan
AVP & Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

1. We have examined the compliance of conditions of Corporate Governance by **Bangladesh Finance and Investment Company Limited** ("the Company") for the year ended 31 December, 2014 as per the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the BSEC notification mentioned above.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.


Itrat Husain & Associates
Chartered Secretaries in Practice

Signed by : Itrat Husain FCMA, FCS
Chief Executive

Dhaka, 26 April, 2015

Status report on compliance with the conditions imposed by the BSEC (Report under condition No. 7.00)

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 Dated August 07, 2012 and subsequently amended on July 21, 2013 issued under section 2CC of the securities and exchange ordinance 1969.

| Condition No. | Title | Compliance Status | Remarks |
|---------------|--|-------------------|---------|
| 1. | Board of Directors | | |
| 1.1 | Board's Size : The number of the Board members of the Company shall not be less than 5(Five) and more than 20(Twenty) | Complied | |
| 1.2 | Independent Directors All companies shall encourage effective representation of Independent Directors on their Board of Directors so that the Board, as a group, includes core competencies considered relevant in the context of each company. For this purpose, the company shall comply with the following:- | | |
| 1.2(i) | At least one fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors | Complied | |
| 1.2(ii)a) | Independent Director does not hold any share or holds less than 1%(One percent) shares of the total paid-up shares of the company | Complied | |
| 1.2(ii)b) | Independent Director or his family members are not connected with the Company's any sponsor or Director or Shareholder who holds 1% or more shares | Complied | |
| 1.2(ii)c) | Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies. | Complied | |
| 1.2(ii)d) | Independent Director is not a Member, Director or Officer of any Stock Exchange | Complied | |
| 1.2(ii)e) | Independent Director is not a Shareholder, Director or Officer of any member of Stock Exchange or an intermediary of the capital market | Complied | |
| 1.2(ii)f) | Independent Director is not a partner or an executive or was not partner or an executive during the preceding 3(Three) years of any statutory audit firm | Complied | |
| 1.2(ii)g) | Independent Director shall not be an Independent Director in more than 3(Three) listed companies | Complied | |

| | | | |
|-----------|---|---------------------|--|
| 1.2(ii)h) | Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBF) | Complied | |
| 1.2(ii)i) | Independent Director has not been convicted for a criminal offence involving moral turpitude | Complied | |
| 1.2(iii) | The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM | Complied | |
| 1.2(iv) | The post of Independent Director(s) cannot remain vacant for more than 90 (Ninety) days | No vacancy occurred | |
| 1.2(v) | The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded | Complied | |
| 1.2(vi) | The tenure of office of an Independent Director shall be for period of 3(Three) years, which may be extended for 1(One) term only | Complied | |
| 1.3 | Qualification of Independent Director (ID) | | |
| 1.3(i) | Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business | Complied | |
| 1.3(ii) | Independent Director should be a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountant, Cost & Management Accountants, Chartered Secretaries. The Independent Director must have at least 12(Twelve) years of corporate management / professional experiences | Complied | |
| 1.3(iii) | In special cases the above qualifications may be relaxed subject to prior approval of the Commission | N/A | |
| 1.4 | Chairman of the Board and CEO shall be filled by different individuals. Chairman shall be elected from among the Directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO | Complied | |

| | | | |
|-----------|--|-------------------------|--|
| 1.5 | The Directors' Report to shareholders The Directors of the company shall include the following additional statements in the Director's Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) | | |
| 1.5(i) | Industry outlook and possible future developments in the industry | Complied | |
| 1.5(ii) | Segment-wise or product-wise performance | Complied | |
| 1.5(iii) | Risks and concerns | Complied | |
| 1.5(iv) | A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin. | Complied | |
| 1.5 (v) | Discussion on continuity of any Extra Ordinary gain or loss | No such incidence arose | |
| 1.5(vi) | Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report | Complied | |
| 1.5(vii) | Utilization of proceeds from Public Issues, Rights Issues and/ or through any other instruments | N/A | |
| 1.5(viii) | An explanation if the financial results deteriorate after the company goes for Initial Public offering (IPO), Repeat Public offering (RPO), Rights Offer, Direct Listing etc. | N/A | |
| 1.5(ix) | If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report | N/A | |
| 1.5(x) | Remuneration to Directors including Independent Directors | Complied | |
| 1.5(xi) | The Financial Statements prepared by the management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity | Complied | |
| 1.5(xii) | Proper books of account of the issuer Company have been maintained | Complied | |
| 1.5(xiii) | Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment | Complied | |
| 1.5(xiv) | International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the Financial statements and any departure there-from has been adequately disclosed | Complied | |

| | | | |
|-------------|--|----------|--|
| 1.5(xv) | The system of Internal Control is sound in design and has been effectively implemented and monitored | Complied | |
| 1.5(xvi) | There are no significant doubts upon the issuer Company's ability to continue as a going concern. If the issuer Company is not considered to be a going concern, the fact along with reasons thereof should be disclosed | Complied | |
| 1.5(xvii) | Significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reason thereof should be explained | N/A | |
| 1.5(xviii) | Key operating and financial data of at least preceding 5(Five) years shall be summarized | Complied | |
| 1.5(xix) | Reasons for not declared dividend | N/A | |
| 1.5(xx) | The number of board meetings held during the year and attendance by each Director shall be disclosed | Complied | |
| 1.5(xxi) | The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- | | |
| 1.5(xxi)a) | Parent/Subsidiary/Associated Companies and other related parties (name wise details) | | |
| 1.5(xxi) b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise detail) | Complied | |
| 1.5(xxi) c) | Executives | Complied | |
| 1.5(xxii)d) | Shareholders holding ten percent (10%) or more voting interest in the Company (name wise detail) | Complied | |
| 1.5(xxii) | In case of the appointment /re-appointment of a director the Company disclose the following information to the shareholders:- | | |
| 1.5(xxii)a) | A brief resume of the Director | Complied | |
| 1.5(xxii)b) | Nature of his/her expertise in specific functional areas | Complied | |
| 1.5(xxii)c) | Name of Companies in which the persons also holds the Directorship and the Membership of committees of the Board | Complied | |

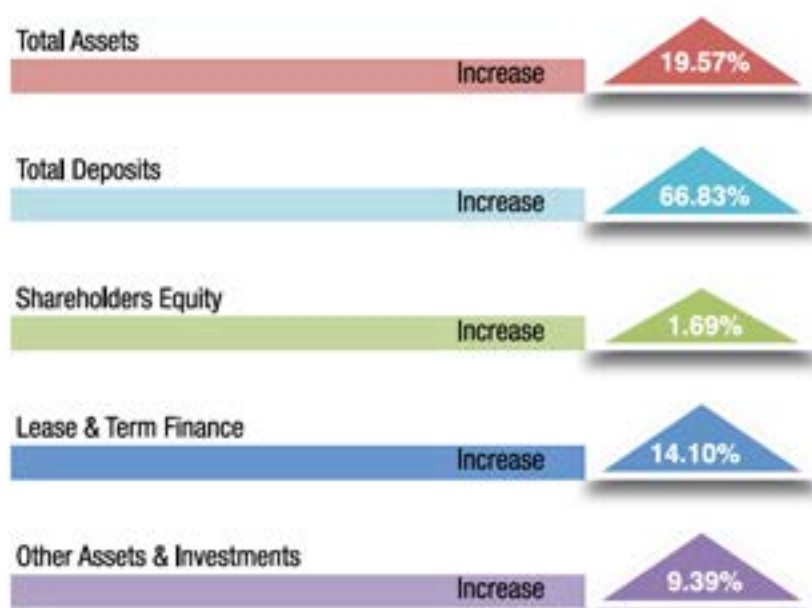
| | | | |
|----------|--|---------------------|--|
| 2 | Chief Financial Officer, Head of Internal Audit and Company Secretary | | |
| 2.1 | The Company shall appoint a Chief Financial Officer (CFO), Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS | Complied | |
| 2.2 | Attendances of CFO and CS at the meeting of the Board of Directors. | Complied | |
| 3 | Audit Committee | | |
| 3(i) | The Company shall have an Audit Committee as a sub-committee of the Board of Directors | Complied | |
| 3(ii) | The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business | Complied | |
| 3(iii) | The Audit Committee shall be responsible to the Board of Directors. The duties of Audit Committee shall be clearly set forth in writing | Complied | |
| 3.1 | Constitution of the Audit Committee | | |
| 3.1(i) | The Audit Committee shall be composed of at least 3 (Three) members | Complied | |
| 3.1(ii) | The Board of Directors shall appoint members of the Audit Committee who shall be Directors of the Company and shall include at least 1(One) Independent Director | Complied | |
| 3.1(iii) | All members of the Audit Committee should be "financially literate" and at least 1(One) member shall have accounting or related financial management experience. The term "financially literate" means the ability to read and understand the financial statements like Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or Accounting/ Finance graduate with at least 12(Twelve) years of corporate management/ professional experiences | Complied | |
| 3.1(iv) | Casual Vacancy in Audit Committee shall be filled by the Board | No vacancy occurred | |
| 3.1(v) | The Company Secretary shall act as the Secretary of the Audit Committee | Complied | |
| 3.1(vi) | The quorum of the Audit Committee meeting shall not constitute without at least 1(One) Independent Director | Complied | |

| | | | |
|--------------|--|----------|--|
| 3.2 | Chairman of the Audit Committee | | |
| 3.2(i) | The Board of Directors shall select 1 (One) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director | Complied | |
| 3.2(ii) | Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM) | Complied | |
| 3.3 | Role of the Audit Committee | | |
| 3.3(i) | Oversee the financial reporting process | Complied | |
| 3.3(ii) | Monitor choice of accounting policies and principles | Complied | |
| 3.3(iii) | Monitor Internal Control Risk Management process | Complied | |
| 3.3(iv) | Oversee hiring and performance of external auditors | Complied | |
| 3.3(v) | Review along with the management, the annual financial Statements before submission to the Board for approval | Complied | |
| 3.3(vi) | Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval. | Complied | |
| 3.3(vii) | Review the adequacy of Internal Audit function | Complied | |
| 3.3(viii) | Review statement of significant related party transactions submitted by the management | Complied | |
| 3.3(ix) | Review Management Letters/ Letter of Internal Control weakness issued by Statutory Auditors | Complied | |
| 3.3(x) | When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital etc.) on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus | N/A | |
| 3.4 | Reporting of the Audit Committee | | |
| 3.4.1 | Reporting to the Board of Directors | | |
| 3.4.1(i) | The Audit Committee shall report on its activities to the Board of Directors | Complied | |
| 3.4.1(ii)(a) | Report on conflicts of interests to the Board of Directors | Complied | |
| 3.4.1(ii)(b) | Suspected or presumed fraud or irregularity or material defect in the internal control system | Complied | |
| 3.4.1(ii)(c) | Suspected infringement of laws, including securities related laws, rules and regulations | Complied | |
| 3.4.1(ii)(d) | Any other matter which shall be disclosed to the Board of Directors immediately | Complied | |

| | | | |
|---------|--|----------|------------------------------------|
| 3.4.2 | <p>Reporting to the Authorities</p> <p>If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6(Six) months from the date of first reporting to the Board of Directors, whichever is earlier</p> | None | No such reportable incidence arose |
| 3.5 | <p>Reporting to the shareholders and General Investors</p> <p>Report on an activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company</p> | Complied | |
| 4 | <p>External /Statutory Auditors</p> <p>The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-</p> | | |
| 4(i) | Appraisal or valuation services or Fairness opinions | Complied | |
| 4(ii) | Financial information systems designed implementation | Complied | |
| 4(iii) | Book Keeping or other services | Complied | |
| 4(iv) | Broker- dealer services | Complied | |
| 4(v) | Actuarial services | Complied | |
| 4(vi) | Internal Audit Services | Complied | |
| 4(vii) | Any other services that the Audit Committee determines | Complied | |
| 4(viii) | No partner or employees of the external audit firms shall posses any share of the company they audit at least during the tenure of their audit assignment of that company | Complied | |
| 4(ix) | Audit/ Certification services on compliance of Corporate Governance as required under clause (i) of condition No. 7 | Complied | |
| 5 | Subsidiary Company | | |
| 5(i) | Provisions relating to the composition of the Board of directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary Company | Complied | |

| | | | |
|--------|---|----------|--|
| 5(ii) | At least 1(One) Independent Director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary Company | Complied | |
| 5(iii) | The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company | Complied | |
| 5(iv) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also | Complied | |
| 5(v) | The Audit committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company | Complied | |
| 6. | Duties of Chief Executive Officer and Chief Financial Officer The CEO and CFO shall certify to the Board that:- | | |
| 6(i)a) | They have reviewed the financial statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading | Complied | |
| 6(i)b) | They have reviewed the financial statements and believe that these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standard and applicable laws | Complied | |
| 6(ii) | There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Company's code of conduct | Complied | |
| 7. | Reporting and Compliance of Corporate Governance | | |
| 7(i) | The company shall obtain a certificate from a practicing Professional Secretary/Accountant (Chartered Secretary/ Chartered Accountant/ Cost and Management Accountant) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual report on a yearly basis | Complied | |
| 7(ii) | The directors of the Company shall state, in accordance with the Annexure attached, in the Directors' Report whether the Company has complied with these conditions | Complied | |

PERFORMANCE AT A GLANCE



Credit Rating

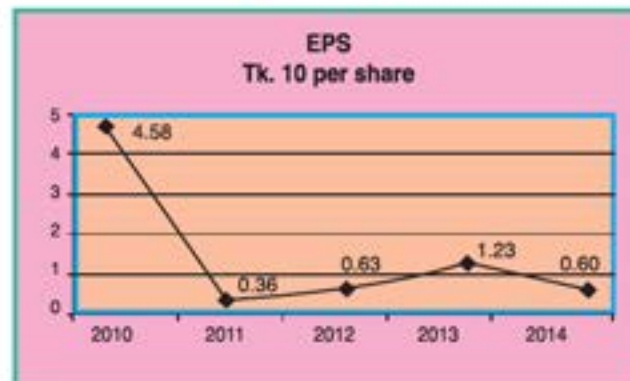
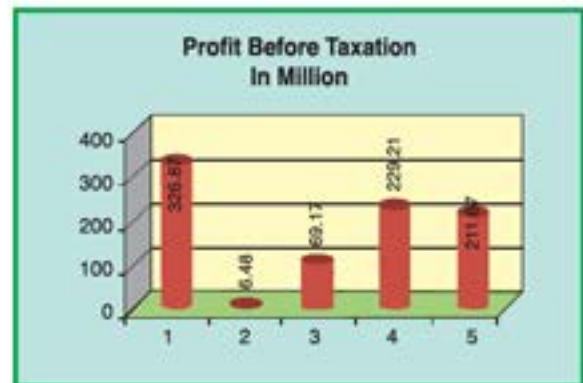
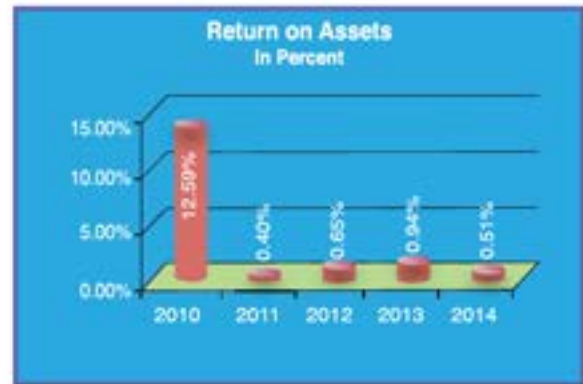
| Rating | 2014 | 2013 |
|------------|------|------|
| Long Term | A- | A- |
| Short Term | ST-3 | ST-3 |

FINANCIAL HIGHLIGHTS

Figure in million Taka

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------------------------|---------|---------|---------|-----------|----------|
| Operational Performance | | | | | |
| Operating Revenue | 742.78 | 534.11 | 780.23 | 1201.222 | 1871.15 |
| Financial Expense | 298.64 | 438.36 | 629.87 | 791.290 | 1441.75 |
| Operating Expense | 415.91 | 527.63 | 711.05 | 972.02 | 1659.48 |
| Profit Before Taxation | 326.87 | 6.48 | 69.17 | 229.21 | 211.67 |
| Net Profit After Tax | 246.14 | 19.03 | 37.11 | 85.74 | 68.17 |
| | | | | | |
| Financial Performance | | | | | |
| Lease & Term Finance | 2956.52 | 3290.84 | 3754.79 | 8327.091 | 10707.37 |
| Provision Against Investment | 123.63 | 161.01 | 183.42 | 270.816 | 373.29 |
| Investment in Subsidiary | 2.32 | 699.93 | 699.93 | 849.93 | 849.93 |
| Total Assets | 4398.73 | 5217.44 | 6238.4 | 12092.300 | 14414.72 |
| Term Deposits | 1162.77 | 1692.82 | 2824.1 | 7262.378 | 9001.96 |
| | | | | | |
| Financial Ratios | | | | | |
| Return on Equity | 33.16% | 2.03% | 3.90% | 6.84% | 4.31% |
| Return on Assets | 12.59% | 0.40% | 0.65% | 0.94% | 0.51% |
| Rate of Dividend | | | | | |
| Cash | - | - | - | - | 5% |
| Bonus | 22% | 10% | 10% | 10% | - |
| EPS (Tk.) | 4.58 | 0.36 | 0.63 | 1.23 | 0.60 |
| | | | | | |
| Equity Statistics | | | | | |
| Authorized Capital | 2000 | 2000 | 2,000 | 2,000 | 2,000 |
| Number of Shares | 44.04 | 53.73 | 59.1 | 104.023 | 114.42 |
| Shareholders Equity | 932.56 | 944.47 | 960.41 | 1547.692 | 1,615.86 |
| Net Assent Value Per Share | 21.17 | 17.57 | 16.251 | 14.88 | 14.12 |

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.



Hossain Khaled
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 Chairman | Member |
| Mr. Geosuddin Ahmed Director | Member |
| Mrs. Shahnaz Rashid Director | Member |
| Mr. Md. Imtiaz Director | Member |
| Mr. Yousuf Aman Director | Member |

Meetings of the Audit Committee

The Committee held 4 meetings during the year under review.

Activities of the Audit Committee

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

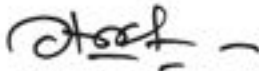
- a) Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.
- b) Minimize expenditure in all operational activities where possible.
- c) 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





MESSAGE OF THE CHAIRMAN

Distinguished Shareholders

Assalamualikum Wa Rahmatullah

I am delighted to welcome you to the 16th Annual General Meeting of Bangladesh Finance And Investment Company Limited. You are aware that in year 2014 Bangladesh Economy faced a number of challenges like disruption caused by political strike, inadequate improvements in the supply of power & gas, higher government borrowing especially from Banking sector, slower credit growth, contractor monetary policy , capital market crisis; consequently the investment climate was cloudy.

During the year 2014 strategic approach was adopted to consolidate the position of BD Finance through strengthening the internal procedure to emerge as a multi-product customer friendly NBF1. In the process the company could create a strong foundation in terms of system process, service, technology & resources.

Proper execution of the strategy has paid us the result as during the year the investment portfolio increased to Tk. 11112 million from Tk. 8783 million of 2013 indicating a growth of 26.5% our dependency on Banks in mobilizing financial resources has gone down as we could attain deposit base of Tk. 9318 million in 2014 from Tk. 7599 million of 2013 up by 22.6%.

Our stock brokerage arm, BD Finance Securities Limited, the first subsidiary, started operation in November 2011 & mean time has emerged as a premier brokerage house of the country occupying a market share of 2.25% of DSE in year 2014. The second subsidiary, BD Finance Capital Holdings Limited, commenced operation in February 2013. For the first time BD Securities declared stock dividend at the rate of 2.5% and BD Capital declared stock dividend at the rate of 7.5% in 2014.

A silver lining has to be taped to generate synergic benefit between BD Finance & its subsidiaries. In 2014 we have launched a number of product, opened two branches one in Uttara, Dhaka & the other in Sylhet & revitalized the operation of our existing branch at Chittagong & Bangshal.

In 2015 we like to build our corporate image as a respected NBFIs of the country, introduce a number of new products & expand our horizon to cover wide range of territory.

Finally I want to assure you that the Board is always pursuing pragmatic strategies to optimize the value of all the stakeholders through maintaining business growth keeping the risk exposure at minimum level.

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



Hossain Khaled
Chairman, Board of Directors

www.bdfinance.com.bd



সমৃদ্ধির অগ্রযাত্রায় আপনার সাথে
বিডি ফিন্যান্স এসএমই লোন

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HUNTING | +8802-9559146

bd finance
Inspiring Wealth





MANAGING DIRECTOR & CEO'S

Review and Business Performance

ECONOMY

The global economy is still struggling to gain momentum as the major economies continue to fight with legacies of global financial crisis. In 2014 the global economic growth was lower than anticipated. In the backdrop Bangladesh witnessed 6.2 percent GDP growth in FY 2014 despite prolong political uncertainty, inadequate improvement to provide infrastructure in the country.

Export was recorded at USD 30.18 billion in FY 2013-14 against that of USD 27.03 billion of FY 2012-13 indicating a growth of 1.1%. On the other hand there was strict control on the import of non-essential items even than total import in FY 2013-14 was USD 36.99 billion registering a growth of 1.09% over 2012-13 of USD 33.97 billion.

The capital market is yet to recover from the crash of 2010, although the global capital market observed moderate gain during 2014. The performance of Secondary market was very poor although primary market got some momentum after listing of few IPOs. Bangladesh Securities & Exchange Commission undertook few measures like Master Plan for capital market development, demutualization of stock exchange,

installation of surveillance software, revision of margin loan policy, mutual fund regulation etc to have a sustainable capital market. These measures could not upturn the market but certainly could bring discipline & expected to have long term impact on capital market.

Bangladesh Bank took certain initiatives to stimulate private sector growth; namely limiting Government borrowing from Banking Sector, reducing credit flow to unproductive sectors, reducing interest on Savings Certificate, reducing import of non-essential items, maintaining repo & reverse repo.

Overall money market scenario was relatively stable. During 2014, two new NBFIs obtained license but yet to start operation. In the operation of FIs cut throat competition prevailed during the year 2014 not only among the FIs but also from the commercial banks. The intensity of competition is expected to grow further in the coming days.

PERFORMANCE OF BD FINANCE - 2014

BD Finance reinforced its presence in the Financial Sector as a respectable Financial Solution provider rebranding its position under the following initiatives:

- To 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.
- To diversify our product range to serve our customers with all financial products under one roof & accordingly a number of services like; Factoring of Accounts Receivables, Bill Discounting, Distributor Finance, Short Term Loan, Call Placement, Short Term Placement have been added in our product range.
- To put more focus on individual product functional based Departments have been introduced & internal process flow has been streamlined & automation of IT platform has been undertaken through procurement of integrated software named BANKULTIMUS.
- Internal infrastructure has been put in place to extend few retail products namely SME loan, Home loan, Auto loan.
- To increase investment portfolio we concentrated more on corporate lending with target & research based marketing.
- To reduce our dependency on commercial bank as funding source we concentrated more on deposit mobilization from corporate & individual. This strategy not only opens up an effective source of fund mobilization but also reduce our average cost of fund.
- 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.

The following table summarizes the financial performance of the Company:

Amount: Taka in million

| Particulars | Actual-2013 | Actual-2014 | Growth- % |
|--------------------------|-------------|-------------|-----------|
| Invest Income | 1127.09 | 1777.83 | 57.74 |
| Invest Expenses | 791.29 | 1441.75 | 82.20 |
| Operating Profit | 409.93 | 429.40 | 4.75 |
| Profit before Income Tax | 229.20 | 211.67 | (7.65) |
| Profit after Income Tax | 85.74 | 68.17 | (20.59) |
| Investment Portfolio | 8783.36 | 11112.02 | 26.51 |
| Bank Borrowing | 1,858.19 | 2017.15 | 8.55 |
| Deposit | 7599.31 | 9318.09 | 22.62 |
| Equity | 1547.69 | 1615.86 | 4.40 |
| Earning Per Share | 0.75 | 0.60 | (20.49) |

FUTURE OUTLOOK

Growth with quality & Profitability with partnership is the clearly defined strategy of BD Finance for the year 2015. All our operational activities would be in line with our vision & our primary strategy. In addition to business growth for the year would be to establish BD Finance as a brand in the financial market of the country. We have chalked out elaborate plan to further consolidate & grow our business.

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 for our stakeholders in years to come.

ACKNOWLEDGEMENT

Achievement so far made by BD Finance is the reflection of the dedication, commitment & efforts put by all staff members for which I sincerely thank them. My note of gratitude goes to our distinguished Chairman and honorable Members of the Board of Directors for their guidance, encouragement and empowerment of the Management as well as for their continuing commitment to corporate governance & ethical standards. I also thank all stakeholders, valued customers, lenders, depositors and regulators for their support and cooperation.

May Allah bless us all.



Mafizuddin Sarker
Managing Director & CEO

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 16th 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, 2014, 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

The global economy is still struggling to gain momentum as the major economies continue to fight with legacies of the global financial crisis and the emerging economies are less dynamic than in the past. Global economic growth in 2014 was lower than initially expected which marginally increased to 2.6 percent, from 2.5 percent in 2013 continuing a pattern of disappointing outturns over the past several years.

While activity in the United States and the United Kingdom has gathered, the recovery has been sputtering in the Euro zone and Japan as legacies of the financial crisis linger, interconnected with structural bottlenecks. China, meanwhile, is undergoing a carefully managed slowdown. The other developing countries witnessed disappointing growth in 2014 which reflected weak external demand.

Overall, global growth is expected to rise moderately, to 3.0 percent in 2015, and average about 3.3 percent through 2017. High-income countries are likely to see growth of 2.2 percent in 2015-17, up from 1.8 percent in 2014, on the back of gradually recovering labor markets, receding fiscal consolidation, and still-low financing costs. In developing countries, as the domestic headwinds that held back growth in 2014 ease and the recovery in high-income countries slowly strengthen, growth is projected to gradually accelerate. Lower oil prices will contribute to diverging prospects for oil-exporting and -importing countries, particularly in 2015.

Bangladesh economy

Bangladesh economic growth has been strong and relatively stable. Real GDP growth of the economy for the year 2014 is forecasted at 6.2%, slightly improved from 6.1% in FY2013. The economy has benefited from inflows of remittances, a strong performance in textile exports and government structural reforms. These reforms are having positive flow-on effects on investment and consumption.

Agriculture expanded by 3.3%, aided by good weather and continued government support. Industry growth slumped to 8.4% from 9.6% a year earlier, however, because of political unrest before the parliamentary election in January 2014 disrupted the supply of materials and undermined consumer confidence. Services sector growth slightly increased to 5.8% in 2014, from 5.5% the year before, mainly on stronger trade in the second half of the year.

On the demand side, net exports added to growth as garment exports grew briskly. A decline in remittances and weak consumer confidence ahead of the election held down growth in consumer spending. Investment rose slightly to 28.7% of the gross domestic product (GDP) in FY2014 from 28.4% in the previous year, as private investment slipped to 21.4% of GDP from 21.8% in FY2013 while public investment rose from 6.6% to 7.3%. Private investment was constrained by the unsettled political environment, difficulties with infrastructure and skills deficits, and procedural problems that inhibit investment. Rising public investment came as the government stepped up its implementation of election pledges. Foreign direct investment remained low.

