



ANNUAL REPORT 2012





**We grow because we struggle,
we learn and overcome.**

--- R C Allen



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Letter of Transmittal

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

Annual Report For The Year Ended December 31, 2012.

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, 2012 and income statements, cash flow statements and changes in equity statements for the year ended December 31, 2012 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,



Chowdhury Khaled Saifullah
Deputy Managing Director & Company Secretary



Notice of The 14th Annual General Meeting

Notice is hereby given to the shareholders of Bangladesh Finance And Investment Company Limited that the 14th Annual General Meeting (AGM) will be held on Monday 24 June, 2013, at 10.00 AM at Institution of Diploma Engineers, 160/A VIP Road, Kakrail, Dhaka to transact the following businesses:

1. To receive consider and adopt the Accounts for the year ended on December 31, 2012 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, 2012 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 2013 and to fix-up their remuneration.
5. To transact any other business with the permission of the Chair.

By order of the Board



Chowdhury Khaled Saifullah
DMD & Company Secretary

Dated, Dhaka
June 09, 2013

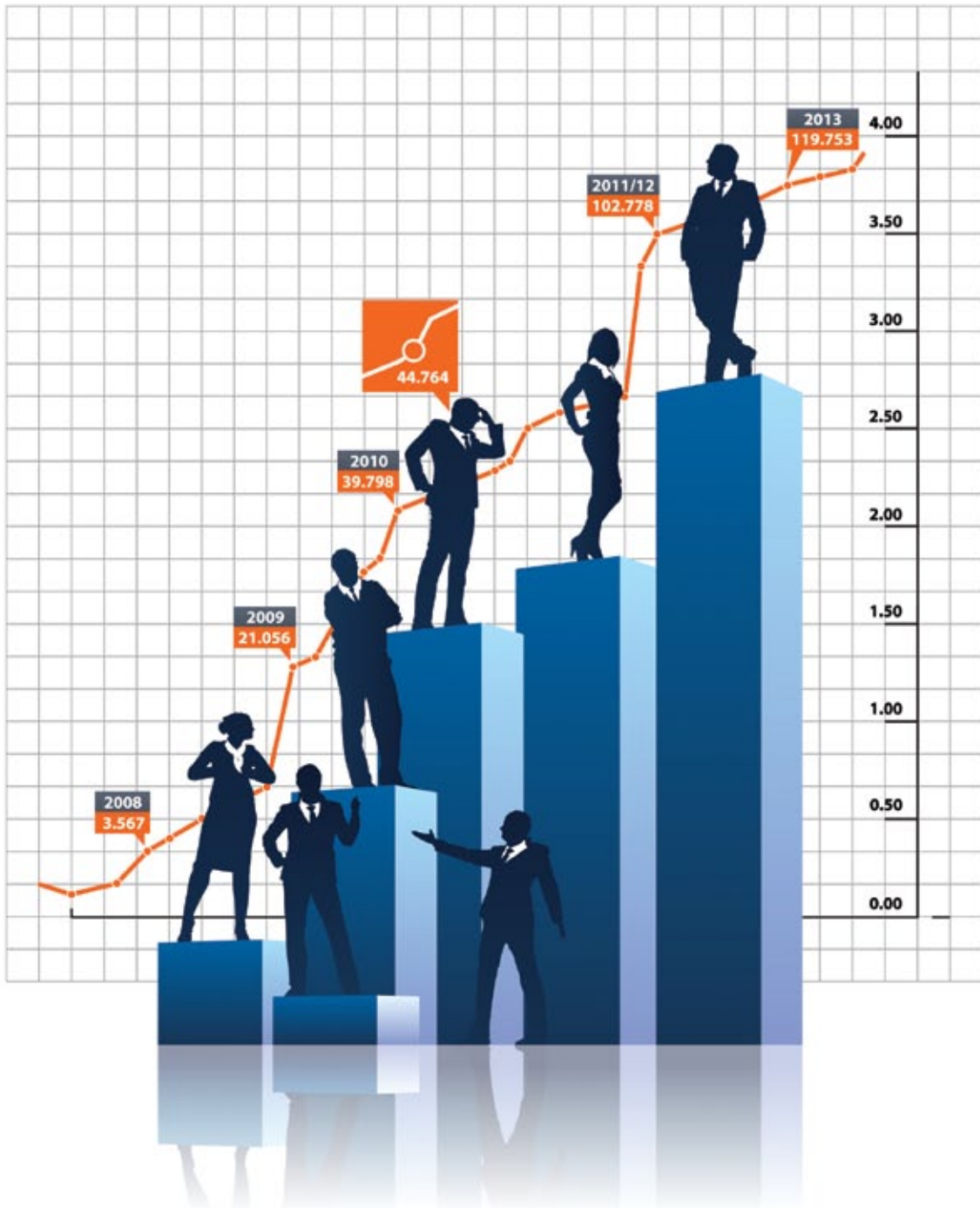
NOTES:

- a) The Record Date: May 15, 2013.
- 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 and diversify products range;**
- **Optimize stakeholders' value;**
- **Diversify funding sources;**
- **Consolidate investment banking operation;**
- **Optimize distribution points;**
- **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 manage risk effectively & efficiently;**
- **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 privacy & confidentiality of our customers;**
- **We conduct our financial affairs responsibly;**
- **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:

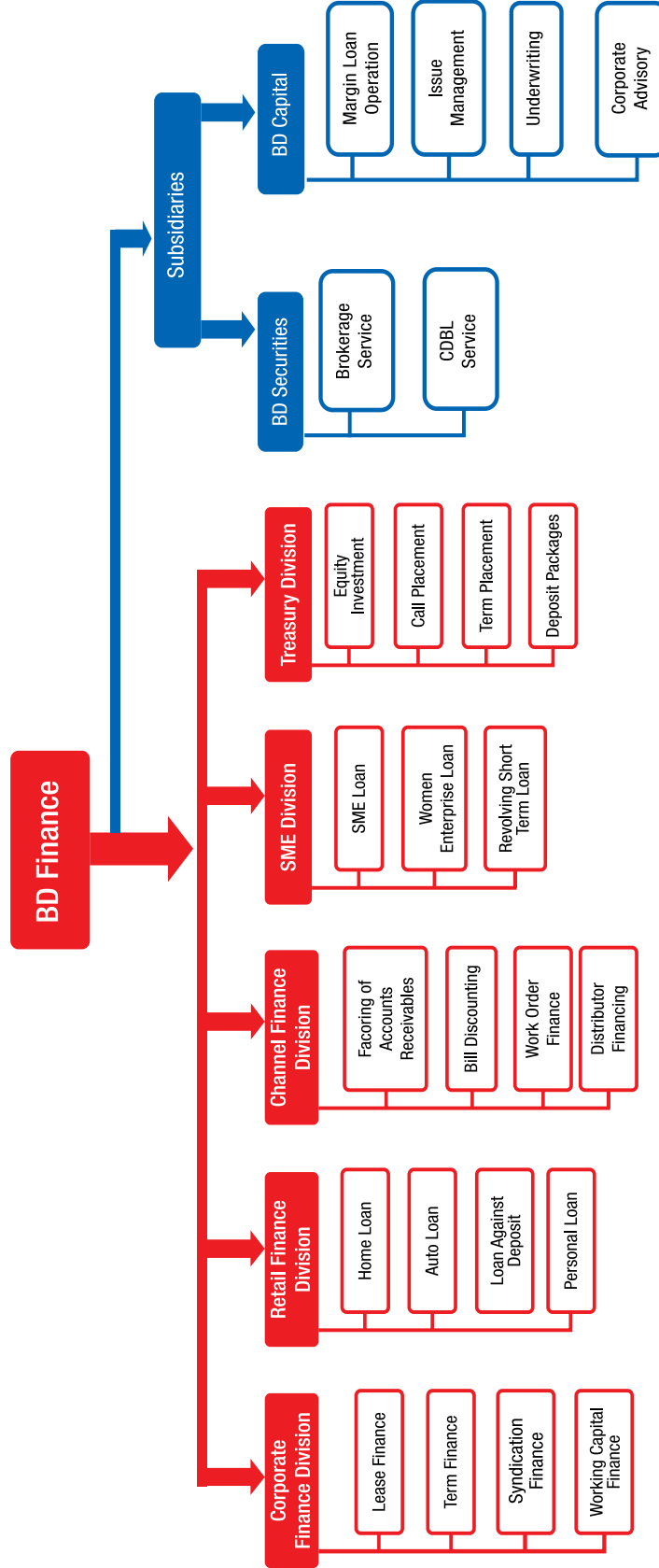
First Subsidiary: BD Finance Securities Limited (BD Securities)