Agricultural Sector

2014 was a very good year for Bangladesh economy in respect of agricultural output. Various steps taken by the government and favorable weather conditions resulted in record production of major crops. The agriculture sector witnessed 3.35% growth in 2014, up from 2.4% in 2013. Exports of agro-based products also achieved 15% growth in 2014, with foreign exchange earnings worth US\$ 615 million. Major crops like boro, wheat, jute, potato, ginger and summer vegetables witnessed record production. Besides crops, poultry and fisheries also saw record growth with production increasing at all time highs for both. Farmers received higher prices for their produce in 2014 compared to 2013. Agriculture plays a key role in ensuring food security and accelerating poverty reduction. About three-fourths of Bangladesh population live in rural areas and are directly or indirectly dependent on the sector. About 47.0% of the total labor force is employed in agriculture, although the share of agriculture in GDP is declining which reduced to 15.9% in FY2014.

The crop and horticulture sub sector, accounting for 55.8% of the agriculture sector, grew by 1.9%, up from 0.6% the year earlier. Non crop sub sectors are also gaining momentum; they are crucial for generating rural employment. Within non crop agriculture, fisheries, which account for 22.6% of the sector, grew by 6.5%, up from 6.2%; animal farming, which accounts for 10.9% of the sector, rose marginally by 2.8%, up from 2.7%; and forestry, which accounts for 10.7% of the sector, grew marginally from 5.0% to 5.1%.

Industrial Sector

Supply disruptions and lower consumption demand due to political unrest reduced the growth of the industrial sector to 8.4% in FY2014, from 9.6% a year earlier. Manufacturing growth slowed to 8.7% from 10.3%, reflecting weaker production for the domestic market, although garment production strengthened. The RMG sector grew by 11.2%; textiles fell by 0.8%. Food products rose by 8.0%; pharmaceuticals and medicinal chemicals by 13.6%; other nonmetallic mineral products by 2.3%; leather and leather products by 5.7%; basic metals by 9.9%; fabricated metal products, except machinery, by 9.2%; printing and reproduction of recorded media by 2.6%; electrical equipment by 2.9%, beverages by 29.6%, tobacco products by 4.5%; wood and cork products by 2.0%; other machinery and equipment by 10.0%; computer, electronic, and optical products by 5.8%; rubber and plastic products by 6.8%; motor vehicles, trailers, and semi trailers by 9.9%; and other transport equipment by 13.3%. Coke and petroleum products fell by 9.4%.

Services Sector

The services sector accounts for about 56.2% of GDP. The sector is a major employer of the country's vast and growing unskilled labor force, providing about 35.0% of employment. Informal services, involving lower productivity and wages have a higher share of services value added than the higher productivity modern services such as financial intermediation, information and telecommunication technology, education, and health.

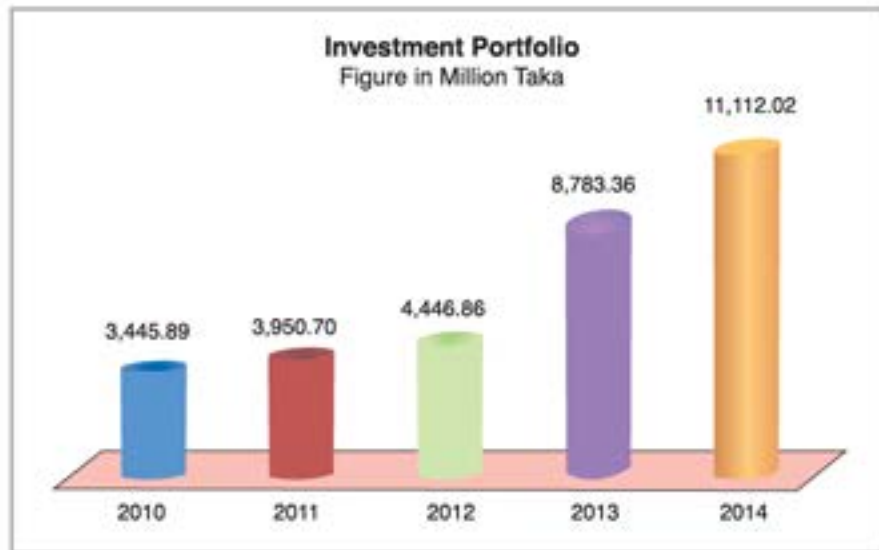
Aided by stronger agriculture growth and better export performance, services sector growth in FY2014 increased to 5.8% from 5.5% a year earlier, despite moderate industrial growth and the impact of prolonged pre-election political unrest. Within the sector, good performance was fairly broad based. Value added by the largest sub sector, wholesale and retail trade and repair of motor vehicles, rose by 6.6%, up from 6.2% in FY2013. Value added by hotels and restaurants was up by 6.7%, from 6.5%; transport, communication, and storage growth rose to 6.5% from 6.3%. Growth in real estate, housing, renting, and related business activities remained modest at 4.2%, up from 4.0% because of weaker demand and higher interest rates. Public administration and defense services grew by 7.1%, up from 6.5%. Education services growth rose to 8.2%, up from 6.3%. Health and social work services growth rose to 5.0%, up from 4.8%. Growth of the community, social, and personal services and financial intermediation sub sectors remained unchanged at 3.3% and 9.1% respectively.

Performance in 2014:

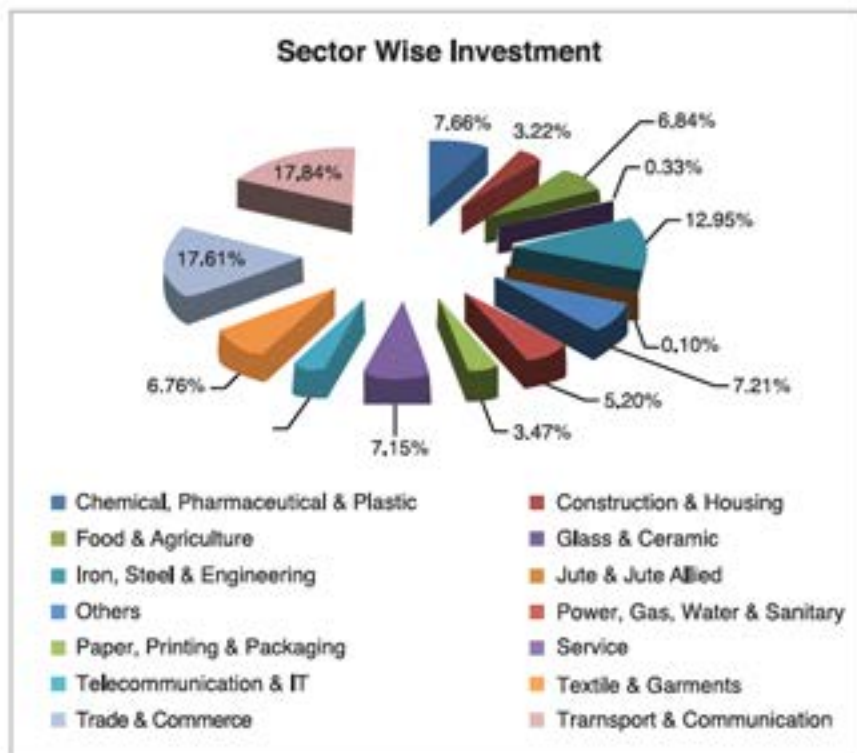
The company placed extraordinary importance on regulatory compliance to improve the asset quality and achieve sustainable growth. During the year 2014, the company continued its growth momentum despite challenges in the financial sector, and has been able to achieve growth rates in business volumes and

revenue. The investment portfolio increased to TK 11,112.02 million in 2014 from TK 8,783.36 million in 2013 registering a growth of 26.49%.

| Investment portfolio | 2010 | 2011 | 2012 | 2013 | 2014 |
|----------------------|----------|----------|----------|----------|-----------|
| | 3,445.89 | 3,950.70 | 4,446.86 | 8,783.36 | 11,112.02 |

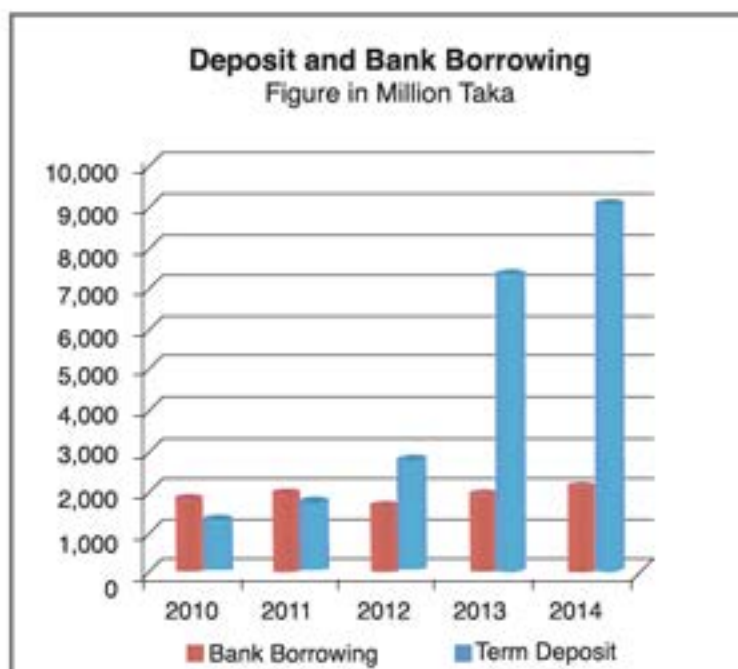


BD finance maintained a well-diversified investment portfolio. The sector wise investment portfolio as on 31/12/2014 is furnished below:



We continued to finance various business units under the SME program and participated the refinancing program of Bangladesh Bank, JAICA and Women Entrepreneur loan. The total amount of loan under SME during 2014 increased to TK. 7,447.01 Lac against TK 4,378.49 lac in 2013 registering a growth of 70.08%.

The company was very successful in mobilizing core deposits during the year 2014. Total deposit of BD finance increased to TK 9,318.09 million in 2014 from TK 7,599.31 million in 2013 registering a growth of 22.62%.



The rate of interest on deposits and borrowings has been reduced during the year 2014 which helped us to reduce the average cost of fund to 12.47%. Customer deposit base of BD finance stood at TK 9,001.96 million in 2014 from TK 7262.37 million in 2013 registering a growth of 23.95%. Operational performance of BD Finance is summarized below:

(Taka in Million)

| Particulars | 2013 | 2014 | Growth |
|-----------------------------------|----------|----------|---------|
| Interest Income | 1,127.09 | 1,777.83 | 57.74% |
| Interest Expenses | 791.29 | 1,441.75 | 82.20% |
| Net Interest Income | 335.80 | 336.08 | 0.08% |
| Total Operating income | 409.93 | 429.40 | 4.75% |
| Profit Before Provision | 316.60 | 324.19 | 2.40% |
| Provision for Loan/ Investment | 87.39 | 112.52 | 28.76% |
| Profit before Tax | 229.20 | 211.67 | -7.65% |
| Provision for Taxation | 143.46 | 143.50 | 0.03% |
| Net Profit After Tax | 85.74 | 68.17 | -20.49% |

The Net Interest Income increased to TK 336.08 million in 2014 from TK 335.80 million in 2013 registering a growth of 0.08% over the previous year. The operating income stood at TK 429.40 million in 2014 from TK 409.93 million in 2013. The net profit after tax however decreased to TK 68.17 million in 2014 from TK 85.74 million in 2013 due to increase in provision on loans and securities from TK 87.39 million in 2013 to TK 112.52 million in 2014.

Human Capital

BD Finance maintains a fair and transparent process for recruitment of human resources. We pay competitive packages and incentives to our employees to put their best for the company. The employee strength of the company is presented below:

| Particulars | 2013 | 2014 |
|-----------------------|------|------|
| Beginning of the year | 53 | 70 |
| New recruitment | 29 | 21 |
| Released | (12) | (8) |
| Closing of the year | 70 | 83 |

Financial Results & Appropriation

The company earned TK 68.17 million as net profit after tax in 2014 which is 20.49% below the figure of TK 85.74 million in 2013. Considering the overall situation of the financial sector of the country, current financial strength of the company and the future potential, the Board is recommending 5% cash dividend to the shareholders for the year 2014 and proposes the following appropriation:

(Figure in Taka)

| | | |
|---|---|--------------|
| 1 | Net Profit After Tax | 68,169,807 |
| 2 | Retained Earnings Brought Forward | 5,184,407 |
| 3 | Profit Available for Distribution | 73,354,214 |
| 4 | Transfer to Statutory Reserve | (13,633,961) |
| 5 | Amount Available for Distribution of Dividend | 59,720,252 |
| 6 | Proposed Dividend - 05% Cash | (57,212,489) |
| 7 | Retained Earnings Carried Forward | 2,507,763 |

Subsidiary Operation

BD Finance Securities Limited (BD Securities)

BD Securities is a subsidiary of BD Finance providing brokerage services to its clients with a membership of the Dhaka Stock Exchange Ltd. BD Securities commenced its operation in November 2011 and within a short span of time the company has emerged as one of the leading brokerage houses of the country holding an average of 2.25% market share of DSE trade volume. In the year BD Securities declared 2.5% Stock dividend to its shareholders.

BD Finance Capital Holdings Limited (BD Capital)

BD Capital is a 100% subsidiary of BD Finance and is a full-fledged Merchant Banker started its operation in October 2013 with a license from the Bangladesh Securities and Exchange Commission (BSEC). The paid up capital of the company increased to TK. 250 million and the year the company declared stock dividend at the rate of 7.5%.

Future Outlook

Before political unrest began in January 2015 - the anniversary of national elections that the opposition boycotted - the economy had been picking up. Strong remittance inflows boosted consumption, and private investment was rising, as indicated by higher capital equipment imports. Although exports remained subdued, they were gradually improving as export orders picked up. However, political unrest and action to shut down transportation

began undermining growth prospects by affecting private investment and export activity. Continued healthy remittance inflows are expected to support consumer spending. Notwithstanding the country's resilience under domestic and external shocks, renewed political unrest could reduce investor confidence and slow down economic activity. Weak recovery in the European Union economies could impede export growth. Unfavorable weather is always a risk factor. The central bank's cautious monetary policy stance contributed to gradually lowering the inflation rate since January 2014. In the FY2015 budget, the authorities took several revenue reform measures with a view to boosting revenue collection and keeping the fiscal deficit under control.

Contribution to the national economy

BD finance contributes to the national economy mainly through contribution to the National Exchequer, as well as investment in productive enterprises and creating employment thereby. During the year 2014 BD finance deposited TK. 258,189,602 to the Government Exchequer. Moreover we have recruited people in various positions during the year 2014.

Risk Management

Taking on credit exposure is a defining element of our business, and risk management of lending activities is a major challenge. Our risk management practices are currently undergoing a significant transformation, entailing a greater emphasis on the systematic analysis and assessment of the quality of the lease/loans and the development of qualitative and quantitative parameters for detailed estimates of credit risk. These quantitative measures are being used for internal estimates of the amount of provisions and capital necessary to support these risks.

Corporate & Financial Reporting Framework

The Directors in accordance with BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 confirms 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 on 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 has been effectively implemented & monitored.
- There is no significant doubt 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 BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 are presented in page No. 55 Highlights of overall operation of the Company as per DFIM Circular No. 11 dated December 23, 2009 are also shown in page No. 136

Shareholding Pattern

Shareholding pattern of the Company as of December 31, 2014 is shown on page No. 80 in Annexure-I of this report.

Meetings

During the year 2014 a total 14 (Fourteen) numbers of Board meetings & 4 (four) number of Audit Committee meetings were held and attendance of the Directors are shown on page-81 in Annexure- II of this report.

Dividend

The Board of Directors proposed 5% cash dividend i.e. Tk. 5.00 for every 100 (One Hundred) shares for total 114,424,978 Ordinary Shares of Tk. 10/- each for the year ended December 31, 2014.

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. Geasuddin Ahmed
Mr. Md. Imtiaz

Brief Resume and other information of the Directors as per clause 1.5 (xxii) of BSEC notification dated August 07, 2012 are depicted in the page 27, 28 and 29

Re-appointment of Managing Director

Mr. Mafizuddin Sarker joined BD Finance on October 11, 2011 as Managing Director & CEO with 3 (three) years contract which expired on October 10, 2014. Then the Board of Directors re-appointed him as Managing Director & CEO for another term of 2 (two) years effective from October 11, 2014 to October 10, 2016. His appointment has subsequently been approved by Bangladesh Bank.

Auditors

In the 15th Annual General Meeting, the Shareholders appointed M/s. A. Qasem & Co. Chartered Accountants, as auditors of the Company for the year 2014. The Auditors are due to retire on completion of three consecutive years and being eligible have offered themselves for re-appointment for the year 2015. As proposed by the Audit Committee, the Board recommends M/s. A. Qasem & Co. Chartered Accountants, for further appointment for the year 2015 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

Certificate and Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 is given on page No. 49 and 50

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, Bangladesh 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 2014 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.

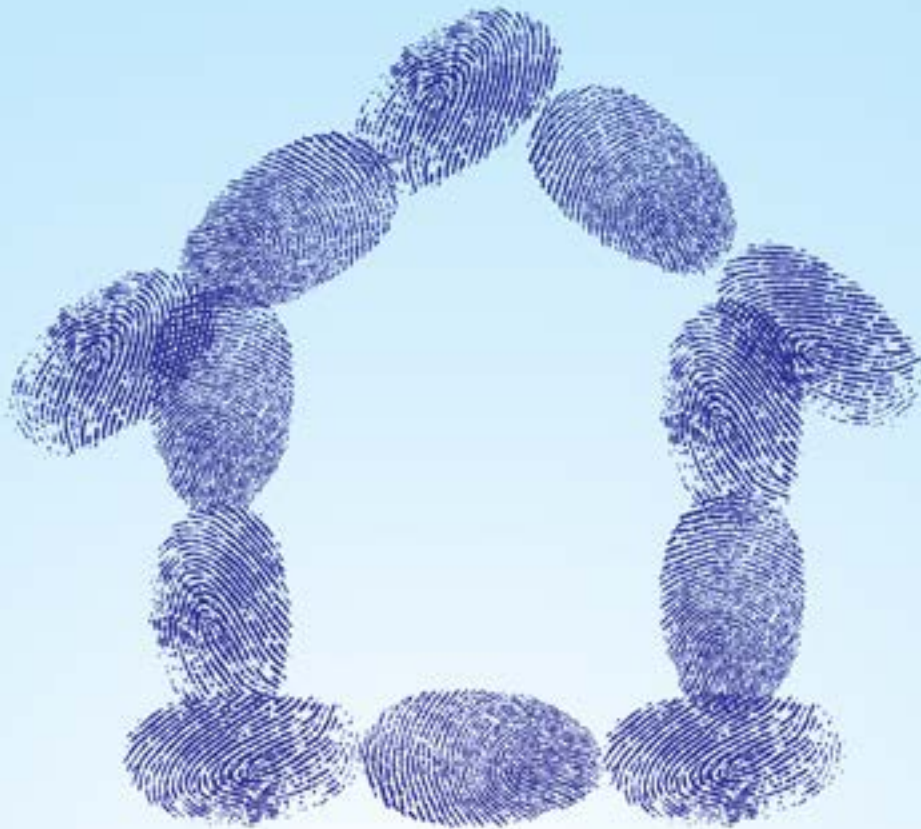
For and on behalf of the Board of Directors



Hossain Khaled
Chairman

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Annexure : I

Pattern of Shareholdings as on December 31, 2014

| Shareholders | No. of Shares | (%) of holding |
|--|--------------------|----------------|
| i) Parent/subsidiary/Associated Companies | | |
| ANWAR STEEL MILLS LTD. Represented by : Mrs. Tanuja Mehmood Represented by : Mrs. Shahnaz Rashid | 5,473,490 | 4.783 |
| ANWAR JUTE SPINNING MILLS LTD. Represented by : Mr. Hossain Khaled | 2,809,594 | 2.455 |
| ANWAR SILK MILLS LTD. Represented by : Mr. Yousuf Aman | 2,313,147 | 2.022 |
| KHALED IRON & STEELS MILLS LTD. Represented by : Mr. Syed Tareq Akber Ally | 2,308,730 | 2.018 |
| HOSSAIN DYNG & PRINTNG MILLS LTD Represented by : Mr. Mohammad Shahin Alam | 2,313,147 | 2.022 |
| MEHMUD INDUSTRIES (PVT.) LTD. Represented by : Mrs. Rashida Yousuf | 2,310,102 | 2.019 |
| ii) Directors & their spouses and children | | |
| HAJI M.A. TAHER | 4,088,497 | 3.573 |
| S.M.DIDARUL ALAM | 2,299,215 | 2.009 |
| 8262 - GEASUDDIN AHMED | 2,293,767 | 2.005 |
| HAJI MD YOUSUF | 2,655,013 | 2.320 |
| HAJI MD IMTIAZ | 2,323,068 | 2.030 |
| BIBI AMENA | 1,563,852 | 1.367 |
| 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) Executive | Nil | Nil |
| iv) Shareholders holding 10% of more voting interest | Nil | Nil |
| v) Others | 81,673,356 | 71.377 |
| Total | 114,424,978 | 100 |

Annexure: II

Meeting Attended by the Directors during 2014

| Name of Directors | Board of Directors Meeting | | | Audit Committee Meeting | | |
|----------------------------|--|------------------|---------------------------------------|--|------------------|---------------------------------------|
| | The Board Meeting held during directors tenure | Meeting attended | Attendance as % of total Meeting held | The Audit Committee Meeting held during directors tenure | Meeting attended | Attendance as % of total Meeting held |
| Mr. Hossain Khaled | 14 | 10 | 71 | 04 | 04 | 100 |
| Mr. Geasuddin Ahmed | 14 | 14 | 100 | 04 | 04 | 100 |
| Mrs. Shahnaz Rashid | 14 | 12 | 86 | 04 | 03 | 75 |
| Mrs. Tanuja Mehmood | 06 | 05 | 83 | - | - | - |
| Mr. Yousuf Aman | 14 | 09 | 64 | 04 | 04 | 100 |
| Mr. Syed Tareq Akbar Ally | 14 | 09 | 64 | - | - | - |
| Mr. Mohammed Shahin Alam | 14 | 07 | 50 | - | - | - |
| Mr. Md. Imtiaz | 14 | 12 | 86 | 04 | 03 | 75 |
| Mrs. Rashida Youshuf | 14 | 08 | 57 | - | - | - |
| Mr. Haider Ahmed Khan, FCA | 14 | 13 | 93 | 04 | 04 | 100 |
| Mr. A.K.M. Shamsuddin | 14 | 13 | 93 | - | - | - |
| Mr. Ansar Uddin Ahmed | 14 | 14 | 100 | - | - | - |

BD FINANCE PROFESSIONAL STAFF





MANAGEMENT COMMITTEE (MANCOM)





BRANCH-IN-CHARGES



Md. Hossain Al Masud
FAVP & Branch-in-Charge
Chittagong Branch



Md. Abdus Samad
SEO & Branch-in-Charge
Bangshal Branch



Jahid Hasan Sohel
SEO & Branch-in-Charge
Sylhet Branch



Md. Ruhul Kuddus
SEO & Branch-in-Charge
Uttara Branch

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GALLERY OF EVENTS



15th Annual General Meeting of BD Finance held on Wednesday, June 18, 2014 at the Institution of Diploma Engineers, Kakrail, Dhaka.



BD Finance opened a new branch at Chouhatta in Sylhet on Thursday, December 11, 2014, Mr. Hossain Khaled, Chairman, BD Finance inaugurated the branch as the chief guest with amidst a host of local businessmen and senior officials of the company.



Bangladesh Finance And Investment Company Limited (BD Finance) organized a day long Training Program on "Credit Operation & Management" at its Head Office in Dhaka on 11.04.2015.



BD Finance opened a new branch at Uttara in Dhaka on Tuesday, December 23, 2015. Mr. Anwar Hossain, Chairman, Anwar group of Industries formally inaugurated the branch as the chief guest.



A signing ceremony of participation agreement between Bangladesh Bank and Bangladesh Finance And Investment Company Limited (BD Finance) under Refinance Scheme for Agro-based Product Processing Industries in Rural Areas was held on June 19, 2014 at the Head office of Bangladesh Bank.



BD Finance signed agreement with LEADS Corporation for Core Business System- BANKULTIMUS on February 19, 2015 at BD Finance Head office. Mr. Mafizuddin Sarker, Managing Director & CEO of BD Finance and Shaikh Abdul Shahid, CEO of LEADS Corporation Limited signed the agreement on behalf of their respective organization.



Mr. Mafizuddin Sarker, Managing Director & CEO of BD Finance handed over a cheque of 40,00,000.00 to Alpha Ball Pen Industries Limited under its SME Finance scheme during the SME Fair organized by Bangladesh Bank & SME Foundation at Pan Pacific Sonargaon Dhaka hotel in Dhaka on November 12, 2014.



Bangladesh Bank Governor Dr. Atiur Rahman visited the SME stall of BD Finance at a fair organized by Bangladesh Bank & SME Foundation at Pan Pacific Sonargaon Dhaka hotel in Dhaka.



Independent 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 and its subsidiaries ("the Group") as well as the financial statements of Bangladesh Finance And Investment Company Limited ("the Company") which comprise the consolidated balance sheet and the separate balance Sheet as at 31 December 2014 and the consolidated and separate profit & loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements 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 consolidated financial statements of the Group and also the separate financial statements of the Company in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in notes, the Financial Institution Act 1993, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate 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 separate financial statements of the Company. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate 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 separate 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 also separate 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.

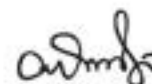
Opinion

In our opinion the consolidated financial statements of the Group and also separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2014, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in notes and comply with the Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Group and the Company 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 the branches not visited by us;
- (c) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Company dealt with by the report are in agreement with the books of account and returns;
- (d) the expenditure incurred was for the purposes of the Group and the Company's business;
- (e) the consolidated financial statements of the Group and the separate financial statements of the Company have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in notes as well as with related guidance, circulars issued by Bangladesh Bank;
- (f) adequate provisions have been made for loans and advances which are, in our opinion, doubtful of recovery;
- (g) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (h) the information and explanation required by us have been received and found satisfactory;
- (i) the Company has complied with relevant laws pertaining to capital and reserves and found satisfactory; and
- (j) we have reviewed over 80% of the risk weighted assets of the Group and the Company, and we have spent around 1,840 person hours for the audit.

Dated: Dhaka
27 April 2015



A. Qasem & Co.
Chartered Accountants

Consolidated Balance Sheet

As at 31 December 2014

| | Note | 2014 BDT | 2013 BDT |
|---|------|-----------------------|-----------------------|
| PROPERTY AND ASSETS | | | |
| Cash | | | |
| Cash in hand | 3.a | 75,723 | 77,832 |
| Balance with Bangladesh Bank | | 135,175,131 | 99,911,439 |
| | | 135,250,854 | 99,989,272 |
| Balance with other Banks and Financial Institutions | | | |
| Inside Bangladesh | 4.a | 284,762,803 | 684,751,795 |
| Outside Bangladesh | | - | - |
| | | 284,762,803 | 684,751,795 |
| Money at call and short notice | | | |
| Investment in Securities | 4.4 | 1,051,524,145 | 944,616,892 |
| Government | 5.a | - | - |
| Others | | 762,242,310 | 582,401,228 |
| | | 762,242,310 | 582,401,228 |
| Lease, Loans and Advances | | | |
| In Bangladesh | 6.a | 11,038,516,638 | 8,379,874,724 |
| Outside Bangladesh | | - | - |
| | | 11,038,516,638 | 8,379,874,724 |
| Fixed Assets including Premises, Furniture and Fixtures | | | |
| Other Assets | 7.a | 346,729,160 | 338,324,362 |
| | 8.a | 1,757,032,133 | 1,500,324,387 |
| | | - | - |
| Non Banking Assets | | - | - |
| Total Assets | | 15,376,058,044 | 12,530,282,661 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Financing (Borrowings) from other Banks, Financial Institutions and Agents | 9.a | 2,343,602,494 | 1,858,198,017 |
| Deposits and other Accounts | 10.a | 9,318,092,004 | 7,486,066,738 |
| Term Deposits | 10.1 | 8,819,687,909 | 7,155,131,157 |
| Scheme Deposit | 10.2 | 182,270,862 | 107,246,490 |
| Other Deposits | 10.3 | 32,837,331 | 56,287,439 |
| Advance Rent & Installments | 10.6 | 283,295,903 | 280,645,256 |
| Bills Payable | | - | - |
| Other Liabilities | 11.a | 1,596,253,381 | 1,182,746,503 |
| | | 13,257,947,880 | 10,527,011,258 |
| Capital/ Shareholders' Equity | | | |
| Share Capital | 12 | 1,144,249,780 | 1,040,227,080 |
| Statutory Reserve | 13 | 162,218,336 | 148,584,375 |
| General Reserve | 14 | - | 30,000,000 |
| Capital Reserve for Bonus issue | 15.1 | 33,744,750 | - |
| Revaluation Surplus on Land & Building | 7.b | 249,673,602 | 249,673,602 |
| Retained earnings | 15.a | 68,481,325 | 82,010,256 |
| Total Shareholders' Equity | | 1,658,367,793 | 1,550,495,312 |
| Total Liabilities & Shareholders' Equity | | 14,916,315,673 | 12,077,506,570 |
| Non Controlling Interest | 15.b | 459,742,371 | 452,776,091 |
| Total Liabilities | | 15,376,058,044 | 12,530,282,661 |

Consolidated Balance Sheet

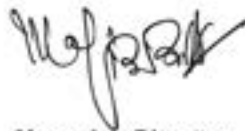
As at 31 December 2014

| | Note | 2014 BDT | 2013 BDT |
|---|------|--------------------|--------------------|
| OFF BALANCE SHEET EXPOSURES | | | |
| CONTINGENT LIABILITIES | | | |
| Acceptances and Endorsements | | - | - |
| Letters of Guarantee | 16 | 104,801,330 | 104,801,330 |
| Irrevocable Letters of Credit | | - | - |
| Bills for Collection | | - | - |
| Total | | 104,801,330 | 104,801,330 |
| OTHER COMMITMENTS | | | |
| Documentary credits and short term trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance and revolving underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Claims against the Bank not acknowledged as debts | | - | - |
| Total | | - | - |
| Total Off-Balance Sheet items including contingent liabilities | | 104,801,330 | 104,801,330 |

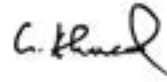
These financial statements should be read in conjunction with the annexed notes 1 to 43



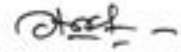
Company Secretary



Managing Director



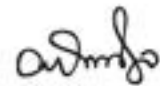
Director



Director

Auditors' Report to the shareholders see annexed report to date

Dated: Dhaka
27 April 2015



A. Qasem & Co.
Chartered Accountant

Consolidated Profit and Loss Account

For the year ended 31 December 2014

| | Note | 2014 BDT | 2013 BDT |
|--|------|--------------------|--------------------|
| Interest Income | 18.a | 1,804,675,143 | 1,130,659,640 |
| Less: Interest paid on Deposits & Borrowings etc. | 19.a | 1,458,768,940 | 773,783,720 |
| Net Interest Income | | 345,906,203 | 356,875,919 |
| Income from Investment in securities | 20.a | 67,835,058 | (13,748,537) |
| Commission, Exchange and Brokerage | 20.b | 99,052,580 | 71,229,130 |
| Other Operating Income | 21.a | 90,761,724 | 85,260,565 |
| | | 257,649,362 | 142,741,158 |
| Total Operating Income | | 603,555,565 | 499,617,077 |
| Salaries and Allowances | 22.a | 59,637,640 | 40,608,255 |
| Rent, Taxes, Insurances, Electricity etc. | 23.a | 14,472,649 | 13,515,238 |
| Legal Expenses | 24.a | 5,614,619 | 2,232,334 |
| Postage, Stamps, Telecommunication etc. | 25.a | 2,301,097 | 1,479,706 |
| Stationery, Printings, Advertisements etc. | 26.a | 15,019,133 | 11,940,918 |
| Managing Director's Salary and Allowances | 27 | 7,100,000 | 7,100,000 |
| Directors' Fees and Conveyance | 28.a | 1,408,000 | 1,031,250 |
| Auditors' Fees | 28.b | 230,833 | 288,334 |
| Depreciation & Repairs of Assets | 29.a | 14,455,479 | 15,143,541 |
| Other Expenses | 30.a | 55,956,919 | 51,191,769 |
| Total Operating Expenses | | 176,196,368 | 144,531,345 |
| Profit before Provision | | 427,359,197 | 355,085,733 |
| Specific provisions for Classified Investment | 31 | 78,658,610 | 35,215,265 |
| General Provisions for Unclassified Investment | 31 | 27,865,593 | 43,373,188 |
| Provisions for Investment in Securities | 31.a | 36,761,488 | 18,744,997 |
| Total Provision | | 143,285,692 | 97,333,451 |
| Total Profit before Provisions for Taxation | | 284,073,506 | 257,752,282 |
| Deferred Tax Expenses/(benefit) | | 123,155 | 193,307 |
| Current Tax Expenses-BD Finance | | 143,377,428 | 143,267,918 |
| Current Tax Expenses-BD Securities Ltd. | | 20,069,677 | 11,404,604 |
| Current Tax Expenses-BD Capital Holding Ltd. | | 5,664,486 | 859,559 |
| | | 169,234,746 | 155,725,388 |
| Net Profit after Taxation | | 114,838,760 | 102,026,894 |
| Attributable to | | 114,838,760 | 102,026,894 |
| Shareholder of the Company | | 107,872,479 | 93,388,533 |
| Non-controlling Interest | | 6,966,280 | 8,638,361 |
| Net Profit available for distribution | | 107,872,479 | 93,388,533 |

Consolidated Profit and Loss Account

For the year ended 31 December 2014

| | Note | 2014 BDT | 2013 BDT |
|--------------------------------------|------|--------------------|-------------------|
| Appropriations | | | |
| Statutory Reserve | 13 | 13,633,961 | 17,148,969 |
| Retained Earnings | | 94,238,518 | 76,239,564 |
| | | 107,872,479 | 93,388,533 |
| Earning Per Share (Re-stated) | | | |
| | 32a | 0.94 | 0.82 |

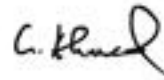
These financial statements should be read in conjunction with the annexed notes 1 to 43



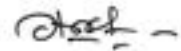
Company Secretary



Managing Director



Director



Director

Auditors' Report to the shareholders see annexed report to date

Dated: Dhaka
27 April 2015



A. Qasem & Co.
Chartered Accountant

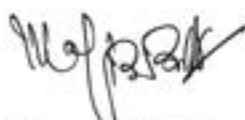
Consolidated Cash Flow Statement

For the year ended 31 December 2014

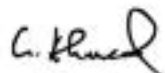
| | 2014 BDT | 2013 BDT |
|--|----------------------|----------------------|
| Cash Flow from Operating Activities | | |
| Interest received | 1,798,436,757 | 1,169,472,341 |
| Interest paid | (1,349,971,782) | (703,349,766) |
| Dividend received | 11,504,622 | 9,278,844 |
| Fees & Commission received | 96,064,353 | 71,243,504 |
| Cash Payments to Employees | (66,737,640) | (47,708,255) |
| Cash Payments to Suppliers | (65,233,060) | (27,599,717) |
| Income Tax Paid | (166,411,887) | (47,246,112) |
| Received from other Operating activities | 152,806,947 | 104,850,185 |
| Payments for other Operating activities | (80,783,204) | (45,275,441) |
| Operating Profit before changes in Operating | 329,675,106 | 483,665,583 |
| Assets & Liabilities | | |
| Changes in Operating Assets and Liabilities | | |
| Purchases/Sale of Trading Securities | (66,597,479) | 228,646,742 |
| Loans and Lease Finance to Customers | (2,413,350,068) | (5,302,880,436) |
| Other Assets | (66,088,398) | (221,282,168) |
| Deposits | 1,708,730,478 | 4,711,601,087 |
| Other Liabilities | 1,168,467 | 19,403,216 |
| Sub Total | (836,137,000) | (564,511,559) |
| A) Net Cash from Operating Activities | (506,461,894) | (80,845,976) |
| Cash flows from Investing Activities | | |
| Purchase/sale of non trading securities | - | - |
| Adjustment of Depreciation | - | - |
| Proceeds from Sale of fixed assets | - | - |
| Purchases/sale of Property, Plant & Equipment | (17,216,157) | (16,552,079) |
| B) Net Cash from Investing Activities | (17,216,157) | (16,552,079) |
| Cash flows from Financing Activities | | |
| Increase/(decrease) of borrowings | 158,950,641 | 201,235,161 |
| Share Capital - Right Issue | - | 390,085,150 |
| Dividend Paid | - | - |
| C) Net Cash from Financing Activities | 158,950,641 | 591,320,311 |
| D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | (364,727,410) | 493,922,257 |
| E) Cash & Cash Equivalents at the beginning of the period | 784,741,067 | 290,818,811 |
| F) Cash & Cash Equivalents at the end of the period(D+E) | 420,013,657 | 784,741,067 |



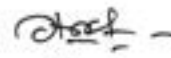
Company Secretary



Managing Director



Director



Director

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014

| Particulars | Share capital BDT | Statutory reserve BDT | General reserve BDT | Capital reserve BDT | Revaluation Surplus BDT | Retained earnings BDT | Total BDT | Non Controlling Interest BDT | Total Equity BDT |
|---------------------------------------|-------------------|-----------------------|---------------------|---------------------|-------------------------|-----------------------|---------------|------------------------------|------------------|
| Balance as at 01 January 2014 | 1,040,227,080 | 148,584,375 | 30,000,000 | | 249,673,602 | 82,010,256 | 1,550,495,312 | 452,776,090 | 2,003,271,403 |
| Changes during the period 2014 | | | | | | | | | |
| Issue of Bonus Share | 104,022,700 | - | (30,000,000) | - | - | (74,022,700) | 107,872,479 | 6,966,280 | 114,838,760 |
| Profit/(Loss) for the period | - | - | - | - | - | 107,872,479 | 107,872,479 | - | 114,838,760 |
| Capital Reserve | - | - | - | 33,744,750 | - | (33,744,750) | - | - | - |
| Transfer to statutory reserve | - | 13,633,961 | - | - | - | (13,633,961) | - | - | - |
| Balance as at 31 December 2014 | 1,144,249,780 | 162,218,336 | (30,000,000) | | 249,673,602 | 68,481,324 | 1,658,367,792 | 459,742,370 | 2,118,110,163 |
| Balance as at 01 January 2013 | 591,038,120 | 131,435,406 | 50,000,000 | | 138,223,602 | 44,874,501 | 955,571,629 | 444,137,729 | 1,399,709,359 |
| Changes during the period 2013 | | | | | | | | | |
| Issue of Bonus Share | 59,103,810 | - | (20,000,000) | - | - | (39,103,810) | 390,085,150 | - | 390,085,150 |
| Right Share Issue | 390,085,150 | - | - | - | - | 93,388,533 | 93,388,533 | 8,638,361 | 102,026,894 |
| Profit/(Loss) for the period | - | - | - | - | - | 17,148,969 | 111,450,000 | - | 111,450,000 |
| Revaluation Surplus | - | - | - | - | 111,450,000 | (17,148,969) | - | - | - |
| Transfer to statutory reserve | 449,188,960 | 17,148,969 | (20,000,000) | - | 111,450,000 | 37,135,754 | 594,923,683 | 8,638,361 | 603,562,044 |
| Balance as at 31 December 2013 | 1,040,227,080 | 148,584,375 | 30,000,000 | | 249,673,602 | 82,010,256 | 1,550,495,312 | 452,776,090 | 2,003,271,403 |



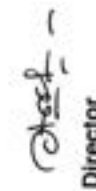
Company Secretary



Managing Director



Director



Director

Balance Sheet

As at 31 December 2014

| | Note | 2014 BDT | 2013 BDT |
|---|------|----------------|----------------|
| PROPERTY AND ASSETS | | | |
| Cash | 3 | 135,217,988 | 99,964,183 |
| Cash in hand | | 42,857 | 52,743 |
| Balance with Bangladesh Bank | | 135,175,131 | 99,911,439 |
| Balance with other Banks and Financial Institutions | 4 | 239,390,453 | 613,811,364 |
| Inside Bangladesh | | 239,390,453 | 613,811,364 |
| Outside Bangladesh | | - | - |
| Money at call and short notice | 4.4 | 1,051,524,145 | 944,616,892 |
| Investment in Securities | 5 | 404,645,464 | 456,264,709 |
| Government | | - | - |
| Others | | 404,645,464 | 456,264,709 |
| Lease, Loans and Advances | 6 | 10,707,372,858 | 8,327,091,053 |
| In Bangladesh | | 10,707,372,858 | 8,327,091,053 |
| Outside Bangladesh | | - | - |
| Fixed Assets including Premises, Furniture and Fixtures | 7 | 320,826,262 | 312,324,955 |
| Other Assets | 8 | 1,555,738,635 | 1,338,227,259 |
| Non Banking Assets | | - | - |
| Total Assets | | 14,414,715,804 | 12,092,300,415 |
| LIABILITIES AND CAPITAL | | | |
| Financing (Borrowings) from Other Banks, Financial Institutions and Agents | 9 | 2,017,148,658 | 1,858,198,017 |
| Deposits and other Accounts | 10 | 9,318,092,004 | 7,599,310,341 |
| Term Deposits | | 8,819,687,909 | 7,155,131,157 |
| Scheme Deposit | | 182,270,862 | 107,246,490 |
| Other Deposits | | 32,837,331 | 56,287,439 |
| Advance Rent & Installments | | 283,295,903 | 280,645,256 |
| Bills Payable | | - | - |
| Other Liabilities | 11 | 1,463,613,171 | 1,087,099,894 |
| Total Liabilities | | 12,798,853,833 | 10,544,608,251 |
| Capital/ Shareholders' Equity | | | |
| Share Capital | 12 | 1,144,249,780 | 1,040,227,080 |
| Statutory Reserve | 13 | 162,218,336 | 148,584,375 |
| General Reserve | 14 | - | 30,000,000 |
| Revaluation Surplus on Land & Building | 7.1 | 249,673,602 | 249,673,602 |
| Retained earnings | 15 | 59,720,252 | 79,207,107 |
| Total Shareholders' Equity | | 1,615,861,971 | 1,547,692,163 |
| Total Liabilities & Shareholders' Equity | | 14,414,715,804 | 12,092,300,415 |

Balance Sheet

As at 31 December 2014

| | Note | 2014 BDT | 2013 BDT |
|---|------|--------------------|--------------------|
| OFF BALANCE SHEET EXPOSURES | | | |
| CONTINGENT LIABILITIES | | | |
| Acceptances and Endorsements | | - | - |
| Letters of Guarantee | 16 | 104,801,330 | 104,801,330 |
| Irrevocable Letters of Credit | | - | - |
| Bills for Collection | | - | - |
| Total | | 104,801,330 | 104,801,330 |
| OTHER COMMITMENTS | | | |
| Documentary credits and short term trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance and revolving underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Claims against the Bank not acknowledged as debts | | - | - |
| Total | | - | - |
| Total Off-Balance Sheet Items including contingent liabilities | | 104,801,330 | 104,801,330 |

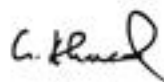
These financial statements should be read in conjunction with the annexed notes 1 to 43



Company Secretary



Managing Director



Director



Director

Auditors' Report to the shareholders see annexed report to date

Dated: Dhaka
27 April 2015



A. Qasem & Co.
Chartered Accountant

Profit and Loss Account

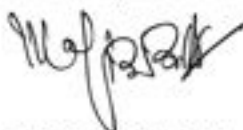
For the year ended 31 December 2014

| | Note | 2014 BDT | 2013 BDT |
|--|-----------|--------------------|--------------------|
| Interest Income | 18 | 1,777,832,490 | 1,127,096,314 |
| Less: Interest paid on Deposits & Borrowings etc. | 19 | 1,441,750,083 | 791,289,778 |
| Net Interest Income | | 336,082,408 | 335,806,535 |
| Income from Investment in securities | 20 | 42,604 | (13,803,037) |
| Commission, Exchange and Brokerage | | 1,000,000 | 1,000,000 |
| Other Operating Income | 21 | 92,274,990 | 86,928,625 |
| | | 93,317,593 | 74,125,588 |
| Total Operating Income | | 429,400,001 | 409,932,123 |
| Salaries and Allowances | 22 | 38,444,513 | 29,258,742 |
| Rent, Taxes, Insurances, Electricity etc. | 23 | 12,175,223 | 11,532,643 |
| Legal Expenses | 24 | 4,828,324 | 2,189,624 |
| Postage, Stamps, Telecommunication etc. | 25 | 1,359,524 | 794,248 |
| Stationery, Printings, Advertisements etc. | 26 | 14,252,347 | 10,753,332 |
| Managing Director's Salary and Allowances | 27 | 7,100,000 | 7,100,000 |
| Directors' Fees | 28 | 958,000 | 891,250 |
| Auditors' Fees | | 155,556 | 130,834 |
| Depreciation & Repairs of NBF's Assets | 29 | 6,950,120 | 6,894,182 |
| Other Expenses | 30 | 18,981,801 | 23,782,698 |
| Total Operating Expenses | | 105,205,407 | 93,327,553 |
| Profit before Provision | | 324,194,594 | 316,604,571 |
| Specific provisions for Classified Investment | | 78,658,610 | 35,215,265 |
| General Provisions for Unclassified Investment | | 27,865,593 | 43,373,188 |
| Provisions for diminution in value of Investment | | 6,000,000 | 8,810,049 |
| Total Provision | 31 | 112,524,203 | 87,398,503 |
| Total Profit before Provisions for Taxation | | 211,670,390 | 229,206,068 |
| Deferred Tax Expenses/(benefit) | | 123,155 | 193,307 |
| Current Tax Expenses | | 143,377,428 | 143,267,918 |
| | | 143,500,583 | 143,461,225 |
| Net Profit after Taxation | | 68,169,807 | 85,744,843 |
| Appropriations | | | |
| Statutory Reserve | 13 | 13,633,961 | 17,148,969 |
| Retained Earnings | 15 | 54,535,846 | 68,595,875 |
| | | 68,169,807 | 85,744,843 |
| Earning Per Share (Re-stated) | 32 | 0.60 | 0.75 |

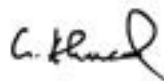
These financial statements should be read in conjunction with the annexed notes 1 to 43



Company Secretary



Managing Director



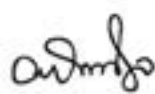
Director



Director

Auditors' Report to the shareholders see annexed report to date

Dated: Dhaka
27 April 2015



A. Qasem & Co.
Chartered Accountant

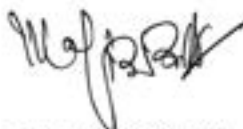
Cash Flow Statement

For the year ended 31 December 2014

| | Note | 2014 BDT | 2013 BDT |
|--|------|----------------------|----------------------|
| Cash Flow from Operating Activities | | | |
| Interest received | 33 | 1,811,601,294 | 1,125,254,670 |
| Interest paid | 34 | (1,349,971,782) | (703,349,766) |
| Dividend received | | 8,825,682 | 9,224,344 |
| Fees & Commission received | | 1,000,000 | 1,000,000 |
| Cash Payments to Employees | | (45,544,513) | (36,358,742) |
| Cash Payments to Suppliers | | (14,252,347) | (10,753,332) |
| Income Tax Paid | | (150,096,894) | (38,462,728) |
| Received from other Operating activities | 35 | 83,491,911 | 63,901,244 |
| Payments for other Operating activities | 36 | (40,414,894) | (40,004,068) |
| Operating Profit before changes in Operating Assets & Liabilities | | 304,638,457 | 370,451,622 |
| Changes in Operating Assets and Liabilities | | | |
| Purchases/Sale of Trading Securities | | 51,619,245 | 235,807,345 |
| Loans and Lease Finance to Customers | | (2,487,189,058) | (5,114,313,680) |
| Other Assets | 37 | (71,841,840) | (360,141,180) |
| Deposits | | 1,708,730,478 | 4,711,601,087 |
| Other Liabilities | 38 | 9,419,931 | 7,123,695 |
| Sub Total | | (789,261,244) | (519,922,733) |
| A) Net Cash from Operating Activities | | (484,622,787) | (149,471,111) |
| Cash flows from Investing Activities | | | |
| Purchase/sale of non trading securities | | - | - |
| Proceeds from Sale of fixed assets | | - | - |
| Purchases/sale of Property, Plant & Equipment | | (13,494,960) | (12,642,392) |
| B) Net Cash from Investing Activities | | (13,494,960) | (12,642,392) |
| Cash flows from Financing Activities | | | |
| Increase/(decrease) of borrowings | | 158,950,641 | 201,235,161 |
| Share Capital - Right Issue | | - | 390,085,150 |
| Dividend Paid | | - | - |
| C) Net Cash from Financing Activities | | 158,950,641 | 591,320,311 |
| D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C) | | (339,167,106) | 429,206,808 |
| E) Cash and cash equivalents at the beginning of the period | | 713,775,547 | 284,568,739 |
| F) Cash and cash equivalents at the end of the period (D+E) | 39 | 374,608,441 | 713,775,547 |



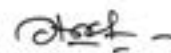
Company Secretary



Managing Director



Director



Director

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2014

| Particular | Share capital Taka | Statutory reserve Taka | General reserve Taka | Revaluation Surplus Taka | Retained earnings Taka | Total Taka |
|---------------------------------------|--------------------|------------------------|----------------------|--------------------------|------------------------|---------------|
| Balance as at 1 January 2014 | 1,040,227,080 | 148,584,375 | 30,000,000 | 249,673,602 | 79,207,107 | 1,547,692,163 |
| Changes during the period 2014 | | | | | | |
| Issue of Bonus Share | 104,022,700 | - | (30,000,000) | - | (74,022,700) | - |
| Profit/(Loss) for the period | - | - | - | - | 68,169,807 | 68,169,807 |
| Transfer to statutory reserve | - | 13,633,961 | - | - | (13,633,961) | - |
| Revaluation of Land | - | - | - | - | - | - |
| Balance as at 31 December 2014 | 1,144,249,780 | 162,218,336 | (30,000,000) | 249,673,602 | 59,720,252 | 1,615,861,970 |
| Balance as at 1 January 2013 | 591,038,120 | 131,435,406 | 50,000,000 | 138,223,602 | 49,715,042 | 960,412,170 |
| Changes during the period 2013 | | | | | | |
| Issue of Bonus Share | 59,103,810 | - | (20,000,000) | - | (39,103,810) | - |
| Right share issue | 390,085,150 | - | - | - | - | 390,085,150 |
| Profit/(Loss) for the period | - | - | - | - | 85,744,843 | 85,744,843 |
| Transfer to statutory reserve | - | 17,148,969 | - | - | (17,148,969) | - |
| Revaluation on Land | - | - | - | 111,450,000 | - | 111,450,000 |
| Balance as at 31 December 2013 | 1,040,227,080 | 148,584,375 | 30,000,000 | 249,673,602 | 79,207,107 | 1,547,692,163 |



Company Secretary



Managing Director



Director



Director

Liquidity Statement Assets and Liabilities Maturity Analysis

As at 31 December 2014

| 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 | 42,857 | - | - | - | - | 42,857 |
| Balance with Bangladesh Bank | 135,175,131 | - | - | - | - | 135,175,131 |
| Balance with other banks and financial institutions | 207,704 | 66,653,236 | 172,529,513 | - | - | 239,390,453 |
| Money at Call and Short Notice | 41,524,145 | 1,010,000,000 | - | - | - | 1,051,524,145 |
| Investment in securities | 103,368,582 | 40,464,546 | 222,555,005 | 38,257,330 | - | 404,645,464 |
| Investment (Loans and Advances) | 439,228,002 | 482,444,755 | 1,947,334,265 | 7,219,116,078 | 619,249,758 | 10,707,372,858 |
| Fixed Assets including premises, furniture and fixtures etc. | - | - | - | 23,626,262 | 297,200,000 | 320,826,262 |
| Other Assets | 111,720,383 | - | 303,275,762 | 89,307,776 | 1,051,434,714 | 1,555,738,635 |
| Non-banking Assets | - | - | - | - | - | - |
| Total Assets (i) | 831,266,804 | 1,599,562,538 | 2,645,694,545 | 7,370,307,447 | 1,967,884,472 | 14,414,715,805 |
| Liabilities | | | | | | |
| Financing (Borrowing) from other banks, financial institutions and agents | 471,064,960 | 84,204,591 | 490,955,230 | 968,988,169 | 1,935,708 | 2,017,148,658 |
| Deposits and other accounts | 250,253,518 | 1,090,797,745 | 1,955,367,104 | 5,276,416,998 | 745,256,638 | 9,318,092,004 |
| Provision and other liabilities | 53,650,736 | 107,945,487 | 159,744,353 | 479,233,058 | 663,039,538 | 1,463,613,171 |
| Total Liabilities (ii) | 774,969,215 | 1,282,947,823 | 2,606,066,687 | 6,724,638,225 | 1,410,231,885 | 12,798,853,833 |
| Net Liquidity Gap (i-ii) | 56,297,589 | 316,614,715 | 39,627,858 | 645,669,222 | 557,652,587 | 1,615,861,971 |

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



Company Secretary



Managing Director



Director



Director

Notes to the consolidated and separate financial statements

For the year ended 31 December 2014

1. Legal status and nature of the company

1.1 Domicile, legal form and country of incorporation

Bangladesh Finance and Investment Company Limited (BD Finance) is a Non-Banking Financial Institution engaged in lease, loan and investment financing operation. The Company having its registered office at Baitul Hossain Building, 27 Dilkusha C/A, Dhaka-1000, Bangladesh, was incorporated in Bangladesh on 10 May 1999 as a Public Limited Company under the Companies Act 1994. The license was issued from Bangladesh Bank on 22 December 1999 under the Financial Institutions Act 1993. The operational activities was started on 15 February 2000 through signing the first lease agreement on that day. 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 57.36% owned subsidiary company of Bangladesh Finance And Investment Company Limited was incorporated on 28 December 2010 as a public limited company under Companies Act 1994 with authorized share capital of Tk. 500 crore. The main objective of the Company is to act as a member of stock exchanges, operate the Central Depository System (CDS) and to carry on the business of brokers, jobbers or dealers in stocks, shares, securities, commodities, commercial papers, bonds, obligations, debentures etc.

1.3.2 BD Finance Capital Holdings Limited

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

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

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

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

2.1.1 Basis of consolidation of operations of subsidiary

The financial statements of the Company and its subsidiary, as mentioned in note no. 1.3, have been consolidated

in accordance with Bangladesh Accounting Standard 27 "Consolidated and Separate Financial Statements". The consolidation of the financial statement has been made after eliminating all material inter company balances, income and expenses arising from inter company transactions.

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

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

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

2.4 Reporting period

These financial statements cover from 1 January 2014 to 31 December 2014

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

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. BD Finance followed the Straight-line method of depreciation and annual rates are as under:

| | |
|------------------------|-----|
| Building | 10% |
| Office equipment | 25% |
| Office Renovation | 20% |
| Furniture and fixtures | 20% |
| Motor vehicles | 20% |
| System and Software | 25% |
| 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 un-quoted securities:

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

2.13 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 Limited (BD Finance) transfers 20% on post tax profit in compliance with the regulation.

2.14 General Reserve

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

2.15 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 BD Finance in accordance with the company's service rules. The gratuity is calculated on the basis of sum equal to 15 (fifteen) days basic pay for every confirmed employee who completed his continuous service for Seven (7) years and 30 (thirty) days basic for employees whose service is completed for 10 (ten) years or more and as per BAS-19 "Employee Benefits" and payable as per the modalities of the rules. Gratuity so calculated are transfer to the Gratuity fund and charged to expenses of the Company.

2.16 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.

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

| Particulars | Rate |
|---------------------------------|------|
| General provision on: | |
| Unclassified loans and advances | 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 2012 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, etc.

Fees base income, 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 incurred 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 32.

Basic Earnings

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

Weighted average number of Ordinary Shares outstanding during the period

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

Basic earnings per share

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

Diluted Earnings Per Share

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

2.25 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.

| | 2014 BDT | 2013 BDT |
|---|--------------------|--------------------|
| 3 Cash | | |
| Cash in hand (Notes :3.1) | 42,857 | 52,743 |
| Balance with Bangladesh Bank (Notes : 3.2) | 135,175,131 | 99,911,439 |
| | 135,217,988 | 99,964,183 |
| 3.a Cash in Hand (Consolidated) | | |
| BD Finance | 42,857 | 52,743 |
| BD Finance Securities Limited | 18,669 | 19,846 |
| BD Finance Capital Holdings Limited | 14,197 | 5,243 |
| | 75,723 | 77,832 |
| 3.1 Cash in hand (including foreign currencies) | | |
| In local currency | 42,857 | 52,743 |
| In foreign currency | - | - |
| | 42,857 | 52,743 |
| 3.2 Balance with Bangladesh Bank (including foreign currencies) | | |
| In local currency | 135,175,131 | 99,911,439 |
| In foreign currency | - | - |
| | 135,175,131 | 99,911,439 |
| 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 | 135,007,633 | 96,850,010 |
| Actual Reserve held with Bangladesh Bank(local currency) | 135,329,092 | 99,911,439 |
| Surplus | 321,459 | 3,061,429 |
| 3.5 Statutory Liquidity Ratio (SLR): 5% (including 2.5% CRR) of Average Demand and Time Liabilities | | |
| Required Reserve | 295,298,154 | 224,578,238 |
| Actual Reserve held (Note- 3.6) | 374,608,441 | 713,775,547 |
| Surplus | 79,310,287 | 489,197,309 |
| 3.6 Held for Statutory Liquidity Ratio | | |
| Cash in hand | 42,857 | 52,743 |
| Balance with Bangladesh Bank | 135,175,131 | 99,911,439 |
| Balance with other bank and Financial Institutions (Note-4) | 239,390,453 | 613,811,364 |
| | 374,608,441 | 713,775,547 |
| 4 Balance with other Banks and Financial Institutions | | |
| Inside Bangladesh (Note - 4.1) | 239,390,453 | 613,811,364 |
| Outside Bangladesh (Note - 4.2) | - | - |
| | 239,390,453 | 613,811,364 |
| 4.a Balance with other Banks and Financial Institutions (Consolidated) | | |
| BD Finance | 239,390,453 | 613,811,364 |
| BD Finance Securities Limited | 41,498,822 | 59,198,753 |
| BD Finance Capital Holdings Limited. | 3,873,529 | 11,741,678 |
| | 284,762,803 | 684,751,795 |
| 4.1 Inside Bangladesh | | |
| Current Account | | |
| Al Arafa Islami Bank, Pragati Sarani Branch | - | 1,000 |
| Bank Alfalah Limited, Main Branch | - | 681 |
| BRAC Bank Limited, Gulshan Branch | - | 1,072 |
| Dhaka Bank Limited, Foreign Exchange Branch. | 44,497 | 477,911 |
| Dutch Bangla Bank Limited, | 3,718 | 30,347 |
| EXIM Bank Limited, Motijheel Branch. | - | 35 |
| IFIC Bank Limited, Motijheel Branch | - | 870 |
| Islami Bank Bangladesh Limited, Gulshan Branch. | 615 | 615 |
| Premier Bank Ltd. Kalabagan Branch. | 59 | - |
| Prime Bank Limited, Islami Banking Branch, Dilkusha. | 33,791 | 78,674 |
| Rupali Bank Limited, Local Office. | - | 215 |
| Shahjalal Bank Limited, Foreign Exchange Branch. | 5,294 | 6,501 |
| Social Islami Bank Limited, Principal Branch. | 117,426 | 218,881 |
| The City Bank Limited, Shamoly Branch. | 2,305 | 5,755 |
| UCBL, Principal Branch | - | 3,247 |
| | 207,704 | 825,801 |

| | 2014 BDT | 2013 BDT |
|---|--------------------|--------------------|
| STD Account | | |
| Bank Asia Limited, Principal Branch. | 118,160 | 302,706 |
| BRAC Bank Limited, Gulshan Branch. | 289,827 | 92,366 |
| Dutch Bangla Bank Limited, Foreign Exchange Branch | 788,818 | 3,448,251 |
| Dutch Bangla Bank Limited, Nayabazar Branch | 69,230 | 159,287 |
| Jamuna Bank Ltd., Lalmatia Branch | 6 | 1,000 |
| Midland Bank Ltd., Motijheel Branch | - | 4,650 |
| Modhumoti Bank Ltd., Motijheel Branch | 8,971 | 10,000 |
| Mutual Trust Bank Limited, Principal Branch. | 6,726 | 7,598 |
| Mutual Trust Bank Ltd., Principal Branch- Right Share | 969,758 | 391,009,502 |
| NRB Commercial Bank Ltd., Motijheel Branch. | 5,337 | 6,057 |
| Southeast Bank Limited, Principal Branch. (FF) | 2,293,805 | 705,878 |
| Southeast Bank Limited, Principal Branch. | 46,442,060 | 87,128,313 |
| Southeast Bank Limited, Agrabad Branch. | 11,893,067 | 1,388,517 |
| Southeast Bank Limited, Corporate Branch, Motijheel. | 100,834 | 83,037 |
| Southeast Bank Limited, Corporate Branch, Motijheel. (Dividend) | 934,651 | 917,985 |
| Southeast Bank Limited, Bangshal Branch | 253,107 | 571,621 |
| The City Bank Limited, Foreign Exchange Branch | 2,476,892 | 7,146,550 |
| The City Bank Limited, Pricpal Branch | 185 | 2,243 |
| United Commercial Bank, | 1,802 | - |
| | 66,653,236 | 492,985,563 |
| FDR with Basic Bank Limited. | 86,614,813 | 70,000,000 |
| FDR with NRB Commercial Bank Ltd. | 85,914,700 | 50,000,000 |
| Cash at Bank | 239,390,453 | 613,811,364 |
| 4.2 Outside Bangladesh | | |
| Cash at Foreign Bank | - | - |
| Total Cash at Bank (Bangladesh & Foreign) | 239,390,453 | 613,811,364 |
| 4.3 Maturity-wise groupings of balance with other banks and FI's | | |
| On Demand | 207,704 | 825,801 |
| Not more than 3 months | 66,653,236 | 492,985,563 |
| More than 3 months but less than 1 year | 172,529,513 | 120,000,000 |
| More than 1 year but less than 5 years | - | - |
| More than 5 years | - | - |
| | 239,390,453 | 613,811,364 |
| 4.4 Money at Call and Short Notice Tk. 1,051,524,145 represents the amount of investment as Short Notice for the year 2014 | | |
| 5 Investment in Securities | | |
| i) Government | - | - |
| ii) Others | 404,645,464 | 456,264,709 |
| | 404,645,464 | 456,264,709 |
| 5.a Investment in Securities (Consolidated) | | |
| BD Finance | 404,645,464 | 456,264,709 |
| BD Finance Securities Limited | 106,653,401 | 17,280,877 |
| BD Finance Capital Holdings Limited | 250,943,445 | 108,855,642 |
| | 762,242,310 | 582,401,228 |
| 5.ii. Investment in Securitles-Others | | |
| Investment in shares (in quoted companies) (Note 5.1) | 366,388,134 | 418,007,379 |
| Investment in shares (in un-quoted companies) (Note 5.2) | 38,257,330 | 38,257,330 |
| | 404,645,464 | 456,264,709 |
| Maturity-wise Grouping of Investment in Securities: | | |
| On demand | 103,368,582 | 14,528,738 |
| Not more than 3 months | 40,464,546 | 304,617,929 |
| More than 3 months but less than 1 year | 222,555,005 | 98,860,712 |
| More than 1 year but less than 5 years | 38,257,330 | 38,257,330 |
| More than 5 years | - | - |
| | 404,645,464 | 456,264,709 |

5.1 Quoted

| Name of the Institution | Cost Price 2014 | Market Price 2014 | Cost Price 2013 |
|---|--------------------|----------------------|--------------------|
| AIMS1STMF | 1,418,599 | 1,435,000 | - |
| AsiaPacific Insurance | - | - | 476,839 |
| Beximco Ltd. | 10,590,326 | 9,085,185 | 6,063,092 |
| Beximco Pharma | 28,278,586 | 28,669,784 | 77,042,546 |
| BSRM Steel | - | - | 2,083,897 |
| City General Insurance Co. Ltd. | 12,979,096 | 11,158,140 | 9,298,629 |
| DBH1STMF | 1,026,895 | 920,000 | - |
| Delta Life Insurance | 106,087 | 324,084 | - |
| Eastland Insurance | 6,018,909 | 7,597,450 | 5,139,223 |
| Exim Bank | 3,198,893 | 3,130,122 | 3,198,893 |
| Federal Insurance | - | - | 535,077 |
| GRAMEENS2 | 1,412,137 | 1,830,000 | - |
| International Leasing & Fin. Ser. Ltd. | 1,051,145 | 567,000 | 1,051,145 |
| Lafarge Surma Cement | - | - | 33,598,711 |
| Meghna Life Insurance | - | - | 7,278,364 |
| MJL Bangladesh Ltd. | - | - | 839,438 |
| Mutual Trust Bank | 20,395 | 63,360 | 447,115 |
| National Bank Ltd. | 16,455,827 | 11,228,555 | 16,455,827 |
| NCC Bank | 625,629 | 487,245 | 625,629 |
| Nitol Insurance | 9,852,370 | 10,707,392 | - |
| One Bank Limited | 27,012,990 | 23,272,057 | 27,012,990 |
| Padma Life Insurance Co. Ltd. | 99,163,107 | 72,153,860 | 12,998,365 |
| Peoples Leasing & Financial Services Ltd. | 20,621,408 | 10,193,753 | 20,621,408 |
| Phoenix Finance Ltd. | - | - | 378,911 |
| Phoenix Insurance Co.Ltd. | - | - | 505,497 |
| Premier Cement Ltd | - | - | 36,987,675 |
| Prime Islami Life | 4,438,391 | 3,033,636 | 4,438,391 |
| Rangpur Dairy & Food Products Ltd. | 2,013,244 | 2,058,375 | 2,013,244 |
| Rupali Bank | 519,958 | 417,036 | 519,958 |
| Rupali General Insurance | - | - | 8,773,509 |
| Social Investment Bank Ltd. | 1,990,400 | 2,149,820 | 1,990,400 |
| Southeast Bank Ltd. | 61,250,950 | 60,252,656 | 61,250,950 |
| Standard Insurance | - | - | 10,285 |
| Summit Power | 19,148,545 | 18,605,757 | 39,177,125 |
| The City Bank Ltd. | 1,055 | 327 | 1,055 |
| Trust Bank Ltd. | 1,531,820 | 1,441,440 | 1,531,820 |
| UCBL | 318,133 | 240,260 | 318,133 |
| United Leasing | 35,343,238 | 27,424,624 | 35,343,238 |
| | 366,388,134 | 308,446,918 | 418,007,379 |

5.2 Unquoted

| Name of the Institution | Cost Price 2014 | Market Price 2014 | Cost Price 2013 |
|-----------------------------------|--------------------|----------------------|--------------------|
| Bangladesh Commerce Bank Limited. | 28,257,330 | 28,257,330 | 28,257,330 |
| GMG Airlines Limited. | 10,000,000 | - | 10,000,000 |
| | 38,257,330 | 28,257,330 | 38,257,330 |
| | 404,645,464 | 336,704,248 | 456,264,709 |

6 Lease, Loans and Advances

a) Inside Bangladesh

i) Net Investment in lease Finance

Gross lease rental receivable

Less: Unearned interest income

Net Investment in lease Finance

ii) Term Finance

iii) Housing Finance

Total Loans and Lease inside Bangladesh (i+ii+iii)

b) Outside Bangladesh

Total Loans and Lease Finance (a+b)

| | 2014 BDT | 2013 BDT |
|--|-----------------------|----------------------|
| | | |
| | 2,341,875,853 | 2,184,353,978 |
| | 511,941,261 | 525,757,017 |
| | 1,829,934,592 | 1,658,596,961 |
| | 8,727,307,257 | 6,523,556,184 |
| | 150,131,009 | 144,937,908 |
| | 10,707,372,858 | 8,327,091,053 |
| | - | - |
| | 10,707,372,858 | 8,327,091,053 |

| | 2014 BDT | 2013 BDT |
|--|-----------------------|----------------------|
| 6.a Lease, Loans and Advances (Consolidated) | | |
| BD Finance | 10,707,372,858 | 8,327,091,053 |
| BD Finance Securities Limited | 754,075,071 | 682,011,495 |
| BD Finance Capital Holdings Limited. | 174,974,105 | 172,522,062 |
| Loan to BD Finance Securities Limited | (533,905,395) | (633,155,000) |
| Loan to BD Finance Capital Holdings Limited. | (64,000,000) | (168,594,886) |
| | 11,038,516,638 | 8,379,874,724 |
| 6.1 Maturity wise Classification of Investments: | | |
| With a residual maturity of | | |
| Receivable on Demand | 439,228,002 | 235,297,696 |
| Not more than 3 months | 482,444,755 | 591,577,733 |
| Over 3 months but not more than 1 year | 1,947,334,265 | 1,099,244,904 |
| Over 1 year but not more than 5 years | 7,219,116,078 | 5,246,067,363 |
| Over 5 years | 619,249,758 | 1,154,903,357 |
| | 10,707,372,858 | 8,327,091,053 |
| 6.2 Investments on the basis of significant concentration: | | |
| Investments to allied concern of Directors (Note: 42.5) | 692,801,333 | 803,267,213 |
| Investments to Executives/Officers | 439,635 | 202,283 |
| Investments to Customer Groups | 5,492,457,000 | 1,058,465,328 |
| Industrial Investment | 4,015,621,287 | 4,986,751,605 |
| Others | 506,053,603 | 1,478,404,624 |
| | 10,707,372,858 | 8,327,091,053 |
| 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 |
| 6.4 Sector-wise Classification of Investment: | | |

| Sector | As at 31 December 2014 | | As at 31 December 2013 | |
|-------------------------------------|------------------------|----------------|------------------------|----------------|
| | Amount | Composition | Amount | Composition |
| Agriculture | - | 0.00% | - | 0.00% |
| Cement/Clinker & Allied Industries | 446,879 | 0.00% | 6,998,009 | 0.08% |
| Chemical & Pharmaceuticals | 759,857,353 | 7.10% | 241,405,953 | 2.90% |
| Electronics and Electrical Products | 629,179,616 | 5.88% | 140,688,732 | 1.69% |
| Financial Institutions | - | 0.00% | - | 0.00% |
| Food Production/Processing Ind. | 689,585,880 | 6.44% | 935,922,654 | 11.24% |
| Garments | 565,283,340 | 5.28% | 303,198,645 | 3.64% |
| Glass & Ceramic Industries | 32,867,708 | 0.31% | 38,105,393 | 0.46% |
| Iron, Steel & Engineering | 1,304,775,873 | 12.19% | 610,444,472 | 7.33% |
| Jute & Jute Allied Industries | 10,170,341 | 0.09% | 13,116,630 | 0.16% |
| Merchant Banking | 720,458,233 | 6.73% | 168,594,886 | 2.02% |
| Others | 726,399,081 | 6.78% | 1,586,295,536 | 19.05% |
| Paper, Printing and Packaging | 350,134,482 | 3.27% | 267,344,769 | 3.21% |
| Plastic Industries | 11,985,547 | 0.11% | 12,100,376 | 0.15% |
| Power, Gas, Water and Sanitary | 524,300,220 | 4.90% | 560,212,555 | 6.73% |
| Real Estate & Housing | 324,018,201 | 3.03% | 381,441,240 | 4.58% |
| Service Industries | - | 0.00% | - | 0.00% |
| Ship & Ship Mfg. Industries | - | 0.00% | 117,007,942 | 1.41% |
| SME | - | 0.00% | - | 0.00% |
| Telecom./Information Technology | 369,091,768 | 3.45% | 296,689,136 | 3.56% |
| Textile | 116,348,147 | 1.09% | 201,521,817 | 2.42% |
| Trading | 1,774,362,519 | 16.57% | 1,761,500,551 | 21.15% |
| Transport & Communication | 1,798,107,672 | 16.79% | 684,501,757 | 8.22% |
| | 10,707,372,858 | 100.00% | 8,327,091,053 | 100.00% |

6.5 Geographical Location-wise loans and lease Finance:

| Location | As at 31 December 2014 | | As at 31 December 2013 | |
|------------|------------------------|----------------|------------------------|----------------|
| | Amount | Composition | Amount | Composition |
| Dhaka | 8,185,212,884.77 | 76.44% | 8,032,372,306 | 96.46% |
| Chittagong | 2,519,766,943 | 23.53% | 294,718,747 | 3.54% |
| Sylhet | 2,393,030 | 0.02% | - | 0.00% |
| | 10,707,372,858 | 100.00% | 8,327,091,053 | 100.00% |

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

| Particulars | As at 31 December 2014 | | As at 31 December 2013 | |
|-------------------------------|------------------------|----------------|------------------------|----------------|
| | Amount | Composition | Amount | Composition |
| Unclassified | | | | |
| Standard | 9,908,529,146 | 92.54% | 7,691,714,243 | 92.37% |
| Special Mention Account (SMA) | 239,510,128 | 2.24% | 195,666,239 | 2.35% |
| | 10,148,039,274 | | 7,887,380,482 | |
| Classified | | | | |
| Substandard | 146,503,711 | 1.37% | 66,782,150 | 0.80% |
| Doubtful | 945,490 | 0.01% | 87,865,294 | 1.06% |
| Bad or loss | 411,884,383 | 3.85% | 285,063,127 | 3.42% |
| | 559,333,584 | | 439,710,571 | |
| | 10,707,372,858 | 100.00% | 8,327,091,053 | 100.00% |

6.7 Particulars of provision for Loans and lease Finance

| Status | Rate | Basis for Provision | Amount | Amount |
|---|------|---------------------|--------------------|--------------------|
| | | | 2014 | 2013 |
| General Provision (for Unclassified portion) | | | | |
| Unclassified | 1% | 9,908,529,146 | 99,085,291 | 76,917,142 |
| Special Mention Account | 5% | 223,642,536 | 11,182,127 | 8,991,064 |
| | | | 110,267,418 | 85,908,206 |
| Specific Provision | | | | |
| Substandard | 20% | 108,362,638 | 21,672,528 | 5,904,243 |
| Doubtful | 50% | - | - | 36,875,539 |
| Bad or loss | 100% | 166,590,571 | 166,590,571 | 79,167,154 |
| | | | 188,263,099 | 121,946,936 |
| Required provision for Loans & Lease Finance | | | 298,530,517 | 207,855,142 |
| Total provision maintained (note # 11.1(a) & (b)) | | | 305,220,561 | 208,747,543 |
| Surplus Provision | | | 6,690,044 | 892,402 |

BD Finance has maintained provision on unclassified investment amounting to Tk. 104,808,011 (note # 11.1.b) and for classified Loan & Lease Finance Tk. 200,412,550 (note # 11.1.a) totaling Tk. 305,220,561. Surplus provision against unclassified loan/lease is Tk.5,722,719.

6.8 Particulars of Investments:

| | 2014 BDT | 2013 BDT |
|---|---------------|---------------|
| (i) Debts considered good in respect of which the NBFIs are fully secured | 4,331,239,805 | 3,162,219,272 |
| (ii) Debts considered good for which the NBFIs hold no other security other than the debtor's personal guarantee | 6,376,133,053 | 4,529,494,971 |
| (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 | 156,070,269 | 142,902,430 |

| | 2014 BDT | 2013 BDT |
|---|--------------------|--------------------|
| (v) Debts due by directors or officers of the NBFi or any of them either severally or jointly with any other person | 2,939,635 | 1,719,610 |
| (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). | 692,801,333 | 803,267,213 |
| (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. | 3,342,480 | 104,472 |
| (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 | 1,202,000,000 | 633,155,000 |
| (ix) Receivable from other NBFi's | - | - |
| (x) Total amount of advance on which Profit is not credited: | 798,843,712 | 635,376,810 |
| (xi) Cumulative amount of written off Investments | 11,494,317 | - |
| 7 Fixed Assets including Premises, Furniture & Fixtures | | |
| A. Cost: | | |
| Opening balance | 348,520,006 | 224,427,614 |
| Addition during the year | 13,494,961 | 12,642,393 |
| Add: Revaluation During the year | - | 111,450,000 |
| Less: Disposal during the year | - | - |
| Closing balance at cost | 362,014,967 | 348,520,006 |
| B. Depreciation: | | |
| Opening balance | 36,195,051 | 29,983,640 |
| Less: Adjustment against 2013 | (1,363,696) | - |
| Addition during the year | 6,357,351 | 6,211,411 |
| Less: Adjustment on disposal during the year | - | - |
| Accumulated Depreciation | 41,188,705 | 36,195,051 |
| Carrying value | 320,826,262 | 312,324,955 |
| *Details are given in Annexure-A | | |
| 7.a Fixed Assets including Premises, Furniture and Fixtures (Consolidated) | | |
| BD Finance | 320,826,262 | 312,324,955 |
| BD Finance Securities Limited - PPE | 14,438,749 | 17,907,569 |
| BD Finance Securities Limited - Intangible Assets | 2,708 | 115,208 |
| BD Finance Capital Holdings Limited. | 11,461,440 | 7,976,630 |
| | 346,729,160 | 338,324,362 |
| 7.1 Revaluation Surplus on Land And Building | | |
| Revalued Amount | 302,598,790 | 302,598,790 |
| Less: Acquisition Value | 52,925,188 | 52,925,188 |
| Revaluation Surplus | 249,673,602 | 249,673,602 |

Note: 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 31, 2013 by a prominent independent valuer, Axis Resources Limited, Property Heights (1st Floor) 12, R.K. Mission Road, Dhaka - 1203 and the valuation also counter certified by Malek Siddiqui Wali, Chartered Accounts, 9-G, Motijheel C/A, Dhaka - 1000. The acquisition value of the asset was Tk. 52,925,188, the Revalued (Carrying) Amount is Tk. 302,598,790 and the Revaluation Surplus is Tk. 249,673,602. The present market value of land is Tk. 80,000,000 per Katha. BD Finance is 50% owner of the said building.

| | 2014 BDT | 2013 BDT | |
|--|--|----------------------|----------------------|
| 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 | | | |
| Whether the land has planning permission | | | |
| Location, Accessibility and availability of resources such as gas & electricity | | | |
| Size of land and future potential development & information from local residents. | | | |
| 7.b | Revaluation Reserve (Consolidated) | | |
| | BD Finance | 249,673,602 | 249,673,602 |
| | BD Finance Securities Limited | - | - |
| | BD Finance Capital Holdings Limited | - | - |
| | | 249,673,602 | 249,673,602 |
| 8 | Other Assets | | |
| | Investment in Subsidiaries (Note: 8.1) | 849,930,000 | 849,930,000 |
| | Investment in BD Finance Vanguard Mutual Fund One | 200,000,000 | 200,000,000 |
| | Receivables, Advances & Deposits (Note 8.2) | 505,808,635 | 288,297,259 |
| | | 1,555,738,635 | 1,338,227,259 |
| 8.a | Other Assets (Consolidated) | | |
| | BD Finance | 705,808,635 | 488,297,259 |
| | BD Finance Securities Limited | 1,037,255,768 | 1,009,738,943 |
| | Receivable from BD Finance Capital Holdings Limited | - | - |
| | BD Finance Capital Holdings Limited | 13,967,730 | 2,288,185 |
| | | 1,757,032,133 | 1,500,324,387 |
| 8.1 | Investment in Subsidiaries | | |
| | Investment In paid up capital (BD Finance Capital Holdings Limited.) | 249,930,000 | 249,930,000 |
| | Investment In paid up capital (BD Finance Securities Limited.) | 600,000,000 | 600,000,000 |
| | | 849,930,000 | 849,930,000 |
| 8.2 | Receivables, Advances & Deposits | | |
| | a) Other receivables | | |
| | Interest on investment in FDR | 10,942,452 | 19,266,438 |
| | Re-imbursable expenses | 8,479,728 | 5,895,777 |
| | Receivable Grace Period Interest | 2,196,202 | 2,196,202 |
| | Receivable Delinquent Charge | 62,445,355 | 58,548,728 |
| | Receivable on sale of Shares | - | 9 |
| | Receivable Excise Duty | 1,961,810 | 1,728,633 |
| | Receivable-Others | 47,049,116 | 38,285,190 |
| | Stock of Stamp | 29,710 | 32,295 |
| | | 133,104,372 | 125,953,272 |
| | b) Advance Income Tax | | |
| | Opening Balance | 147,595,694 | 109,132,966 |
| | Add: Addition during the year | 150,096,894 | 38,462,728 |
| | | 297,692,588 | 147,595,694 |
| | Less: Adjustment during the year | - | - |
| | Closing balance | 297,692,588 | 147,595,694 |

| | 2014 BDT | 2013 BDT |
|---|----------------------|----------------------|
| 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 | 48,800,405 | 48,800,405 |
| Assessment Year 2012-2013 | 8,500,000 | 8,500,000 |
| Assessment Year 2013-2014 | - | - |
| Assessment Year 2014-2015 | 145,450,872 | - |
| | 207,604,277 | 62,153,405 |
| 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 | 4,004,590 | 4,004,590 |
| Assessment Year 2012-2013 | 2,187,932 | 2,187,932 |
| Assessment Year 2013-2014 | 38,462,728 | 38,462,728 |
| Assessment Year 2014-2015 | 4,646,023 | - |
| | 90,088,311 | 85,442,289 |
| | 297,692,588 | 147,595,694 |
| c) Advance, deposits and prepayments | | |
| Advances | | |
| Advance office rent | - | - |
| Advance Office Rent - Chittagong Br. | 1,037,826 | 77,349 |
| Advance Office rent-Uttara | 536,000 | 728,000 |
| Advance Office rent-Sylhet | 1,443,960 | 1,925,280 |
| Advance against salary | - | - |
| Advance against Fixed Assets | 283,833 | - |
| Advance interest on TDR | - | 1,250,000 |
| Accounts with Bangshal Branch | 24,402 | - |
| Accounts with Uttara Branch | - | 62,333 |
| Advance others | 70,083,640 | 9,229,218 |
| Advance against 64 Motijheel | 97,300 | - |
| | 73,506,961 | 13,272,180 |
| d) Deposits with others | | |
| Deposits with BTTB & Mobile | 89,200 | 60,600 |
| Deposits with Baitul Hossain Building | 203,814 | 203,814 |
| Deposit with Land Lord Bangshal Branch | 804,700 | 804,700 |
| Deposit with CDBL | 400,000 | 400,000 |
| Deposit with Sadharan Bima | 7,000 | 7,000 |
| | 1,504,714 | 1,476,114 |
| Other Assets (a+b+c+d) | 505,808,635 | 288,297,259 |
| 8.3 Maturity wise classification of other assets | | |
| Receivable on Demand | 111,720,383 | 125,953,272 |
| Not more than 3 months | - | - |
| Over 3 months but not more than 1 year | 303,275,762 | 13,272,180 |
| Over 1 year but not more than 5 years | 89,307,776 | 149,071,808 |
| Over 5 years | 1,051,434,714 | 1,049,930,000 |
| | 1,555,738,635 | 1,338,227,259 |

| | 2014 BDT | 2013 BDT |
|--|----------------------|----------------------|
| 9. Borrowing from other banks, Financial Institutions and agents | | |
| Secured | 104,670,819 | 73,034,556 |
| Un secured | 1,912,477,839 | 1,785,163,461 |
| | 2,017,148,658 | 1,858,198,017 |
| In Bangladesh | 2,017,148,658 | 1,858,198,017 |
| Outside Bangladesh | - | - |
| | 2,017,148,658 | 1,858,198,017 |
| 9.a Borrowing from other banks, Financial Institutions and agents | | |
| BD Finance | 2,017,148,658 | 1,858,198,017 |
| BD Finance Securities Limited | 231,055,191 | - |
| BD Finance Capital Holdings Limited | 95,398,646 | - |
| | 2,343,602,494 | 1,858,198,017 |
| 9.1. In Bangladesh | | |
| Refinance against SME loan from Bangladesh Bank | 3,220,221 | 10,382,082 |
| Refinance against Housing loan from Bangladesh Bank | 1,935,708 | 2,178,567 |
| Refinance against SME loan from JICA | 12,769,780 | 20,632,278 |
| Term Loan from other Banks (Note - 9.2) | 1,247,907,611 | 1,010,664,599 |
| Short term loan from other banks (Note - 9.3) | 301,315,338 | 164,340,490 |
| Call Loan | 450,000,000 | 650,000,000 |
| | 2,017,148,658 | 1,858,198,017 |
| 9.2 Term loan from Other Banks | | |
| Bank Asia Ltd. | 43,936,724 | - |
| BRAC Bank Ltd. | 12,012,709 | 36,042,257 |
| Jamuna Bank Ltd | 136,002,539 | 46,112,882 |
| Midland Bank Ltd. | - | 190,407,468 |
| Mutual Trust Bank Ltd. | 262,058,130 | 111,781,984 |
| NRB Commercial Bank Ltd. | - | 167,526,016 |
| Premier Bank Ltd. | 81,487,692 | 20,005,575 |
| Prime Bank Ltd. | 100,000,000 | - |
| Rupali Bank Ltd. | - | 107,614,613 |
| Shahjalal Islami Bank Ltd. | - | 92,084,008 |
| Social Islami Bank Ltd. | 78,213,163 | - |
| Standard Bank Ltd. | 150,010,575 | - |
| United Commercial Bank Ltd. | 19,528,563 | - |
| Uttara Bank Ltd. | 364,657,515 | 239,089,796 |
| | 1,247,907,611 | 1,010,664,599 |
| 9.3 Short Term Loan from Other Banks | | |
| Basic Bank Ltd. | 20,623,504 | 73,034,556 |
| Mercantile Bank Ltd. | 49,157,362 | 32,673 |
| Mutual Trust Bank Ltd. | 36,390,411 | 13,828,853 |
| NRB Commercial Bank Ltd. | 84,047,315 | - |
| Rupali Bank Ltd. | 255,445 | 27,701,738 |
| United Commercial Bank Ltd. | 49,968,155 | - |
| Uttara Bank Ltd. | 60,873,146 | 49,742,670 |
| | 301,315,338 | 164,340,490 |
| 9.4 Maturity wise classification of loan | | |
| Repayable on demand | 450,000,000 | 650,000,000 |
| Within 1 month | 21,064,960 | 19,485,527 |
| Over 1 months but not more than 3 months | 84,204,591 | 228,497,585 |
| Over 3 months but not more than 1 year | 490,955,230 | 284,357,930 |
| Over 1 year but not more than 5 years | 968,988,169 | 374,027,698 |
| Over 5 years | 1,935,708 | 301,829,277 |
| | 2,017,148,658 | 1,858,198,017 |

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

| | 2014 BDT | 2013 BDT |
|--|----------------------|----------------------|
| 10. Deposits and Other Accounts: | | |
| Term Deposits (Note - 10.1) | 8,819,687,909 | 7,155,131,157 |
| Scheme Deposits (Double Benefit Scheme) (Note - 10.2) | 182,270,862 | 107,246,490 |
| Other Deposits (Note - 10.3) | 32,837,331 | 56,287,439 |
| Advance Rent and Installments (Note - 10.6) | 283,295,903 | 280,645,256 |
| | 9,318,092,004 | 7,599,310,341 |
| 10.a Deposits and Other Accounts (Consolidated) | | |
| BD Finance | 9,318,092,004 | 7,599,310,341 |
| BD Finance Securities Limited | - | - |
| BD Finance Capital Holdings Limited | - | (113,243,603) |
| | 9,318,092,004 | 7,486,066,738 |
| 10.1 Term Deposits | | |
| General Deposits | 5,269,687,909 | 4,655,131,157 |
| Deposit from Other Banks and FI's (Note - 10.4) | 3,550,000,000 | 2,500,000,000 |
| | 8,819,687,909 | 7,155,131,157 |
| 10.2 Scheme Deposits | | |
| General Deposits | 182,270,862 | 107,246,490 |
| Deposit from Other Banks and FI's | - | - |
| | 182,270,862 | 107,246,490 |
| 10.3 Other Deposits | | |
| Lease deposits | 18,650,036 | 34,612,741 |
| Security deposits | 244,170 | 244,170 |
| Loan deposits | - | - |
| Sundry Creditors | 13,943,125 | 21,430,528 |
| | 32,837,331 | 56,287,439 |
| 10.4 Term Deposits from other bank and FI's | | |
| Agrani Bank Limited | 400,000,000 | 200,000,000 |
| Bangladesh Commerce Bank Ltd. | 550,000,000 | 250,000,000 |
| Bangladesh Development Bank Limited | 100,000,000 | 100,000,000 |
| Bank Asia Limited | - | 50,000,000 |
| BRAC Bank Limited | 150,000,000 | 200,000,000 |
| Meghna Bank Limited | - | 300,000,000 |
| Modhumoti Bank Limited | 400,000,000 | 300,000,000 |
| NRB Bank Limited | 50,000,000 | 50,000,000 |
| NRB Commercial Bank Limited | 300,000,000 | 100,000,000 |
| Rupali Bank Ltd. | 1,000,000,000 | 550,000,000 |
| Sonali Bank Ltd. | 300,000,000 | 100,000,000 |
| Standard Bank Limited | 100,000,000 | 100,000,000 |
| The Farmers Bank Limited | 200,000,000 | 200,000,000 |
| | 3,550,000,000 | 2,500,000,000 |
| 10.5 Term and Other Deposits | | |
| General Deposits | 5,484,796,101 | 4,818,665,086 |
| Deposit from Other Banks and Financial Institutions | 3,550,000,000 | 2,500,000,000 |
| | 9,034,796,101 | 7,318,665,086 |
| 10.6 Advance Rent and Installments | | |
| Advance Lease Rent | 36,880,296 | 25,752,935 |
| Advance Term Installments | 246,415,607 | 254,892,321 |
| | 283,295,903 | 280,645,256 |
| 10.7 Maturity wise classification of Deposits | | |
| Repayable on demand | - | - |
| Within 1 month | 250,253,518 | 408,082,965 |
| Over 1 months but not more than 3 months | 1,090,797,745 | 683,937,931 |
| Over 3 months but not more than 1 year | 1,955,367,104 | 835,164,207 |
| Over 1 year but not more than 5 years | 5,276,416,998 | 4,304,249,377 |
| Over 5 year to 10 years | 745,256,638 | 1,367,875,861 |
| Over 10 years | - | - |
| | 9,318,092,004 | 7,599,310,341 |

| | 2014 BDT | 2013 BDT |
|---|----------------------|----------------------|
| 11. Other Liabilities | | |
| Provision for Loans and Lease Finance (Note 11.1) | 305,220,561 | 208,747,543 |
| Provisions for Investment in Securities (Note 11.2) | 68,067,968 | 62,067,968 |
| Interest Suspense (Note 11.3) | 112,162,507 | 82,821,062 |
| Provision for Taxation (Note 11.4) | 453,189,048 | 309,811,620 |
| Deferred Tax (Note 11.5) | 3,559,456 | 3,436,301 |
| Interest payable on Borrowing and Deposits (Note 11.6) | 463,867,917 | 372,089,616 |
| Payable & Provision against expenditure (Note 11.7) | 38,807,905 | 23,713,644 |
| Advance Rent Received | 10,816,620 | 17,026,620 |
| Advance Excise Duty Received | 2,959,600 | 2,423,900 |
| Gratuity Fund | 4,030,479 | 4,030,479 |
| Dividend payable | 931,110 | 931,140 |
| | 1,463,613,171 | 1,087,099,894 |
| 11.a Other Liabilities (Consolidated) | | |
| BD Finance | 1,463,613,171 | 1,087,099,894 |
| BD Finance Securities Limited | 110,932,943 | 91,380,239 |
| BD Finance Capital Holdings Limited | 21,707,267 | 21,699,358 |
| BD Finance Capital Holdings Limited - Adjusted | - | (17,432,988) |
| | 1,596,253,381 | 1,182,746,503 |
| 11.1 Provision for Investment: | | |
| (a) Provision on Classified Investment: | | |
| Provision held at the beginning of the period | 131,805,126 | 96,589,863 |
| Net charge to Profit & Loss Account (Note - 31) | 68,607,424 | 35,215,263 |
| Provision held at the end of the period | 200,412,550 | 131,805,126 |
| (b) General Provision on Unclassified Investment: | | |
| Provision held at the beginning of the period | 76,942,417 | 33,569,229 |
| Net charge to Profit & Loss Account (Note - 31) | 27,865,594 | 43,373,188 |
| Balance at the end of the period | 104,808,011 | 76,942,417 |
| Total Provision for Investments | 305,220,561 | 208,747,543 |
| 11.2 Provision for Investment in Securities: | | |
| Provision held at the beginning of the period | 62,067,968 | 53,257,919 |
| Addition/(Adjustment) during the year (note-31) | 6,000,000 | 8,810,049 |
| Balance at the end of the period | 68,067,968 | 62,067,968 |
| The total provisions for diminution in value of investment includes Tk. 10,000,000 against GMG Airlines which was maintained as per Bangladesh Bank observation on 30.06.2013 | | |
| 11.3 Interest Suspense Account: | | |
| Balance at the beginning of the period | 82,821,062 | 54,956,462 |
| Amount transferred to suspense account during the period | 29,341,445 | 27,864,600 |
| Amount recovered from suspense account during the period | - | - |
| Balance at the end of the period | 112,162,507 | 82,821,062 |
| 11.4 Provision for Taxation | | |
| Balance at the beginning of the period | 309,811,620 | 166,543,702 |
| Provision made during the period | 143,377,428 | 143,267,918 |
| Adjustment during the period | - | - |
| Balance at the end of the period | 453,189,048 | 309,811,620 |
| 11.5 Deferred Tax | | |
| Balance at the beginning of the period | 3,436,301 | 3,242,994 |
| Adjustment during the period | 123,155 | 193,307 |
| Balance at the end of the period | 3,559,456 | 3,436,301 |
| 11.6 Interest payable on Borrowing and Deposits | | |
| Interest payable on TDR and other deposits | 434,619,176 | 345,950,711 |
| Interest payable on term loan | 28,580,164 | 25,202,422 |
| Interest payable on Refinancing loan from BB (SME) | 120,721 | 220,904 |
| Interest payable on Refinancing loan from BB (Housing) | 10,399 | 8,472 |
| Interest payable on Refinancing loan from JICA | 62,808 | 83,362 |
| Interest Payable on Call loan | 406,458 | 555,556 |
| Interest payable on Security Deposit | 68,190 | 68,190 |
| Balance at the end of the period | 463,867,917 | 372,089,616 |

| | 2014 BDT | 2013 BDT |
|---|----------------------|----------------------|
| 11.7 Payable & Provision against expenditure | | |
| Advance transfer price | 4,001 | 9,001 |
| Payable others | 9,752,353 | 6,262,499 |
| Payable to BD Finance Foundation | 11,304,525 | 5,877,079 |
| Withholding Excise Duty | 9,440,475 | 5,215,569 |
| Withholding tax | 7,441,192 | 5,087,490 |
| Withholding VAT | 865,360 | 1,262,006 |
| Balance at the end of the period | 38,807,905 | 23,713,644 |
| 11.8 Maturity wise classification of other liabilities | | |
| Repayable on demand | 13,714,648 | 21,084,175 |
| Within 1 month | 39,936,088 | 50,140,516 |
| Over 1 months but not more than 3 months | 107,945,487 | 348,794,358 |
| Over 3 months but not more than 1 year | 159,744,353 | 115,735,827 |
| Over 1 year but not more than 5 years | 479,233,058 | 176,438,616 |
| Over 5 years | 663,039,538 | 374,906,402 |
| Balance at the end of the period | 1,463,613,171 | 1,087,099,894 |
| 12. Capital | | |
| 12.1 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: | | |
| 114,424,978 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders | 1,144,249,780 | 1,040,227,080 |
| Sponsor Shareholders Group | 555,160,340 | 505,048,490 |
| General Shareholders Group | 589,089,440 | 535,178,590 |
| | 1,144,249,780 | 1,040,227,080 |
| General Shareholders Group: | | |
| General Public | 451,275,820 | 374,882,580 |
| Financial Institutes | 136,996,080 | 125,758,210 |
| Unit Fund | - | - |
| Investors Account | 817,540 | 34,537,800 |
| Mutual Fund | - | - |
| | 589,089,440 | 535,178,590 |

| Classification of Shareholders by holding: | No. of Shareholders | No. of Shares | Percentage of Share Holding |
|--|---------------------|--------------------|-----------------------------|
| Less than 500 shares | 13,923 | 1,778,280 | 1.55% |
| 501 to 5,000 shares | 7,467 | 12,429,057 | 10.86% |
| 5,001 to 10,000 shares | 872 | 6,267,049 | 5.48% |
| 10,001 to 20,000 shares | 401 | 5,772,569 | 5.04% |
| 20,001 to 30,000 shares | 126 | 3,134,692 | 2.74% |
| 30,001 to 40,000 shares | 49 | 1,683,103 | 1.47% |
| 40,001 to 50,000 shares | 29 | 1,306,250 | 1.14% |
| 50,001 to 1,00,000 shares | 69 | 4,742,104 | 4.14% |
| 1,00,001 to 10,00,000 shares | 59 | 21,095,361 | 18.44% |
| 10,00,001 to 99,99,999 shares | 22 | 56,216,513 | 49.13% |
| Total | 23,017 | 114,424,978 | 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 |
| 2012 | Bonus Share | 5,373,073 | 53,730,730 | 591,038,120 |
| 2013 | Bonus Share | 5,910,380 | 59,103,810 | 650,141,930 |
| 2013 | Right Share | 39,008,515 | 390,085,150 | 1,040,227,080 |
| 2014 | Bonus Share | 10,402,270 | 104,022,700 | 1,144,249,780 |

12.3 Capital under Capital Adequacy and Market Discipline (CAMD)

a) Core Capital (Tier -I):

- i) Paid-up Capital
- ii) Statutory Reserve (Note # 13)
- iii) General Reserve (Note # 14)
- iv) Retained Earnings (Note # 15)
- v) Minority interest (Note # 15.b)

b) Supplementary Capital (Tier-II):

- i) Revaluation Surplus on Land & Building
- ii) General Provision (Note 11.1(b))

c) Total (a +b)

| | 2014 BDT | 2013 BDT |
|---|----------------------|----------------------|
| | | |
| i) Paid-up Capital | 1,144,249,780 | 1,040,227,080 |
| ii) Statutory Reserve (Note # 13) | 162,218,336 | 148,584,375 |
| iii) General Reserve (Note # 14) | - | 30,000,000 |
| iv) Retained Earnings (Note # 15) | 59,720,252 | 79,207,107 |
| v) Minority interest (Note # 15.b) | 459,742,371 | 452,776,091 |
| Total (a +b) | 1,825,930,740 | 1,750,794,652 |
| | | |
| i) Revaluation Surplus on Land & Building | 124,836,801 | 69,111,801 |
| ii) General Provision (Note 11.1(b)) | 104,808,011 | 76,942,417 |
| Total (b) | 229,644,812 | 146,054,218 |
| Total (a +b) | 2,055,575,552 | 1,896,848,870 |

12.4 Capital Surplus/(Deficit)

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

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

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

| | | |
|---|--------------------|-------------------|
| Paid up Capital | 1,144,249,780 | 1,040,227,080 |
| Requires minimum capital | 1,000,000,000 | 1,000,000,000 |
| Excess (Shortfall) of Paid up Capital over minimum capital | 144,249,780 | 40,227,080 |

| | 2014 BDT | 2013 BDT |
|---|----------------------|----------------------|
| 13. Statutory Reserve | | |
| Opening balance | 148,584,375 | 131,435,406 |
| Add: Addition during the period | 13,633,961 | 17,148,969 |
| | 162,218,336 | 148,584,375 |
| 14. General Reserve | | |
| Opening balance | 30,000,000 | 50,000,000 |
| Add: Transfer from Retained Earning | - | - |
| Less: Distribution During the period (Bonus Dividend) | (30,000,000) | (20,000,000) |
| | - | 30,000,000 |
| 15. Retained Earnings | | |
| Opening balance | 79,207,107 | 49,715,042 |
| Add: Profit After Tax during the period | 68,169,807 | 85,744,843 |
| Less: Transfer to General Reserve | - | - |
| Less: Transfer to Statutory Reserve | (13,633,961) | (17,148,969) |
| Less: Issue of Bonus shares | (74,022,700) | (39,103,810) |
| | 59,720,252 | 79,207,107 |
| 15.a Retained Earnings (Consolidated) | | |
| Bangladesh Finance And Investment Co. Limited. (BD Finance) | 59,720,252 | 79,207,107 |
| BD Finance Securities Limited | 5,899,660 | 15,737,454 |
| BD Finance Capital Holdings Limited | 5,378,534 | (6,228,213) |
| Adjustment for Minority Interest | (2,517,121) | (6,706,091) |
| | 68,481,325 | 82,010,256 |
| 15.b Non Controlling Interest (Consolidated) | | |
| BD Finance Securities Limited | | |
| Paid up Capital | 457,150,000 | 446,000,000 |
| Retained Profit/(Loss) | 2,515,615 | 6,710,450 |
| | 459,665,615 | 452,710,450 |
| BD Finance Capital Holdings Limited. | | |
| Paid up Capital | 75,250 | 70,000 |
| Retained Profit/(Loss) | 1,506 | (4,360) |
| | 76,756 | 65,640 |
| | 459,742,371 | 452,776,091 |
| 15.1 Capital Reserve | | |
| Stock Dividend from BD Finance Securities Ltd. | 15,000,000 | - |
| Stock Dividend from Capital Holdings Ltd. | 18,744,750 | - |
| | 33,744,750 | - |
| Capital reserve created for interim Stock Dividend received from the Subsidiary companies in the year 2014. | | |
| 16. Letters of Guarantees | | |
| Letters of guarantee | 104,801,330 | 104,801,330 |
| Less: Margin | - | - |
| | 104,801,330 | 104,801,330 |
| 17. Profit and Loss Account | | |
| Income | | |
| Interest, discount and similar income (Note-18) | 1,777,832,490 | 1,127,096,314 |
| Dividend income (Note-20) | 8,825,682 | 9,224,344 |
| Commission, Exchange and Brokerage | 1,000,000 | 1,000,000 |
| Gains less losses arising from investment securities (Note-20) | (8,783,078) | (23,027,381) |
| Other operating income (Note-21) | 92,274,990 | 86,928,625 |
| | 1,871,150,084 | 1,201,221,902 |
| Expenses: | | |
| Interest paid on Deposits & Borrowing (Note-19) | 1,441,750,083 | 791,289,778 |
| Administrative expenses | 81,074,397 | 63,202,610 |
| Other operating expenses (Note-30) | 18,981,801 | 23,782,698 |
| Depreciation on Fixed assets (Note-29(a)+29(b)) | 4,993,653 | 6,211,410 |
| | 1,546,799,934 | 884,486,497 |
| Income over expenditure | 324,350,150 | 316,735,405 |

| | 2014 BDT | 2013 BDT |
|---|----------------------|----------------------|
| 18. Interest income | | |
| Interest income on Loans & Lease Finance (Note-18.1) | 1,757,870,644 | 1,108,213,435 |
| Interest on placement with other Banks & FIS (Note-18.2) | 19,961,847 | 18,882,879 |
| | 1,777,832,490 | 1,127,096,314 |
| 18.a Interest Income (Consolidated) | | |
| BD Finance | 1,777,832,490 | 1,127,096,314 |
| BD Finance Securities Limited | 137,037,274 | 84,237,507 |
| BD Finance Capital Holdings Limited | 36,730,666 | 3,618,967 |
| BD Finance Securities Limited-Adjustment | (112,922,728) | (71,778,542) |
| BD Finance Capital Holdings Limited.-Adjustment | (34,002,559) | (12,514,606) |
| | 1,804,675,143 | 1,130,659,640 |
| 18.1 Interest on Loans & Lease Finance | | |
| Interest income on lease finance | 267,569,233 | 229,484,144 |
| Interest income on term finance | 1,463,892,506 | 870,666,970 |
| Interest on housing finance | 26,408,905 | 8,062,321 |
| | 1,757,870,644 | 1,108,213,435 |
| 18.2 Interest on placement with other banks & FIS | | |
| Interest on TDR | 16,736,584 | 16,243,155 |
| Interest on STD accounts | 3,225,263 | 2,635,279 |
| Interest on fund placements | - | 4,444 |
| | 19,961,847 | 18,882,879 |
| 19. Interest paid on deposits & borrowing | | |
| Interest paid on deposits | 1,194,476,404 | 522,658,504 |
| Interest paid on borrowings (Note-19.1) | 247,273,679 | 268,631,274 |
| | 1,441,750,083 | 791,289,778 |
| 19.a Interest Expenses (Consolidated) | | |
| BD Finance | 1,441,750,083 | 791,289,778 |
| BD Finance Securities Limited | 8,464,949 | 35,035 |
| BD Finance Capital Holdings Limited | 8,698,178 | - |
| BD Finance Securities Limited-Adjustment | - | - |
| BD Finance Capital Holdings Limited.-Adjustment | (144,270) | (17,541,093) |
| | 1,458,768,940 | 773,783,720 |
| 19.1 Interest paid on borrowing | | |
| Interest Expenses on Term Loan | 166,591,233 | 211,763,667 |
| Interest Expenses on SOD Loan | 18,210,040 | 15,117,415 |
| Interest Expenses on Call Loan | 61,179,597 | 39,946,458 |
| Interest Expenses on Re financing loan | 1,292,808 | 1,803,734 |
| | 247,273,679 | 268,631,274 |
| 20. Income from Investment in Securities | | |
| Income from Investment in Shares | (8,783,078) | (23,027,381) |
| Dividend Income | 8,825,682 | 9,224,344 |
| | 42,604 | (13,803,037) |
| 20.a Income from Investment in Securities (Consolidated) | | |
| BD Finance | 42,604 | (13,803,037) |
| BD Finance Securities Limited | 13,888,531 | 54,500 |
| BD Finance Capital Holdings Limited | 53,903,923 | - |
| BD Finance Securities Limited-Adjustment | - | - |
| BD Finance Capital Holdings Limited.-Adjustment | - | - |
| | 67,835,058 | (13,748,537) |
| 20.b Commission, Exchange and Brokerage (Consolidated) | | |
| BD Finance | 1,000,000 | 1,000,000 |
| BD Finance Securities Limited | 95,064,353 | 70,243,504 |
| BD Finance Capital Holdings Limited | 3,988,227 | 985,626 |
| BD Finance Securities Limited-Adjustment | (1,000,000) | (1,000,000) |
| BD Finance Capital Holdings Limited-Adjustment | - | - |
| | 99,052,580 | 71,229,130 |

| | 2014 BDT | 2013 BDT |
|--|-------------------|-------------------|
| 21. Other Operating Income: | | |
| Penal Interest | 57,876,393 | 54,305,029 |
| Prepayment Interest | 10,008,749 | 1,427,165 |
| Contact point verification (CPV) | 1,920,600 | 510,073 |
| Ledger management (LM) | 101,000 | 29,000 |
| Transfer Price | 527,500 | 497,049 |
| Processing fees | 4,503,852 | 12,420,683 |
| Legal & Documentation charge | 2,239,790 | 2,750,305 |
| Transfer of leased assets | 5,000 | 3,000 |
| Office Rent (64 Motijheel) | 14,970,240 | 14,790,240 |
| Other Income (Note-21.1) | 121,866 | 196,081 |
| | 92,274,990 | 86,928,625 |
| 21.a Other Operating Income (Consolidated) | | |
| BD Finance | 92,274,990 | 86,928,625 |
| BD Finance Securities Limited | 4,750 | - |
| BD Finance Capital Holdings Limited | 208,545 | 58,500 |
| BD Finance Securities Limited-Adjustment | (1,216,440) | (1,608,840) |
| BD Finance Capital Holdings Limited.-Adjustment | (510,120) | (117,720) |
| | 90,761,724 | 85,260,565 |
| 21.1 Other Income | | |
| Gain/(loss) on sale of fixed assets | - | - |
| Miscellaneous income | 121,866 | 196,081 |
| | 121,866 | 196,081 |
| 22. Salary & Allowances | | |
| Basic Salary | 18,346,480 | 14,626,227 |
| Allowances | 14,348,517 | 10,001,663 |
| Bonus | 2,840,483 | 2,121,707 |
| BD Finance's Contribution to Provident fund | 657,688 | 490,278 |
| Wages | 2,251,345 | 2,018,867 |
| | 38,444,513 | 29,258,742 |
| 22.a Salary & Allowances (Consolidated) | | |
| BD Finance | 38,444,513 | 29,258,742 |
| BD Finance Securities Limited | 12,178,795 | 7,740,917 |
| BD Finance Capital Holdings Limited | 9,014,332 | 3,608,596 |
| | 59,637,640 | 40,608,255 |
| 23. Rent, Taxes, Insurance, Electricity etc. | | |
| Rent, Rates & Taxes | 11,015,054 | 10,622,954 |
| Insurance | 124,163 | 87,300 |
| Electricity & Lighting, WASA, Gas etc. | 1,036,006 | 822,389 |
| | 12,175,223 | 11,532,643 |
| 23.a Rent, Taxes, Insurance, Electricity etc.(Consolidated) | | |
| Bangladesh Finance And Investment Co. Limited. (BD Finance) | 12,175,223 | 11,532,643 |
| BD Finance Securities Limited | 2,806,936 | 3,473,715 |
| BD Finance Capital Holdings Limited | 1,217,050 | 235,440 |
| BD Finance Securities Limited-Adjustment | (1,216,440) | (1,608,840) |
| BD Finance Capital Holdings Limited-Adjusted | (510,120) | (117,720) |
| | 14,472,649 | 13,515,238 |
| 24. Legal Expenses | | |
| Legal Fees & Charge | 4,828,324 | 2,189,624 |
| Other Legal Expenses | - | - |
| | 4,828,324 | 2,189,624 |
| 24.a Legal Expenses (Consolidated) | | |
| BD Finance | 4,828,324 | 2,189,624 |
| BD Finance Securities Limited | 300,295 | 42,710 |
| BD Finance Capital Holdings Limited | 486,000 | - |
| | 5,614,619 | 2,232,334 |

| | 2014 BDT | 2013 BDT |
|--|-------------------|-------------------|
| 25. Postage, Stamps, Telecommunication etc. | | |
| Stamp & Court Fees | 345,971 | 319,863 |
| Commission on purchase of stamps | 8,150 | 8,525 |
| Internet expenses | 159,886 | 93,637 |
| Postage & Courier Expenses | 377,441 | 58,639 |
| Telephone & Fax Expenses | 139,350 | 138,055 |
| Mobile Expenses | 328,726 | 175,529 |
| | 1,359,524 | 794,248 |
| 25.a Postage, Stamps, Telecommunication (Consolidated) | | |
| BD Finance | 1,359,524 | 794,248 |
| BD Finance Securities Limited | 650,700 | 585,751 |
| BD Finance Capital Holdings Limited | 290,873 | 99,707 |
| | 2,301,097 | 1,479,706 |
| 26. Stationery, Printing, Advertisements etc. | | |
| Stationery-Toner & Cartridge | 167,160 | 156,065 |
| Stationery Expenses | 358,511 | 296,332 |
| Printing Expenses | 1,419,066 | 2,515,016 |
| Advertisement and Publicity | 12,307,610 | 7,785,919 |
| | 14,252,347 | 10,753,332 |
| 26.a Stationery, Printing, Advertisements etc.(Consolidated) | | |
| BD Finance | 14,252,347 | 10,753,332 |
| BD Finance Securities Limited | 611,018 | 920,871 |
| BD Finance Capital Holdings Limited | 155,768 | 266,715 |
| | 15,019,133 | 11,940,918 |
| 27. Managing Director's Salary and Allowances | | |
| Basic Salary | 3,600,000 | 3,600,000 |
| Allowances | 2,900,000 | 2,900,000 |
| Bonus | 600,000 | 600,000 |
| | 7,100,000 | 7,100,000 |
| 28. Directors' Fees & Conveyance | | |
| Director Fees | 958,000 | 891,250 |
| | 958,000 | 891,250 |
| Total 14 nos of Board Meeting and 4 nos of Audit Committee Meeting were held during the period ended on 31 December 2014. Each Director was paid Tk. 5,000 for attending in the meeting as per Bangladesh Bank Circular. | | |
| 28.a Directors' Fees & Conveyance (Consolidated) | | |
| BD Finance | 958,000 | 891,250 |
| BD Finance Securities Limited | 280,000 | 140,000 |
| BD Finance Capital Holdings Limited | 170,000 | - |
| | 1,408,000 | 1,031,250 |
| 28.b Audit Fees (Consolidated) | | |
| BD Finance | 155,556 | 130,834 |
| BD Finance Securities Limited | 62,500 | 62,500 |
| BD Finance Capital Holdings Limited | 12,777 | 95,000 |
| | 230,833 | 288,334 |
| 29. Depreciation and Repair of Assets | | |
| a) Depreciation of Assets | | |
| Building | 539,880 | 539,880 |
| Furniture & Fixtures | 1,368,750 | 1,853,017 |
| Office Equipment | 1,528,953 | 1,466,282 |
| Motor Vehicles | 714,973 | 1,271,927 |
| Fixed Assets others | - | - |
| | 4,152,556 | 5,131,105 |
| b) Amortization Expenses | | |
| System & Software | 54,167 | 36,663 |
| Office Renovation | 786,930 | 1,043,642 |
| | 841,097 | 1,080,305 |
| c) Repair of Assets | | |
| Office Equipment | 328,287 | 128,418 |
| Office Furniture & Fixtures | 1,400 | - |
| Motor Vehicles | 1,626,780 | 554,353 |
| | 1,956,467 | 682,771 |
| | 6,950,120 | 6,894,182 |

| | 2014 BDT | 2013 BDT |
|--|--------------------|-------------------|
| 29.a Depreciation and Repair of Assets (Consolidated) | | |
| BD Finance | 6,950,120 | 6,894,182 |
| BD Finance Securities Limited | 3,817,707 | 5,982,093 |
| BD Finance Capital Holdings Limited | 3,687,653 | 2,267,266 |
| | 14,455,479 | 15,143,541 |
| 30. Other Expenses | | |
| Petrol, Oil, Lubricants, CNG & others | 4,297,629 | 3,891,319 |
| Entertainment | 1,983,409 | 1,808,842 |
| Donation and Subscription | 2,834,312 | 4,916,946 |
| Donation to BD Finance Foundation | 5,427,446 | 5,877,079 |
| Document & Processing Fees | 198,754 | 448,357 |
| Traveling and Conveyance | 710,273 | 437,586 |
| Training Expenses | 113,093 | 30,000 |
| Retirement benefits and gratuity | - | 687,825 |
| Registration & Renewal Expenses | 104,984 | 57,683 |
| Papers & Periodicals | 41,935 | 30,142 |
| Office Maintenance | 214,903 | 362,370 |
| Office Supplies | 155,370 | 97,461 |
| Uniform & Liveries | - | 84,100 |
| Bank Charges & Excise Duty | 1,607,865 | 1,188,514 |
| Business development & Promotion | 228,335 | 156,500 |
| Security Service-Outsourcing | 480,137 | 230,009 |
| AGM & Meeting expenses | 559,503 | 3,456,535 |
| Miscellaneous Expenses | 23,853 | 21,430 |
| | 18,981,801 | 23,782,698 |
| 30.a Other Expenses (Consolidated) | | |
| BD Finance | 18,981,801 | 23,782,698 |
| BD Finance Securities Limited-DSE charges | 6,566,405 | 4,258,816 |
| BD Finance Securities Limited | 29,189,505 | 22,325,556 |
| BD Finance Capital Holdings Limited | 1,219,208 | 824,699 |
| | 55,956,919 | 51,191,769 |
| 31. Provision against loans, lease finance & Others | | |
| Provision on classified investment {Note-11.1(a)} | 68,607,424 | 35,215,265 |
| Write off during the year | 10,051,186 | - |
| | 78,658,610 | 35,215,265 |
| Provision on unclassified Loans & Advances {Note-11.1(b)} | 27,865,593 | 43,373,188 |
| Provisions on Investment in Securities (Note - 11.2) | 6,000,000 | 8,810,049 |
| | 112,524,203 | 87,398,503 |
| 31.a Provision on Investment in Securities (Consolidated) | | |
| BD Finance | 6,000,000 | 8,810,049 |
| BD Finance Securities Limited | 30,761,488 | 4,519,040 |
| BD Finance Capital Holdings Limited | - | 5,415,908 |
| | 36,761,488 | 18,744,997 |
| 32. Earning Per Share (EPS) | | |
| Calculation of Earning Per Share (Note - 2.24): | | |
| Net Profit after Tax | 68,169,807 | 85,744,843 |
| Number of Ordinary Shares outstanding (Denominator) | 114,424,978 | 114,424,978 |
| Earning Per Share (Re-stated 2013) | 0.60 | 0.75 |
| 32.a Earning Per Share (EPS) (Consolidated) | | |
| Calculation of Earning Per Share (Note - 2.24): | | |
| Net Profit after Tax | 107,872,479 | 93,388,533 |
| Number of Ordinary Shares outstanding (Denominator) | 114,424,978 | 114,424,978 |
| Earning Per Share (Re-stated 2013) | 0.94 | 0.82 |

| | 2014 BDT | 2013 BDT |
|--|----------------------|----------------------|
| 33. Interest received | | |
| Interest received (Note-18) | 1,777,832,490 | 1,127,096,314 |
| Add: Opening interest Receivable on TDR | 19,266,438 | 12,023,283 |
| Less: Closing interest receivable on TDR | (10,942,452) | (19,266,438) |
| Add: Opening Receivable Delinquent & Call | 58,548,728 | 36,085,639 |
| Less: Closing Receivable Delinquent & Call | (62,445,355) | (58,548,728) |
| Add: Closing interest suspense account | 112,162,507 | 82,821,062 |
| Less: Opening Interest Suspense Account | (82,821,062) | (54,956,462) |
| Less: Delinquent adjustment of 2011 | - | - |
| | 1,811,601,294 | 1,125,254,670 |
| 34. Interest Paid on Deposits & Borrowings | | |
| Interest Paid on Deposits & Borrowings (Note-19) | 1,441,750,083 | 791,289,778 |
| Add: Opening interest payable on deposit & borrowings | 372,089,616 | 284,149,604 |
| Less: Closing interest payable on deposit & borrowings | (463,867,917) | (372,089,616) |
| | 1,349,971,782 | 703,349,766 |
| 35. Cash Received from other Operating activities | | |
| Income from investment in shares (Note 20) | (8,783,078) | (23,027,381) |
| Other operating income (except gain/(loss) on sales of fixed assets) | 92,274,990 | 86,928,625 |
| | 83,491,911 | 63,901,244 |
| 36. Cash Payments for other Operating activities | | |
| Rent, Taxes, Insurance, Lighting etc. | 12,175,223 | 11,532,643 |
| Legal Expenses | 4,828,324 | 2,189,624 |
| Postage, Stamp, Telegram & Telephone | 1,359,524 | 794,248 |
| Directors' Fee & Expenses | 958,000 | 891,250 |
| Auditors' Fee | 155,556 | 130,834 |
| Repair, Maintenance of NBFIs Assets | 1,956,467 | 682,771 |
| Other Expenses | 18,981,801 | 23,782,698 |
| | 40,414,894 | 40,004,068 |
| 37. Cash Increase/ Decrease in Other Assets | | |
| Re-imbursable Expenses | 8,479,728 | 5,895,777 |
| Receivable Grace Period Interest | 2,196,202 | 2,196,202 |
| Receivable against Call Loan & Others (Rent from 64) | 47,049,116 | 38,285,190 |
| Receivable Excise Duty | 1,961,810 | 1,728,633 |
| Receivable on sale of shares | - | 9 |
| Investment In Subsidiaries | 849,930,000 | 849,930,000 |
| Investment in BD Finance Vanguard Mutual Fund One | 200,000,000 | 200,000,000 |
| Advance against expenditure (Note-8.2(c)) | 73,506,961 | 13,272,180 |
| Deposits (with other organization Note-8.2(d)) | 1,504,714 | 1,476,114 |
| Stock of Stamp | 29,710 | 32,295 |
| | 1,184,658,240 | 1,112,816,399 |
| Cash (Increase)/ Decrease in Other Assets | (71,841,840) | (360,141,180) |
| 38. Cash Increase/ (Decrease) in Other Liabilities | | |
| Payable others | 38,807,905 | 23,713,644 |
| Advance Rent (against 64 Motijheel) | 10,816,620 | 17,026,620 |
| Advance Excise Duty | 2,959,600 | 2,423,900 |
| Gratuity Fund | 4,030,479 | 4,030,479 |
| Dividend payable | 931,110 | 931,140 |
| | 57,545,715 | 48,125,783 |
| Cash Increase/ (Decrease) in Other Liabilities | 9,419,931 | 7,123,695 |
| 39. Cash and Cash Equivalents | | |
| Cash in Hand | 42,857 | 52,743 |
| Balance with Bangladesh Bank & Sonali Bank Limited | 135,175,131 | 99,911,439 |
| Balance with Other Banks & Financial Institutions | 239,390,453 | 613,811,364 |
| | 374,608,441 | 713,775,547 |

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 87 (In the year 2013 it was 74).

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 BD Finance 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 Khaled | Director | Member | MBA |
| Mr. Geasuddin Ahmed | Director | Member | B.Sc |
| Ms. Shanaz Rashid | Director | Member | B.A |
| Mr. Md. Imtiaz | Director | Member | I. Com |
| Mr. Yousuf Aman | Director | Member | B.A (Hons.) |

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

b) Meeting of Audit Committee

During 1 January to 31 December 2014, the Audit Committee of the Board conducted 4 (Four) meetings in which among others, the following issues were discussed:-

- i) Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.
- ii) Minimize expenditure in all operational activities where possible.
- iii) Reviewing the Accounting procedure with a view to ascertain that the International Financial Reporting Standard (IFRS) has been applied in maintaining books and records of the company.

c) Internal Control:

The following steps have been taken for implementation of Internal Control Procedure of the 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 BD Finance's operations. The division directly report simultaneously to the Board Audit Committee, and
- ii) Regular monitoring has been done for the effectiveness of the quality control policies and procedures with the effect to evaluate the application of internal Control System and Internal Audit Policy, Policy for financial risk, existing rules and regulation.
- iii) To establish Planning, Organizing and Supervising culture and monitoring of Audit and Inspection of the Branches and different divisions of Head Office and surprise inspection of the Branches.

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. Hossain Khaled | 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. Hossain Dyeing & Printing Mills Ltd. Mehmud Industries (Pvt.) Ltd. The City Bank Ltd. |
| Mrs. Tanuja Mehmood | Director | Nil |
| Mr. Geasuddin Ahmed | Director | BD Finance Securities Ltd. Dhaka Complex (Pvt) Ltd. Momota Enterprise |
| Mr. Mohammad Shahin Alam | Director | Al-Haj Mostafa Hakim Housing & Real Estate Ltd. Al-Haj Mostafa Hakim Cement Industries Ltd. Golden Oxygen Ltd. |
| Mrs. Shahnaz Rashid | Director | Anwar Cement Ltd. Anwar Landmark Ltd. Anwar Galvanizing Ltd. BD Finance Securities Ltd. |
| Mr. Md. Imtiaz | Director | Imtiyaj Steel Precious Steel Corporation |
| Mr. Haider Ahmed Khan, FCA | Independent Director | Ahmed Khan & Co (Chartered Accountants) Flower Faisons Ltd. MM Agro Enterprises Ltd. Mifkif Apparel Ltd. Seasons Aid Ltd. Seasons Dresses Ltd. |
| Mr. Syed Tareq Akbar Ally | Director | Nil |
| Mr. Yousuf Aman | Director | Nil |
| Mrs. Rashida Yousuf | Director | Nil |
| Mr. Ansar Uddin Ahmed | Independent Director | Nil |
| Mr. A.K.M. Shamsuddin | Independent Director | Nil |

42.2 Significant Contracts where BD Finance 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):

| Related Parties | Related By | Nature of transaction | Amount in Tk. | Status |
|---|-----------------|-----------------------|---------------|----------|
| i) City General Insurance Co. Ltd. | Common Director | Short Term Finance | 63,241,146 | Standard |
| ii) BD Finance Securities Limited. | Common Director | Short Term Finance | 553,905,395 | Standard |
| iii) BD Finance Capital Holdings Limited. | Common Director | Short Term Finance | 75,654,792 | Standard |
| | | | 692,801,333 | Standard |

43 **Events after Balance Sheet Date**

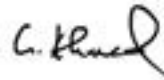
The Board of Directors of BD Finance has recommended 05% Cash Dividend for the year 2014.



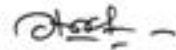
Company Secretary



Managing Director



Director



Director

Fixed Asset Schedule

For the year ended 31 December 2014

| 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 2014 |
|-------------------------|------------------------------|---------------------|--------------------------|--------------------------------------|----------------------|-----------------------------|------------------------------|--------------------------------------|---------------------|--|
| | Balance as on 1 January 2014 | Revaluation Surplus | Addition during the year | Disposal/ Transfer during the period | | Balance at 31 December 2014 | Balance as on 1 January 2014 | Transfer/ Adjustment during the year | Charge for the year | |
| Land | 297,200,000 | - | - | - | - | 297,200,000 | - | - | - | 297,200,000 |
| Building | 5,398,790 | - | - | - | 10% | 5,398,790 | - | 539,880 | 2,699,399 | 2,699,391 |
| Furniture & Fixture | 13,970,660 | - | 6,200 | - | 20% | 13,976,860 | 6,200 | 1,856,896 | 9,292,912 | 4,683,948 |
| Office Equipment | 9,950,223 | - | 960,761 | - | 25% | 10,910,984 | 960,761 | 1,528,953 | 7,609,548 | 3,301,437 |
| Office Renovation | 5,390,693 | - | - | - | 20% | 5,390,693 | - | 1,146,460 | 4,737,671 | 653,022 |
| Motor Vehicle | 14,806,973 | - | 12,328,000 | - | 20% | 27,134,973 | 12,328,000 | 195,657 | 15,155,677 | 11,979,296 |
| Other Assets | 182,667 | - | - | - | 20% | 182,667 | - | - | 182,667 | - |
| System and Software | 1,620,000 | - | 200,000 | - | 25% | 1,820,000 | 200,000 | 54,167 | 1,510,830 | 309,170 |
| 31 December 2014 | 348,520,006 | - | 13,494,961 | - | | 362,014,967 | - | 1,363,696 | 41,188,705 | 320,826,262 |
| 31 December 2013 | 224,427,614 | 111,450,000 | 12,642,392 | - | | 348,520,006 | - | 6,211,411 | 36,195,051 | 312,324,955 |

Highlights of Performance

(Amount in BDT)

| SL # | PARTICULARS | December 2014 | December 2013 |
|------|---|----------------|----------------|
| 1 | Paid up Capital | 1,144,249,780 | 1,040,227,080 |
| 2 | Total Capital | 1,615,861,971 | 1,547,692,163 |
| 3 | Capital Surplus / (Deficit) | 144,249,780 | 40,227,080 |
| 4 | Total Assets | 14,414,715,804 | 12,092,300,415 |
| 5 | Total Deposit | 9,318,092,004 | 7,599,310,341 |
| 6 | Total Loans/Lease Finance | 10,707,372,858 | 8,327,091,053 |
| 7 | Total Contingent Liabilities and Commitment | 104,801,330 | 104,801,330 |
| 8 | Investment Deposit Ratio (%) | 114.91% | 109.58% |
| 9 | Percentage of Classified Investment against total Investments | 5.22% | 5.28% |
| 10 | Profit after Tax and Provision | 68,169,807 | 85,744,843 |
| 11 | Amount of Classified Investment | 559,333,584 | 439,710,571 |
| 12 | Provisions kept against Classified Investment | 200,412,550 | 131,805,126 |
| 13 | Provisions surplus | 6,690,044 | 892,402 |
| 14 | Cost of Fund | 12.47% | 11.14% |
| 15 | Interest Earning Assets | 12,402,932,919 | 10,341,784,018 |
| 16 | Non-Profit Earning Assets | 2,011,782,885 | 1,750,516,397 |
| 17 | Return on Investment in Securities (ROI) | 0.00% | -0.60% |
| 18 | Return on Assets (ROA) | 0.51% | 0.94% |
| 19 | Income from Investment in Securities | 42,604 | (13,803,037) |
| 20 | Earning Per Share (Re-stated) | 0.60 | 0.75 |
| 21 | Price Earning Ratio (Times) | 26.52 | 41.10 |
| 22 | Book value per share (Per 10 Tk.) | 14.12 | 14.88 |

BD Finance Securities Limited

Directors Report

December 31, 2014

Bismillahir Rahmanir Rahim,

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullah,

We have the pleasure to welcome you to the 4th Annual General Meeting of the company for the year ended December 31, 2014, auditors report thereon along with the Company's performance and other related information in terms of Companies Act 1994, Guidelines issued by Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd and Bangladesh Financial Reporting Standards.

Capital Market of Bangladesh

You are aware that the Capital market of the country witnessed an upward trend in 2014 compared to 2013. The DSE Index increased to 4864.96 on 31/12/2014 from 4266.55 on 31/12/2013 registering a growth of 14.02%. The DSE turnover increased to Tk. 118,852.14 Crore in 2014 from Tk. 95,274.20 Crore in 2013 registering a growth of 24.74%. The market P/E ratio also increased to 17.77 times in 2014 from 15.07 times in 2013.

Capital market is the engine of growth for an economy and plays a pivotal role as an intermediary for transfer of resources from the investors to the corporate sector requiring funds for expansion. Volatility in the capital market has become a matter of concern for investors in recent times.

Business Performance

The Company started its operation on November 21, 2011 and has been able to hold an average 2.39% market share of DSE turnover in 2014. The last 3(three) year's operational performance of the company is summarized below:

(Figure in Crore Taka)

| Sl. | Particulars | 2014 | 2013 | 2012 |
|-----|------------------------|---------|---------|---------|
| 1. | Portfolio Size | 616.78 | 583.58 | 270.49 |
| 2. | Trade Volume | 2780.57 | 1750.69 | 1089.23 |
| 3. | Margin Loan | 75.42 | 68.20 | 27.52 |
| 4. | Operating Profit | 8.85 | 6.60 | 3.98 |
| 5. | Net Profit (After Tax) | 1.63 | 2.03 | 0.55 |

The portfolio size increased to Tk. 616.78 Crore in 2014 from Tk. 583.58 Crore in 2013 registering a growth of 5.69%. The total number of BO account increased to 3662 in 2014 from 2808 in 2013. The trade volume increased to Tk. 2,780.57 Crore in 2014 from Tk. 1,750.69 Crore in 2013 registering a significant growth of 58.83%. The operating profit also increased to Tk. 8.85 Crore in 2014 from Tk. 6.60 Crore in 2013 registering 34.09% growth. The Net Profit however decreased to Tk. 1.63 Crore in 2014 from Tk. 2.03 Crore in 2013 due to additional provision of Tk. 307.61 Lac on Margin Loan.

Board of Directors

During the year 2014 total 04 meetings of the Board of Directors took place

Prospect of the Company

Although the capital market of Bangladesh is expected to remain volatile in the year 2015, we have established appropriate business policy to take advantage of the market situation.

Acknowledgement

We express our thanks to the DSE, BSEC, our patrons, valued clients and the dedicated employees of the company for their co-operation and support.

For and on behalf of the Board of Directors



Anwar Hossain
Chairman

Auditors' Report to the shareholders of BD Finance Securities Limited

We have audited the accompanying financial statements of BD Finance Securities Limited (the "Company"), which comprise the Statement of Financial Position (Balance Sheet) as at 31 December 2014 and the related Statement of Comprehensive Income (Profit and Loss Account), Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

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 Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 auditors' 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 auditors consider 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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014 and of its financial performance and its cash flows for the period then ended in accordance with the Bangladesh Financial Reporting Standards (BFRS) and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

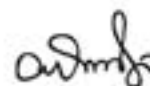
we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and made due verification thereof;

in our opinion, proper books of account as required by law have been kept by the Company, so far as it appeared from our examination of those books;

the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts; and

the expenditure incurred were for the purposes of the Company's business.

Dated: Dhaka
27 April 2015



A. Qasem & Co.
Chartered Accountants

Statement of Financial Position

As on 31 December 2014

SOURCES OF FUNDS

Shareholders' equity
Share capital
Retained earnings

APPLICATION OF FUNDS

Property, plant and equipment
Intangible assets
Investment

Total non-current asset

Current assets

Receivable from DSE
Receivable from clients
Advances, deposits and prepayments
Advance income tax
Cash and cash equivalent

Current liabilities

Payable to DSE
Payable to clients
Borrowings from Banks/NBFIs
Provision for diminution in value of investments
Provision for tax
Liabilities for expenses

Net current assets

Net asset employed

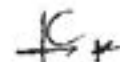
| | 2014 | 2013 |
|--------------|----------------------|----------------------|
| | BDT | BDT |
| Notes | | |
| 3 | 1,072,150,000 | 1,046,000,000 |
| | 5,899,660 | 15,737,454 |
| | 1,078,049,660 | 1,061,737,454 |
| 4 | 14,438,749 | 17,907,569 |
| 5 | 2,708 | 115,208 |
| 6 | 1,095,943,401 | 1,006,570,877 |
| | 1,110,384,859 | 1,024,593,655 |
| 7 | 16,198,210 | 1,654,550 |
| 8 | 754,079,694 | 682,012,495 |
| 9 | 1,050,024 | 6,050,024 |
| 10 | 30,712,912 | 14,397,919 |
| 11 | 41,517,491 | 59,218,598 |
| | 843,558,330 | 763,333,586 |
| 12 | 305,507 | 6,766,699 |
| 13 | 22,991,694 | 51,313,269 |
| 14 | 764,960,586 | 610,000,000 |
| 15 | 43,452,667 | 12,691,179 |
| 16 | 37,088,816 | 17,019,139 |
| 17 | 7,094,260 | 28,399,502 |
| | 875,893,529 | 726,189,787 |
| | (32,335,199) | 37,143,799 |
| | 1,078,049,660 | 1,061,737,454 |



Company Secretary



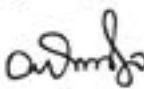
Director



Managing Director & CEO

Auditors' Report to the shareholders see annexed report to date

Dated: Dhaka
27 April 2015



A. Qasem & Co.
Chartered Accountant

Statement of Comprehensive Income

For the year ended 31 December 2014

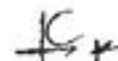
| | Notes | 2014 BDT | 2013 BDT |
|---|-------|--------------------|-------------------|
| Operating revenue | | 95,064,353 | 70,243,504 |
| Brokerage commission | 18 | 94,458,070 | 69,305,853 |
| BO account maintainance | 19 | 606,283 | 937,651 |
| Less : Operating expenses | 20 | 6,566,405 | 4,258,816 |
| Net operating revenue | | 88,497,948 | 65,984,688 |
| Non-operating revenue | | 14,555,298 | 11,423,930 |
| Interest income | 22 | 137,037,274 | 84,237,507 |
| Financial expenses | 23 | (122,486,726) | (72,813,577) |
| Other non-operating revenue | 24 | 4,750 | - |
| Total revenue | | 103,053,245 | 77,408,618 |
| General & administrative expenses | | 49,798,407 | 41,274,114 |
| Salaries & allowances | 25 | 12,178,795 | 7,740,917 |
| Rent, taxes, insurance, electricity, etc | 26 | 2,806,936 | 3,473,715 |
| Legal expenses | 27 | 300,295 | 42,710 |
| Postage, stamp, telecommunication, etc | 28 | 650,700 | 585,751 |
| Stationary, printing, advertisements, etc | 29 | 611,018 | 920,871 |
| Directors' fees | 30 | 280,000 | 140,000 |
| Auditors' fees | 31 | 62,500 | 62,500 |
| Depreciation and repair of company's assets | 32 | 3,817,707 | 5,982,093 |
| Other expenses | 33 | 29,090,456 | 22,325,556 |
| Profit/ (loss) before income from investment in shares | | 53,254,839 | 36,134,504 |
| Income from investment in shares | | 13,888,531 | 54,500 |
| Capital gain/ (loss) from sale of securities | 21 | 11,209,591 | - |
| Dividend income | 24 | 2,678,940 | 54,500 |
| Provision for diminution in value of investments | 34 | (30,761,488) | (4,519,040) |
| Profit/ (loss) before provision for income tax | | 36,381,882 | 31,669,964 |
| Provision for income tax | 16.1 | 20,069,677 | 11,404,604 |
| Net profit/(loss) after tax | | 16,312,205 | 20,265,360 |
| Earning Per Share | | 0.15 | 0.19 |



Company Secretary

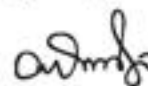


Director



Managing Director & CEO

Auditors' Report to the shareholders see annexed report to date



A. Qasem & Co.
Chartered Accountant

Dated: Dhaka
27 April 2015

Statement of Cash Flows

For the year ended 31 December 2014

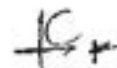
| | 2014 BDT | 2013 BDT |
|---|---------------------|--------------------|
| A. Cash flow from operating activities | | |
| Net profit for the year | 16,312,205 | 20,265,360 |
| Add: Amount considered as non cash items: | | |
| Depreciation & amortization charged | 3,817,707 | 5,982,093 |
| Provision for diminution in value of investments | 30,761,488 | 4,519,040 |
| Sub total of non cash items | 34,579,195 | 10,501,133 |
| Changes in workings capital components | | |
| (Increase)/decrease Receivable from DSE | (14,543,660) | (1,520,901) |
| (Increase)/decrease Receivable from Clients | (72,067,199) | (403,826,369) |
| (Increase)/decrease Advanced Deposit & Prepayments | 5,000,000 | 4,423,020 |
| (Increase)/decrease Advanced Income Tax | (16,314,993) | (8,783,384) |
| Increase/(decrease) Payable to DSE | (6,461,192) | 5,725,747 |
| Increase/(decrease) Payable to Clients | (28,321,575) | 42,164,061 |
| Increase/(decrease) Borrowings from Banks/NBFIs | 154,960,586 | 350,000,000 |
| Increase/(decrease) Provision for Tax | 20,069,677 | 11,404,604 |
| Increase/(decrease) Liability for Expenses | (21,305,242) | 26,743,163 |
| | 21,016,403 | 26,329,940 |
| Net cash flows from operating activities | 71,907,803 | 57,096,434 |
| B. Cash flow from investing activities | | |
| Fixed assets acquisition | (236,387) | (3,433,057) |
| Investment in shares | (89,372,524) | (0) |
| Net cash flows from investing activities | (89,608,911) | (3,433,057) |
| C. Cash flows from financing activities | | |
| Dividend paid | - | - |
| Net cash used in financing activities | - | - |
| D. Net cash increase/ (decrease) (A+B+C) | (17,701,107) | 53,663,376 |
| E. Cash and cash equivalents at the beginning | 59,218,598 | 5,555,222 |
| F. Cash and cash equivalents at the year end (D+E) | 41,517,491 | 59,218,598 |
| Closing balance represents | | |
| Cash in hand | 18,669 | 19,845 |
| Cash at bank | 41,498,822 | 59,198,753 |
| | 41,517,491 | 59,218,598 |



Company Secretary



Director



Managing Director & CEO

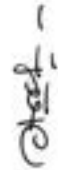
Statement of Changes in Equity

For the year ended 31 December 2014

| | Share Capital BDT | Share Money Deposit BDT | Retained Earnings BDT | Total BDT |
|--|----------------------|-------------------------------|-----------------------------|----------------------|
| Balance at 01 January 2014 | 1,046,000,000 | - | 15,737,454 | 1,061,737,454 |
| Changes during the year | | | | |
| Transferred from share money deposit | - | - | - | - |
| Interim stock dividend for the year 2014 | 26,150,000 | - | (26,150,000) | - |
| Net profit/(loss) for the year | - | - | 16,312,205 | 16,312,205 |
| Balance at 31 December 2014 | 1,072,150,000 | - | 5,899,660 | 1,078,049,660 |



Company Secretary



Director



Managing Director

BD Finance Securities Limited

Notes to the Financial Statements

For the year ended 31 December 2014

1 Company and its activities

1.1 Legal form of the Company

BD Finance Securities Limited (BD Securities) 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 30.

1.2 Nature of business

The main object of BD Finance Securities Limited is to act as a member of stock exchanges, the central depository system (CDS) companies and to carry on the business of broker, jobbers or dealers in stocks, shares, 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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.1 Basis of preparation of financial statements

The Financial Statements of BD Finance Securities Limited includes the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements. 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 International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), and the Companies Act, 1994, Bangladesh Securities and Exchange Rules, 1987.

2.2 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with Bangladesh Accounting Standard (BAS) No.7: Statement of Cash Flows and the cash flows from operating activities have been presented under the indirect method as prescribed by the Bangladesh Securities and Exchange Rules, 1987.

2.3 Fixed assets and depreciation

Fixed Assets are stated at cost less accumulated depreciation.

Depreciation is charged on the acquisition cost of fixed assets and such cost write off over the estimated useful lives of assets, using the straight-line method in accordance with BAS 16. Depreciation for full month is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. The rates of depreciation used to write off the amount of assets are as follows:

| Category of Assets | Rate of Depreciation |
|--------------------------------|----------------------|
| Office Equipment | 10% |
| Electrical Equipment | 15% |
| Electrical Equipment-Generator | 15% |
| Furniture & Fixture | 10% |
| Computer & Peripherals | 25% |
| Motor Vehicles | 20% |
| Office Renovation & Furnishing | 10% |

2.4 Intangible assets and amortization

a. Components

The main item included in intangible assets are Software and TWS Installation.

b. Basis of recognition

An intangible Assets 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 started in the Financial Position (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 for software and TWS installation @ 50%.

2.5 Recognition and measurement of financial assets

A financial asset or financial liability is classified as held for trading if:

- i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

2.6 Revenue recognition

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the Bangladesh Accounting Standard (BAS) 18 "Revenue Recognition".

a. Brokerage commission

Brokerage commission is recognized as income when selling or buying order is signed and trade is executed.

b. Interest income from margin loan

Interest income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective clients. Income is recognized on monthly basis.

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

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

2.7 Provision for Tax

Provision for tax is assessed under section 82C of the Income Tax Ordinance (ITO) 1984 on income from company's normal course of business and at 35% on company's income from other sources. Under section 82C, income tax deducted under certain sections of the ITO is treated as final discharge of tax payer's tax liabilities from that source.

2.8 Provision for Expenses

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

2.9 Cash and Cash Equivalent

Cash and cash equivalent includes cash in hand, cash at bank and fixed deposits which are held and are available for use by the company without any restriction. There is insignificant risk of change in the value of the above items.

2.10 Related party disclosure

As per Bangladesh Accounting Standard (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties.

2.11 Events after the balance sheet date

Events after the balance sheet date that provides additional information about company's financial position at the Financial Position (Balance Sheet) date are reflected in the financial statements. Events after the balance sheet date that are material but not adjusting event are discussed in the notes.

2.12 Reporting period

Financial statements of the company consistently cover from January 01, 2014 to December 31, 2014.

2.13 Functional and presentation currency

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

2.14 General

Figures of previous year have been rearranged wherever considered necessary to confirm presentation of the current year and the amounts have been rounded off to the nearest integer.

| | 2014 BDT | 2013 BDT |
|---|---------------|---------------|
| 3 Share Capital | | |
| 3.1 Authorised Capital 50,00,00,000 ordinary shares of taka 10 each | 5,000,000,000 | 5,000,000,000 |

3.2 Issued, subscribed and paid up capital

107,215,000 fully paid ordinary shares of Tk.10/- each subscribed and paid by the sponsor Shareholders.

| Shareholders | Number of Shares | % of Shareholding | | |
|---|--------------------|-------------------|----------------------|----------------------|
| Bangladesh Finance & Investment Co Ltd. | 61,500,000 | 57.36% | 615,000,000 | 600,000,000 |
| Anwar Landmark Ltd. | 18,962,500 | 17.69% | 189,625,000 | 185,000,000 |
| City General Insurance Co. Ltd. | 9,327,500 | 8.70% | 93,275,000 | 91,000,000 |
| Mr. Manwar Hossain | 3,075,000 | 2.87% | 30,750,000 | 30,000,000 |
| Mr. Hossain Mehmud | 3,075,000 | 2.87% | 30,750,000 | 30,000,000 |
| Mr. Hossain Khaled | 3,075,000 | 2.87% | 30,750,000 | 30,000,000 |
| Mr. M. Abu Taher | 3,075,000 | 2.87% | 30,750,000 | 30,000,000 |
| Mr. Md. Yousuf | 3,075,000 | 2.87% | 30,750,000 | 30,000,000 |
| Mr. Geasuddin Ahmed | 2,050,000 | 1.91% | 20,500,000 | 20,000,000 |
| | 107,215,000 | 100.00% | 1,072,150,000 | 1,046,000,000 |

| | 2014 BDT | 2013 BDT |
|---|----------------------|----------------------|
| 4 Property, Plant and Equipment | | |
| A. Cost : | | |
| Opening Balance | 25,435,635 | 22,182,578 |
| Addition during the year | 236,387 | 3,253,057 |
| Closing Balance | 25,672,022 | 25,435,635 |
| B. Depreciation: | | |
| Opening Balance | 7,528,066 | 3,902,641 |
| Charge during the year | 3,705,207 | 3,625,425 |
| Closing Balance | 11,233,273 | 7,528,066 |
| Carrying amount/ Written down value (See Annexure - I) | 14,438,749 | 17,907,569 |
| 5 Intangible Assets | | |
| A. Cost : | | |
| Opening Balance | 675,000 | 495,000 |
| Addition during the year | - | 180,000 |
| Closing Balance | 675,000 | 675,000 |
| B. Amortization: | | |
| Opening Balance | 559,792 | 247,500 |
| Charge during the year | 112,500 | 312,292 |
| Closing Balance | 672,292 | 559,792 |
| Carrying amount/ Written down value (See Annexure - II) | 2,708 | 115,208 |
| 6 Investments | | |
| Investment In Membership of DSE (30) | 989,290,000 | 989,290,000 |
| Investment In Shares: | 106,653,401 | 17,280,877 |
| Investment in shares (6.1) | 56,653,401 | 17,280,877 |
| Apply for the placement shares of C&A Textile Ltd. | 50,000,000 | - |
| | 1,095,943,401 | 1,006,570,877 |

6.1 Investment in shares

The investments in shares are categories as financial assets held for trading as per BAS 39. The details of the investments are as follows:

| Name of Company | No. of Shares | Cost price (Taka) | Market Price at the end of the period (Taka) | Unrealized gain/ (loss) (Taka) |
|----------------------|---------------|-------------------|--|--------------------------------|
| Eastland Insurance | 400,200 | 16,940,466 | 13,726,860 | (3,213,606) |
| IDLC Finance | 324,750 | 23,317,935 | 24,258,825 | 940,890 |
| Beximco Limited | 100,000 | 4,363,000 | 3,640,000 | (723,000) |
| Lafarge Surma Cement | 100,000 | 12,032,000 | 12,300,000 | 268,000 |
| | | 56,653,401 | 53,925,685 | (2,727,716) |

| | 2014 BDT | 2013 BDT |
|---|--------------------|--------------------|
| 7 Receivable from DSE | | |
| This balance has been resulted from sale of shares through Dhaka Stock Exchange Ltd. | | |
| Total Sales for Broker | 16,198,210 | 1,654,550 |
| Total Sales for Dealer | - | - |
| | 16,198,210 | 1,654,550 |
| 8 Receivable from clients | | |
| This balance represents the clients' purchase of shares and CDBL charge incurred against trading as on December 31, 2014. | | |
| Margin loan to clients | 754,075,071 | 682,011,495 |
| Receivable from BD Capital Holdings Ltd. | 3,623 | - |
| Receivable from Vanguard AML BD Finance MF1 | 1,000 | 1,000 |
| | 754,079,694 | 682,012,495 |
| 9 Advances, Deposits and Prepayments | | |
| Security Deposit with CDBL | 200,000 | 200,000 |
| Security Deposit with DSE | - | 5,000,000 |
| Advance for DSE Nikunja Room | 850,024 | 850,024 |
| | 1,050,024 | 6,050,024 |
| 10 Advance Income Tax | | |
| Opening Balance | 14,397,919 | 5,614,535 |
| Add: Addition during the year | 1,852,738 | |
| AIT on Cash Dividend 10.1 | 535,788 | 10,900 |
| AIT on Bank Interest 10.2 | 23,602 | 19,010 |
| AIT on turnover of BD Securities 10.3 | 13,902,864 | 8,753,474 |
| | 30,712,912 | 14,397,919 |
| 10.1 AIT on Cash Dividend | | |
| Cash Dividend | 2,678,940 | 54,500 |
| Tax Rate | 20% | 20% |
| | 535,788 | 10,900 |
| 10.2 AIT on Bank Interest | | |
| Interest income on Bank Deposit | 236,023 | 190,098 |
| Tax Rate | 10% | 10% |
| | 23,602 | 19,010 |
| 10.3 AIT on turnover of BD Securities | | |
| DSE - Broker | 13,566,393 | 8,753,474 |
| DSE - Dealer | 336,471 | - |
| | 13,902,864 | 8,753,474 |

| | 2014 BDT | 2013 BDT |
|--|--------------------|--------------------|
| 11 Cash and Cash Equivalent | | |
| Cash in hand | | |
| Cash in hand (Petty Cash) | 18,669 | 19,845 |
| Cash at bank | | |
| Mulual Trust Bank Ltd. (General A/c) | 8,832,349 | 10,386,233 |
| The City Bank Ltd. (General A/c) | 155 | 489 |
| The City Bank Ltd. (General A/c, Fx Br.) | 316,408 | 310,529 |
| One Bank Ltd. (Customer A/c) | 28,343,395 | 48,487,226 |
| One Bank Ltd. (General A/c) | - | 411 |
| One Bank Ltd. (Dealer A/c) | 3,991,568 | - |
| Jamuna Bank Ltd. (Salary A/c) | 1,760 | 410 |
| Rupali Bank (Customer A/c) | 12,305 | 13,455 |
| NRB Commercial Bank (General A/C) | 882 | - |
| | 41,498,822 | 59,198,753 |
| Total Cash & Cash Equivalent | 41,517,491 | 59,218,598 |
| 12 Payable to DSE | | |
| This balance has been resulted from purchase of shares through Dhaka Stock Exchange Ltd. | | |
| Total Purchase for Broker | 305,507 | 6,766,699 |
| Total Purchase for Dealer | - | - |
| | 305,507 | 6,766,699 |
| 13 Payable to Clients | | |
| This balance represents the clients' sale proceeds of shares and deposits against share purchase which is currently lying with the company's Bank A/C. | | |
| Payable to Clients | 15,749,004 | 51,313,269 |
| Payable to BD Capital Holdings Ltd. | 7,242,690 | - |
| | 22,991,694 | 51,313,269 |
| 14 Borrowings from Banks/NBFIs | | |
| The amount represents payable to BD Finance, NRB Commercial Bank Ltd., The Farmers Bank Ltd. & Premier Leasing & Finance Ltd..as short term loan. | | |
| Loan from BD Finance | 533,905,395 | 610,000,000 |
| Loan from NRB Commercial Bank Ltd. | 46,765,785 | - |
| Loan from The Farmers Bank Ltd. | 84,289,406 | - |
| Loan from Premier Leasing & Finance Ltd. | 100,000,000 | - |
| | 764,960,586 | 610,000,000 |
| 15 Provision for diminution in value of investments | | |
| Provision on unrealized loss of dealer investments: | | |
| Opening balance | 7,369,994 | 8,172,139 |
| Add: Addition during the year | (4,642,277) | (802,145) |
| Closing balance | 2,727,716 | 7,369,993 |
| Provision on margin loan: | | |
| Opening balance | 5,321,185 | - |
| Add: Addition during the year | 35,403,766 | 5,321,185 |
| Closing balance | 40,724,951 | 5,321,185 |
| | 43,452,667 | 12,691,179 |

| | 2014 BDT | 2013 BDT |
|---|-------------------|-------------------|
| 16 Provision for tax | | |
| Opening Balance | 17,019,139 | 5,614,536 |
| Income tax expenses during the year | 20,069,677 | 11,404,604 |
| Net provision for tax | 37,088,816 | 17,019,139 |
| 16.1 Income Tax Expenses | | |
| Net profit before provision & tax | 67,143,370 | 31,669,964 |
| Add: Inadmissible expenses | 3,817,707 | 3,937,716 |
| Add: Unrealised loss on investment in share | - | (802,145) |
| Less: Cash dividend | (2,678,940) | - |
| Less: Capital gain from sale of securities | (11,209,591) | - |
| | 57,072,546 | 34,805,535 |
| Less: Allowable expenses | (4,464,175) | (4,393,259) |
| Taxable income | 52,608,370 | 30,412,276 |
| Cash dividend | 2,678,940 | - |
| Capital gain from sale of securities | 11,209,591 | - |
| | 66,506,901 | 30,412,276 |
| Tax @ 35% on taxable income | 18,412,930 | 11,404,604 |
| Tax @ 20% on dividend income | 535,788 | - |
| Tax @ 10% on capital gain | 1,120,959 | - |
| Total tax | 20,069,677 | 11,404,604 |
| AIT under section 82C | 14,462,255 | 8,783,384 |
| Income tax expenses | 20,069,677 | 11,404,604 |
| 17 Liabilities for expenses | | |
| Provision for Interest on BFIC loan | - | 23,155,000 |
| Provision for Interest on Premier Leasing loan | 166,667 | - |
| Office rent payable | - | 627,840 |
| Utility payable | 31,200 | 75,080 |
| Business development expenses payable | 1,242,013 | 2,088,653 |
| Reserve on BDE | 4,643,308 | 1,972,238 |
| Printing & stationary payable | 11,197 | - |
| Network connectivity charges payable | 1,500 | - |
| Mobile bill payable | 12,962 | 8,453 |
| Fuel bill payable | 30,820 | - |
| Newspaper & periodicals payable | 700 | - |
| Postage & courier payable | 15,000 | - |
| Office maintenance expense payable | 2,808 | - |
| Audit fees payable | 152,500 | 152,500 |
| Liability for CDBL expenses (share maintenance) | 208,193 | 344,739 |
| Other payable | 575,392 | (25,000) |
| | 7,094,260 | 28,399,503 |
| 18 Brokerage Commission | | |
| Brokerage commission | 94,566,868 | 69,305,853 |
| Less: Discount on brokerage commission | (108,798) | - |
| | 94,458,070 | 69,305,853 |

| | 2014 BDT | 2013 BDT |
|--|--------------------|-------------------|
| 19 BO Account Maintenance | | |
| BO account maintenance fee/ opening Fee | 423,000 | 841,500 |
| BO account renewal fees | 972,500 | 1,045,500 |
| BO account closing fees | 48,000 | 34,500 |
| CDBL settlement transfer income | 4,236,913 | 2,868,049 |
| CDBL bulk A/C transfer income | 102,070 | 667,227 |
| CDBL transfer/transmission income | 60,692 | 83,789 |
| CDBL pledge income | 206,381 | 43,066 |
| CDBL unpledge income | 63,000 | 2,562 |
| CDBL corporate action income | 646,984 | 97,069 |
| CDBL demate of new securities (IPO) income | 121,112 | 33,048 |
| CDBL demate of existing securities income | 487 | - |
| | 6,881,138 | 5,716,309 |
| Less: | | |
| Discount on BO A/C opening fee | - | 14,000 |
| CDBL settlement transfer charge | 4,538,257 | 2,941,093 |
| CDBL bulk A/C transfer income | 51,070 | 335,308 |
| CDBL transfer/transmission charge | 30,346 | 41,895 |
| CDBL corporate action charge | 325,293 | 50,474 |
| CDBL demate of new securities (IPO) charge | 60,556 | 21,574 |
| CDBL demate of existing securities charge | 243 | - |
| CDBL pledge charge | 103,191 | 21,533 |
| CDBL unpledge charge | 31,500 | 1,281 |
| CDBL BO A/C opening charge | 351,600 | 510,000 |
| CDBL BO A/C renewal charge | 776,800 | 836,000 |
| CDBL other charges | 6,000 | 5,500 |
| | 6,274,856 | 4,778,658 |
| Net Income | 606,283 | 937,651 |
| 20 Operating Expenses | | |
| 20.1 DSE charges | | |
| Howla charge: | 939,724 | 745,494 |
| Broker | 928,682 | 745,494 |
| Dealer | 11,042 | - |
| Laga charge: | 5,603,077 | 3,501,390 |
| Broker | 5,467,285 | 3,501,390 |
| Dealer | 135,792 | - |
| DSE other charges | 21,050 | 9,379 |
| DSE authorization fee | 2,554 | 2,554 |
| | 6,566,405 | 4,258,816 |
| 21 Capital gain from sale of securities | | |
| Capital gain from sale of securities | 11,209,591 | - |
| | 11,209,591 | - |
| 22 Interest Income | | |
| Interest on margin loan | 136,758,921 | 84,024,014 |
| Interest income on bank deposit | 236,023 | 190,098 |
| Cheque dishonoured charge | 24,000 | 34,500 |
| Cheque clearance fees | 18,330 | 7,249 |
| Less: Expenses on interest income | - | (18,353) |
| | 137,037,274 | 84,237,507 |

| | 2014 BDT | 2013 BDT |
|--|--------------------|-------------------|
| 23 Financial Expenses | | |
| Interest expenses on BD Finance loan | 112,922,728 | 71,778,542 |
| Interest exp. on Farmers Bank overdraft facility | 4,265,536 | - |
| Interest expenses on NRB Commercial Bank loan | 4,032,747 | - |
| Interest exp. on Premier Leasing & Finance loan | 166,667 | - |
| Bank charges | 74,629 | 35,035 |
| Charges on corporate guarantee | 1,000,000 | 1,000,000 |
| Cheque clearance charges | 24,420 | |
| | 122,486,726 | 72,813,577 |
| 24 Other non-operating revenue | | |
| Cash dividend | 2,678,940 | 54,500 |
| Miscellaneous income | 4,750 | - |
| | 2,683,690 | 54,500 |
| 25 Salaries & allowances | | |
| Salaries & allowances | 12,178,795 | 7,740,917 |
| | 12,178,795 | 7,740,917 |
| 26 Rent, taxes, insurance, electricity, etc. | | |
| Rent, rates & taxes | 2,432,880 | 3,217,680 |
| Insurance | 42,507 | 46,340 |
| Utilities | 331,549 | 209,695 |
| | 2,806,936 | 3,473,715 |
| 27 Legal expenses | | |
| RJSC expenses | 48,370 | 13,000 |
| Legal & professional fee | 112,365 | - |
| Fees & renewals | 139,560 | 29,710 |
| | 300,295 | 42,710 |
| 28 Postage, stamp, telecommunication, etc. | | |
| Telephone, postage & telegram | 72,612 | 50,895 |
| Mobile bill | 140,508 | 92,706 |
| Govt. taxes, stamps duty & licence fees | 5,080 | 7,050 |
| Network connectivity charge | 432,500 | 435,100 |
| | 650,700 | 585,751 |
| 29 Stationary, printing, advertisements, etc. | | |
| Printing & stationary | 502,803 | 460,874 |
| Advertisement | 108,215 | 459,997 |
| | 611,018 | 920,871 |
| 30 Directors' Fees | | |
| Directors' fees | 280,000 | 140,000 |
| | 280,000 | 140,000 |

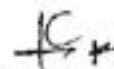
| | 2014 BDT | 2013 BDT |
|--|-------------------|-------------------|
| 31 Auditors' Fees | | |
| Statutory annual audit fees (including VAT) | 62,500 | 62,500 |
| | 62,500 | 62,500 |
| 32 Depreciation and repair of company's assets | | |
| Depreciation of tangible assets | 3,705,207 | 3,625,425 |
| Amortization of intangible assets | 112,500 | 312,292 |
| Amortization of preliminary expenses | - | 2,044,377 |
| | 3,817,707 | 5,982,093 |
| 33 Other expenses | | |
| Travelling and conveyance | 55,716 | 18,280 |
| Entertainment | 423,902 | 248,594 |
| Fuel, oil and lubricants | 404,470 | 217,070 |
| Repair & maintenance - Vehicle | 104,326 | 105,296 |
| Diesel for generator | 27,200 | 84,320 |
| Newspaper & periodicals | 8,904 | 7,800 |
| Office cleaning expenses | 9,691 | 20,288 |
| Office maintenance expenses | 224,043 | 54,364 |
| Business development expenses | 27,622,630 | 21,426,417 |
| Repair & maintenance | 209,574 | 117,200 |
| Miscellaneous expenses | - | 25,927 |
| | 29,090,456 | 22,325,556 |
| 34 Provision for diminution in value of investments | | |
| Provision on unrealized loss of dealer investments | (4,642,277) | (802,145) |
| Provision on margin loan | 35,403,766 | 5,321,185 |
| | 30,761,488 | 4,519,040 |



Company Secretary



Director



Managing Director & CEO

Schedule of Fixed Assets

For the year ended 31 December 2014

Figures in BDT

| Particulars | Cost | | | Rate | Depreciation | | | | Written down value as at 31-Dec-2014 |
|----------------------------------|---------------------------|--------------------------|--------------------------------|-------------------|---------------------------|--------------------------------|------------------------|---------------------------|--------------------------------------|
| | Balance as on 01-Jan-2014 | Addition during the year | Disposal/ Adj. during the year | | Balance as at 31-Dec-2014 | Disposal/ Adj. during the year | Charge during the year | Balance as at 31-Dec-2014 | |
| Office Equipment | 663,656 | - | - | 663,656 | 10% | - | 66,366 | 164,749 | 498,907 |
| Electrical Equipment | 6,094 | - | - | 6,094 | 15% | - | 914 | 2,945 | 3,149 |
| Electrical Equipment-Generator | 2,221,982 | - | - | 2,221,982 | 15% | - | 333,297 | 666,595 | 1,555,387 |
| Furniture and Fixture | 761,788 | - | - | 761,788 | 10% | - | 76,179 | 253,930 | 507,858 |
| Computer & Pheripherals | 4,342,112 | 236,387 | - | 4,578,499 | 25% | - | 1,129,851 | 3,014,987 | 1,563,512 |
| Motor Vehicles | 3,546,000 | - | - | 3,546,000 | 20% | - | 709,200 | 2,454,900 | 1,091,100 |
| Office Renovation/Furnishing | 13,894,003 | - | - | 13,894,003 | 10% | - | 1,389,400 | 4,675,167 | 9,218,836 |
| Balance as at 31-Dec-2014 | 25,435,635 | 236,387 | - | 25,672,022 | | - | 3,705,207 | 11,233,273 | 14,438,749 |
| Balance as at 31-Dec-2013 | 22,182,578 | 3,253,057 | - | 25,435,635 | | - | 3,625,425 | 7,528,066 | 17,907,569 |

Schedule of Intangible Assets

For the year ended 31 December 2014

Figures in BDT

| Particulars | Cost | | | Rate | Amortization | | | Written down value as at 31-Dec-2014 |
|----------------------------------|---------------------------|--------------------------|--------------------------------|----------|---------------------------|--------------------------------|------------------------|--------------------------------------|
| | Balance as on 01-Jan-2014 | Addition during the year | Disposal/ Adj. during the year | | Balance as at 31-Dec-2014 | Disposal/ Adj. during the year | Charge during the year | |
| Software | 600,000 | - | - | 50% | 600,000 | - | 87,500 | 600,000 |
| TWS Installation | 75,000 | - | - | 50% | 75,000 | - | 25,000 | 72,292 |
| Balance as at 31-Dec-2014 | 675,000 | - | - | - | 675,000 | - | 112,500 | 672,292 |
| Balance as at 31-Dec-2013 | 495,000 | 180,000 | - | - | 675,000 | - | 312,292 | 559,792 |
| | | | | | | | | 115,208 |

BD Finance Capital Holdings Limited

Directors' Report for the financial year 2014

Dear Shareholders,

The Directors have the pleasure to present their Report with the audited financial statements of the Company for the year ended on 31 December 2014 together with the Auditors' Report thereon for consideration and approval of our valued Shareholders. These were approved by the Board of Directors of the Company in its 14th meeting held on April 27, 2015. The Directors' Report has been prepared in compliance with Section 184 of the Companies Act 1994.

WORLD ECONOMY:

The global economy continued to expand at only a moderate estimated pace of 2.6 per cent in 2014. Recovery was hampered by some new challenges, including a number of unexpected shocks, such as the heightened geopolitical conflicts in different parts of the world. Most economies have seen a shift in gross domestic product (GDP) growth to a noticeably lower path compared to pre-crisis levels, raising the spectre of longer-term mediocre economic growth. In the developed economies, although some improvements are forecast for 2015 and 2016, significant downside risks persist, especially in the euro area and Japan. Growth rates in developing countries and economies in transition have become more divergent during 2014, with a sharp deceleration in a number of large emerging economies, particularly in Latin America and the Commonwealth of Independent States (CIS). A number of these economies have encountered various country-specific challenges, including structural imbalances and geopolitical tensions. In the outlook period, the global economy is expected to expand at a slightly faster but still only moderate pace, with world gross product (WGP) projected to grow by 3.1 and 3.3 percent in 2015 and 2016, respectively.

BANGLADESH ECONOMY:

Despite widespread political demonstrations in Bangladesh ahead of national elections in January 2014, gross domestic product (GDP) growth in Fiscal Year 2014 (ended 30 June 2014) is estimated at 6.1%, half a percentage point higher than projected in the Asian Development Outlook (ADO) 2014 in April. The strong performance came from higher public investment and strong exports. For FY2015, growth is now projected at 6.4%, slightly higher than forecasted earlier, as a revival in worker remittances is expected to bolster private consumption, while private sector investment will pick up on greater political stability. Moreover, the government will continue its efforts to step up project implementation.

Food prices were high for much of FY2014 because political unrest disrupted supply, pushing inflation up by 60 basis points to an average of 7.4% for the year, or nearly the ADO 2014 forecast. This Update retains the April projection, shared by the central bank, of 6.5% for average inflation in FY2015. Price pressures are expected to soften with easing supply constraints, a better crop outlook, supportive monetary policy, and large public stocks of food grain. Lower international food and oil prices will contribute.

Strong expansion in exports outweighed a more moderate rise in imports to narrow the trade deficit in FY2014. Workers' remittances declined slightly but were sufficient to offset the trade deficit and push the current account to a surplus equal to 1.0% of GDP, not the 0.5% deficit that had been projected. While a larger trade deficit is projected for FY2015, remittances are expected to grow by 7.0%, continuing the revival of inflows seen in the second half of the FY2014. With higher remittances, the current account is now projected to post a surplus equal to 1.5% of GDP, rather than the 1.5% deficit projected earlier.

CAPITAL MARKET SCENARIO:

The year 2014 saw implementation of a number of reforms taken into consideration by Bangladesh Securities and Exchange Commission (BSEC). Demutualization of the bourses has taken place which now gives Bangladesh Securities and Exchange Commission (BSEC) more authority in the financial matters than before. Since the market collapse in 2010, demutualization of bourses was one of the top agenda to

curb manipulation. Laws and rules concerning capital, money and insurance markets have been amended as part of the reform measures. Bangladesh Capital market also witnessed implementation of new trading software designed by NASDAQ OMX the world's largest exchange company based in US to facilitate higher turnover and faster execution. DSEX the floated market capitalization based index continued to be the main index calculator to measure market sentiment. Seventeen new securities went public on the Dhaka Stock Exchange in 2014, roping in about Tk 1,000 crore through initial public offerings. The government's tax earnings from the stock market soared 70 percent year-on-year mainly due to a rising trend in turnover as disclosed by Bangladesh Securities and Exchange Commission (BSEC).

Capital market saw dearth of liquidity due to fall in foreign investment in the latter part of the year 2014. However both index and turnover peaked in the beginning of year 2014 as both foreign investment and investor confidence rose. Stability shown in the major economic indicators coupled with major reforms in the capital market has helped the capital market to get back to its feet. DSEX has gained 14% year on year from December 2013 to December 2014.



Anwar Hossain
Chairman

Auditors' Report to the shareholders of BD Finance Capital Holdings Limited

We have audited the accompanying financial statements of BD Finance Capital Holdings Limited (the "Company"), which comprise the Statement of Financial Position (Balance Sheet) as at 31 December 2014 and the related Statement of Comprehensive Income (Profit and Loss Account), Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

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 Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 auditors' 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 auditors consider 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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014 and of its financial performance and its cash flows for the period then ended in accordance with the Bangladesh Financial Reporting Standards (BFRS) and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

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;

in our opinion, proper books of account as required by law have been kept by the Company, so far as it appeared from our examination of those books;

the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts; and

the expenditure incurred were for the purposes of the Company's business.

Dated: Dhaka
27 April 2015


A. Qasem & Co.
Chartered Accountant

BD Finance Capital Holdings Limited

Statement of Financial Position

As at 31 December 2014

| | Notes | 2014 BDT | 2013 BDT |
|---------------------------------------|-------|--------------------|--------------------|
| ASSETS | | | |
| Non Current Assets | | 11,461,440 | 7,976,630 |
| Fixed Asset | 3 | 11,461,440 | 7,976,630 |
| Current Assets | | 443,773,006 | 426,089,401 |
| Margin Loan | 4 | 174,974,105 | 172,522,062 |
| Investment | 5 | 250,943,445 | 222,099,245 |
| Other Assets | 6 | 13,967,730 | 19,721,173 |
| Cash & Cash Equivalent | 7 | 3,887,726 | 11,746,921 |
| Total Assets | | 455,234,446 | 434,066,031 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Equity | | 274,128,534 | 243,771,786 |
| Share Capital | 8 | 268,750,000 | 250,000,000 |
| Retained Earnings | | 5,378,534 | (6,228,214) |
| Current Liabilities: | | 181,105,913 | 190,294,245 |
| Loan from Hajj Finance | | 95,398,646 | - |
| Loan from BD Finance | 9 | 64,000,000 | 166,000,000 |
| Other Liabilities | 10 | 4,058,176 | 12,309,640 |
| Provision for Loss of Value of Share | 5.1 | 9,788,528 | 9,788,528 |
| Provision for Tax | 11 | 7,860,563 | 2,196,076 |
| Total Equity & Liabilities | | 455,234,446 | 434,066,031 |

These Financial Statements should be read in conjunction with the annexed notes 1 to 25.



Company Secretary



Director



Managing Director & CEO

Auditors' Report to the shareholders see annexed report to date

Dated: Dhaka
27 April 2015



A. Qasem & Co.
Chartered Accountant

BD Finance Capital Holdings Limited

Statement of Comprehensive Income

For the year ended 31 December 2014

| | Notes | 2014 BDT | 2013 BDT |
|--|-------|-------------------|--------------------|
| Interest Income | 12 | 36,874,936 | 21,160,060 |
| Settlement & Transaction Fees | 14 | 2,579,426 | 691,404 |
| Management Fees | | 1,408,801 | 294,222 |
| Income from Investment in securities | 15 | 53,903,923 | - |
| Other Operating Income | 16 | 208,545 | 58,500 |
| Total Operating Income | | 94,975,630 | 22,204,186 |
| Salaries and Allowances | | 9,014,332 | 3,608,596 |
| Interest paid on Borrowings | 13 | 42,700,737 | 12,514,606 |
| Rent, Taxes, Insurances, Utilities etc. | 17 | 1,217,050 | 235,440 |
| Legal and Professional Fees | 18 | 486,000 | - |
| Postage, Stamps, Telecommunication etc. | 19 | 290,873 | 99,707 |
| Stationery, Printings, Advertisements etc. | 20 | 155,768 | 266,715 |
| Directors' Fees and Conveyance | 21 | 170,000 | - |
| Auditors' Fees | | 12,777 | 95,000 |
| Depreciation | 22 | 3,687,653 | 2,267,266 |
| Other Expenses | 23 | 1,219,208 | 824,699 |
| Total Operating Expenses | | 58,954,397 | 19,912,028 |
| Profit before provision & tax | | 36,021,233 | 2,292,158 |
| Provision for Loss of Value of Share | 5.1 | - | 5,415,908 |
| Profit before tax | | 36,021,233 | (3,123,750) |
| Provision for Tax | 11 | 5,664,486 | 859,559 |
| Profit(Loss) after tax | | 30,356,747 | (3,983,309) |
| Appropriation | | | |
| Retained Surplus brought forward | | (6,228,214) | (2,244,904) |
| Interim Stock dividend | | (18,750,000) | - |
| | | (24,978,214) | (2,244,904) |
| Retained Earnings Carried forward | | 5,378,534 | (6,228,214) |
| Earning Per Share (Re-stated) | | 1.13 | (0.15) |

These Financial Statements should be read in conjunction with the annexed notes 1 to 25.



Company Secretary

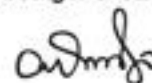


Director

Auditors' Report to the shareholders see annexed report to date



Managing Director & CEO



A. Qasem & Co.

Chartered Accountant

Dated: Dhaka
27 April 2015

BD Finance Capital Holdings Limited Statement of Cash Flows

For the year ended 31 December 2014

| | 2014 BDT | 2013 BDT |
|--|---------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Interest Received | 36,874,936 | 21,160,060 |
| Other Operating Income | 4,196,772 | 1,044,126 |
| Salary Payment | (9,014,332) | (3,608,596) |
| Administrative Expenses | (7,239,328) | (3,788,826) |
| Interest Paid | (42,700,737) | (12,514,606) |
| Increase in Other Liabilities | (8,251,464) | 12,279,521 |
| | (26,134,153) | 14,571,679 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Gain on Sale of Share | 53,903,923 | - |
| Investment in Fixed Assets | (3,484,810) | (476,630) |
| Investment on Margin Loan | (2,452,043) | (172,522,062) |
| Investment in FDR & Securities | (28,844,200) | (7,160,603) |
| Investment in Other Asset | 5,753,442 | (11,140,988) |
| | 24,876,312 | (191,300,283) |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Loan Received | (6,601,354) | 37,780,675 |
| Share Capital Received | - | 150,000,000 |
| | (6,601,354) | 187,780,675 |
| D. Net Cash Inflow / (Outflow) for the period (A+B+C) | (7,859,196) | 11,052,071 |
| E. Opening Cash & Bank Balances | 11,746,921 | 694,850 |
| F. Closing Cash & Bank Balances (D+E) | 3,887,726 | 11,746,921 |



Company Secretary



Director



Managing Director & CEO

BD Finance Capital Holdings Limited Statement of Changes in Equity

For the year ended 31 December 2014

| Particulars | Share Capital | Retained Earnings | Total |
|---------------------------------------|--------------------|-------------------|--------------------|
| Balance as on 01 January 2014 | 250,000,000 | (6,228,214) | 243,771,786 |
| Interim Bonus Share for the year 2014 | 18,750,000 | (18,750,000) | - |
| Net Profit/(Loss) for the period | - | 30,356,747 | 30,356,747 |
| Balance as on 31 December 2014 | 268,750,000 | 5,378,533 | 274,128,533 |
| Balance as on 31 December 2013 | 250,000,000 | (6,228,214) | 243,771,786 |



Company Secretary



Director



Managing Director & CEO

BD Finance Capital Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2014

1. Company & Its Activities

1.1 Company profile

BD Finance Capital Holdings Limited was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms(RJSC) vide Registration No. C-89204/10 under The Companies Act 1994, as a public limited company on 10 August 2011. The Company has obtained Merchant Banking license from Bangladesh Securities and Exchange Commission registration certificate No.- MB-76/2012 on 26 February, 2012. The address of the company's registered office is 64, Motijheel C/A, Dhaka-1000. This Company is a fully owned subsidiary of Bangladesh Finance and Investment Company Limited.

1.2 Nature of business

The main object of BD Finance Capital Holdings Limited is to carry on the business activities of Merchant Banking in all respect, including fund management, underwriting of securities, issue management, managing portfolio investments whether discretionary or non discretionary, 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 Financial Statement

The Financial Statements of BD Capital Holdings Limited includes the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows, Statement of Changes in Equity 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.

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 from 1 January 2014 to 31 December 2014

2.5 Functional and presentation currency

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

2.6 Recognition of property, plant and equipment and depreciation

2.6.1 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.

2.6.2 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. The company followed the Straightline method of depreciation and annual rates are as under:

| | |
|------------------------|-----|
| Office equipment | 25% |
| Furniture and fixtures | 20% |
| Motor Vehicle | 20% |

2.7 Intangible Assets

a. Components

The main item included 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 started 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.

2.8 Cash & Cash equivalents

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

2.9 Income Tax

2.9.1 Current tax

Provision for current income tax has been made @ 37.50% as prescribed in the Finance Act 2014 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure in compliance with BAS-12.

2.9.2 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.

2.10 Revenue Recognition

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

2.11 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.

| | 2014 BDT | 2013 BDT |
|---|--------------------|--------------------|
| 3 Fixed Assets including property, plant & equipment | | |
| A. Cost: | | |
| Opening balance | 10,243,896 | 7,500,000 |
| Addition during the year | 7,172,462 | 2,743,896 |
| Closing balance at cost | 17,416,358 | 10,243,896 |
| B. Depreciation: | | |
| Opening balance | 2,267,265 | - |
| Addition during the year | 3,687,653 | 2,267,265 |
| Accumulated Depreciation | 5,954,918 | 2,267,265 |
| Written down value | 11,461,440 | 7,976,630 |
| Details are given in Annexure-A | | |
| 4 Margin Loan | | |
| Opening Balance | 172,522,062 | - |
| Add: Disbursement during the year | 434,463,845 | 272,198,841 |
| | 606,985,907 | 272,198,841 |
| Less: Realized during the year | 432,011,802 | 99,676,779 |
| | 174,974,105 | 172,522,062 |
| 5 Investment | | |
| Investment in TDR with BD Finance | - | 113,243,603 |
| Investment in Share (at Cost) (Note 5.1) | 250,943,445 | 108,855,642 |
| | 250,943,445 | 222,099,245 |

5.1 Investment in Share (as on 31-12-2014)

| | Cost price (Taka) | Market Price at the end of the period (Taka) | Unrealized gain/ (loss) |
|---|----------------------|--|----------------------------|
| | 250,943,445 | 243,459,496 | (7,483,949) |
| Provision for Unrealized Loss on Investment in Share | | | |
| Opening Balance | | 9,788,528 | 4,372,620 |
| Add: Provision during the year | | - | 5,415,908 |
| | | 9,788,528 | 9,788,528 |

Note: Provision meanwhile made BDT 9,788,528. Unrealized loss BDT 7,483,949 i.e. no additional provision is required.

| | 2014 BDT | 2013 BDT |
|---|----------------------|----------------------|
| 6 Other Assets | | |
| 6.1 Receivables | | |
| a) Receivable from Brokers | | |
| Receivable from BD Finance Securities Limited | 7,242,690 | 24,500 |
| b) Interest Receivable | | |
| Interest Receivable agt. FDR | - | 17,408,488 |
| Total Receivables (a+b) | 7,242,690 | 17,432,988 |
| 6.2 Advance, Deposit and Prepayment | | |
| a) Advances | | |
| Advance income tax | 3,937,798 | 1,585,185 |
| Advance to M/s. LEADS Corporation Limited | 140,000 | 500,000 |
| | 4,077,798 | 2,085,185 |
| b) Deposits | | |
| Security deposit - CDBL | 200,000 | 200,000 |
| Security deposit - BTCL | 3,000 | 3,000 |
| Security deposit - Hajj Finance | 2,431,831 | - |
| | 2,634,831 | 203,000 |
| c) Prepayments | | |
| Prepaid Insurance | 12,411 | - |
| | 12,411 | - |
| Total Advance, Deposit and Prepayment (a+b+c) | 6,725,040 | 2,288,185 |
| Total Other Assets | 13,967,730 | 19,721,173 |
| 7 Cash and Cash Equivalent | | |
| Cash in hand | 14,197 | 5,243 |
| Cash at banks (Notes 7.1) | 3,873,529 | 11,741,678 |
| | 3,887,726 | 11,746,921 |
| 7.1 Cash at banks | | |
| The City Bank Ltd. | 31,185 | 36,254 |
| Jamuna Bank# CD 018-0210011324 | 351,027 | 152,781 |
| One Bank# SND 0013000000693 | 2,115,227 | 11,552,643 |
| One Bank# SND 0013000000823 | 966,182 | - |
| Modhumoti Bank # SND 110113500000009 | 3,752 | - |
| NRB Comm. Bank # SND 0101-36000000048 | 4,447 | - |
| One Bank# SND 0013000001043 | 401,710 | - |
| | 3,873,529 | 11,741,678 |
| 8 Share Capital | | |
| 8.1 Authorized Capital | 2,000,000,000 | 2,000,000,000 |
| 200,000,000 ordinary shares of Taka 10 each | | |
| 8.2 Issued, Subscribed and Paid up capital | | |
| 26,875,000 ordinary shares of Taka 10 each fully paid | 268,750,000 | 250,000,000 |
| | 268,750,000 | 250,000,000 |

| Shareholders | December 31, 2014 | | | December 31, 2013 |
|--|-------------------------|-------------------|--------------------|--------------------|
| | % of Total Shareholding | Number of Share | Amount | |
| Bangladesh Finance And Investment Co. Ltd. | 99.972% | 26,867,475 | 268,674,750 | 249,930,000 |
| Mr. Manwar Hossain | 0.004% | 1,075 | 10,750 | 10,000 |
| Á | 0.004% | 1,075 | 10,750 | 10,000 |
| Mr. Hossain Mehmud | 0.004% | 1,075 | 10,750 | 10,000 |
| Mr. Md. Rafiqul Islam Khan | 0.004% | 1,075 | 10,750 | 10,000 |
| Mrs. Rokeya Anowara Begum | 0.004% | 1,075 | 10,750 | 10,000 |
| Mrs. Rashida Youshuf | 0.004% | 1,075 | 10,750 | 10,000 |
| Mr. M. Maniruzzaman Khandaker | 0.004% | 1,075 | 10,750 | 10,000 |
| Total | 100.00% | 26,875,000 | 268,750,000 | 250,000,000 |

| | 2014 BDT | 2013 BDT |
|---|-------------------|--------------------|
| 9 Loan From BD Finance | 64,000,000 | 166,000,000 |
| 10 Other Liabilities | | |
| Payable to Client's | 2,111,537 | 9,616,496 |
| Payable to Broker | 162,774 | 23,819 |
| Payable to CDBL | 29,305 | 36,106 |
| Interest payable | 961,680 | 2,594,886 |
| Payable for IPO Application Money | 399,000 | - |
| Payable for Audit Fees | 25,556 | 38,333 |
| Others Payable | 368,324 | - |
| | 4,058,176 | 12,309,640 |
| 11 Provision for Tax | | |
| Opening Balance | 2,196,076 | 1,336,517 |
| Add: Provision during the year | 5,664,486 | 859,559 |
| | 7,860,563 | 2,196,076 |
| 12 Interest Income | | |
| Interest received from Margin Loan | 36,428,516 | 3,321,555 |
| Interest received from TDR with BD Finance | 144,270 | 17,541,093 |
| Interest received from Bank | 302,150 | 297,412 |
| | 36,874,936 | 21,160,060 |
| 13 Interest paid on Borrowings | | |
| Interest to BD Finance on Borrowings | 34,002,559 | 12,514,606 |
| Interest to NRB Comm. Bank on Borrowings | 2,821,876 | - |
| Interest to Hajj Finance on Borrowings | 5,876,302 | - |
| | 42,700,737 | 12,514,606 |
| 14 Income from Settlement & Transaction Fees | | |
| Settlement & Transaction Fees | 8,964,543 | 2,428,302 |
| CDBL on demand fees | - | 28,836 |
| | 8,964,543 | 2,457,138 |

| | 2014 BDT | 2013 BDT |
|--|-------------------|------------------|
| Less: | | |
| Brokerage Commission | 5,834,783 | 1,596,303 |
| CDBL Charges | 550,334 | 169,431 |
| | 6,385,117 | 1,765,734 |
| | 2,579,426 | 691,404 |
| 15 Income from Investment in securities | | |
| Realized Gain | 51,162,983 | - |
| Dividend Income | 2,740,940 | - |
| | 53,903,923 | - |
| 16 Other Operating Income | | |
| A/C Opening Fees | 139,900 | 58,000 |
| A/C Closing Fees | 3,500 | 500 |
| Annual BO A/C Maintenance Fees | 64,900 | - |
| Income from Service Charge- IPO | 245 | - |
| | 208,545 | 58,500 |
| 17 Rent, Taxes, Insurances, Utilities etc. | | |
| Office Rent | 1,020,240 | 235,440 |
| Utilities | 196,810 | - |
| | 1,217,050 | 235,440 |
| 18 Legal and Professional Fees | | |
| Legal and Professional Fees | 486,000 | - |
| | 486,000 | - |
| 19 Postage, Stamps, Telecommunication etc. | | |
| Postage, Stamp and Courier | 2,261 | - |
| Telephone and mobile | 120,612 | 7,707 |
| Internet and connectivity expenses | 168,000 | 92,000 |
| | 290,873 | 99,707 |
| 20 Stationery, Printings, Advertisements etc. | | |
| Printing and Stationery | 155,768 | 223,715 |
| Advertisement and Publicity | - | 43,000 |
| | 155,768 | 266,715 |
| 21 Directors' Fees and Conveyance | | |
| Directors' Fees | 170,000 | - |
| | 170,000 | - |
| 22 Depreciation | | |
| Furniture & Fixture | 1,174,834 | 1,174,834 |
| Office Equipment | 1,154,226 | 1,092,432 |
| Motor Vehicle | 858,592 | - |
| System & Software | 500,000 | - |
| | 3,687,653 | 2,267,266 |

| | 2014 BDT | 2013 BDT |
|--|------------------|----------------|
| 23 Other Expenses | | |
| Entertainment | 76,834 | 60,845 |
| Car Maintenance | 447,155 | 187,233 |
| Newspaper and Periodicals | 9,115 | 4,332 |
| Travelling and conveyance | 112,350 | 1,820 |
| Registration, License and renewal | 228,950 | 522,600 |
| Repair & Maintenance | 23,890 | 9,000 |
| Office Maintenance | 39,886 | 3,865 |
| Bank Charges & Excise Duty | 60,893 | 33,504 |
| Loan Documentation & Processing charge | 204,610 | - |
| Meeting Expenses | 15,526 | 1,500 |
| | 1,219,208 | 824,699 |

24 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 13.

25 Related Party Disclosures:

| Name of the Party | Related By | Nature of transaction | Amount in Tk. | Status |
|-------------------|----------------|-----------------------|---------------|----------------|
| BD Finance | Parent Company | Loan | 64,000,000 | Regularly paid |



Company Secretary



Director



Managing Director & CEO

Fixed Asset Schedule

For the year ended 31 December 2014

| 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 |
|---------------------|-------------------------|--------------------------|------------------------------------|----------------------|-------------------------|-------------------------|---------------------|-----------------------------------|
| | Balance as on 1 January | Addition during the year | Disposal/ Transfer during the year | | Balance at 31 December | Balance as on 1 January | Charge for the year | |
| Furniture & Fixture | 5,874,169 | - | - | 20% | 1,174,834 | 1,174,834 | 2,349,668 | 3,524,501 |
| Office Equipment | 4,369,727 | 296,907 | - | 25% | 1,092,432 | 1,154,226 | 2,246,658 | 2,419,976 |
| Motor Vehicle | - | 4,875,555 | - | 20% | - | 858,592 | 858,592 | 4,016,963 |
| System & Software | - | 2,000,000 | - | 25% | - | 500,000 | 500,000 | 1,500,000 |
| Year 2014 | 10,243,896 | 7,172,462 | - | | 2,267,266 | 3,687,653 | 5,954,918 | 11,461,440 |
| Year 2013 | 7,500,000 | 2,743,896 | - | | - | 2,267,265 | 2,267,266 | 7,976,630 |



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