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 Initial Public Offering	:	June 10, 2007
Listing on Dhaka Stock Exchange	:	September 06, 2007
Listing on Chittagong Stock Exchange	:	August 28, 2007
Trading on DSE &CSE	:	September 11, 2007
Trading Code	:	BDFINANCE
Equity Participation in BD Finance Securities Ltd.	:	December 28,2010
Equity Participation in BD Finance Capital Holdings Ltd.	:	August 10,2011

Corporate Information

Registered Name of the Company	:	Bangladesh Finance And Investment Company Limited
Legal Form	:	A public limited company listed both in Dhaka and Chittagong Stock Exchange
Company Registration Number	:	C- 37695. (1995)/99
Bangladesh Bank License Number	:	FID(L)/23
Corporate Head Office	:	Baitul Hossain Building (2nd floor) 27, Dilkusha C/A, Dhaka-1000, Bangladesh Phone: +88-02-7114493, 7114489, 9559146 Fax: +88-02-9566493. E-mail: info@bdfinance.net Website: www.bdfinance.net
Chittagong Branch	:	Osman Court (2nd floor) 70, Agrabad C/A, Chittagong Phone: +88-031-2510234 Fax: +88-031-2526564 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 (Proposed)	:	Firoz Center, (5th Floor), 891/Ka, Chouhatta, Sylhet Sadar-3100 Hot Line: +88-01618-448942 e-mail: info.sylhet@bdfinance.net
Uttara Branch (Proposed)	:	Zeenat Center-2, 5th 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 C/A (2nd Floor), Dhaka-1000. Tel: +88-02-9511 094,9554592 E-mail: info@bdsecurities.net
Head Office of Second Subsidiary	:	BD Finance Capital Holdings Limited 64, Motijheel C/A (2nd Floor), Dhaka-1000. Tel: +88-02-7122165,9553967 Hot Line: +88-01618-448925

Auditors	:	M/s. Hoda Vasi Chowdhury & Co. BTMC Bhaban (8th Level) 7-9 Kazi Najrul Islam Avenue Karwan Bazar C/A, Dhaka-1217
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)
Principal Bankers	:	Bank Alfalah Limited BRAC Bank Limited Mercantile Bank Limited Mutual Trust Bank Ltd. ONE Bank Limited Prime Bank Limited Rupali Bank Limited Shahjalal Islami Bank Ltd. Sonali Bank Limited Southeast Bank Limited Standard Bank Limited Uttara Bank Limited



Board of Directors

Chairman

Mr. Manwar Hossain

Nominated by Anwar Steel Mills Limited

Vice Chairman

Mr. Hossain Khaled

Nominated by Anwar Jute Spinning Mills Limited

Directors

Mr. Geasuddin Ahmed

Mr. S.M. Didarul Alam

Mr. Md. Imtiaz

Mr. Syed Tareq Akbar Ally

Nominated by Khaled Iron & Steel Mills Limited

Mr. Yousuf Aman

Nominated by Anwar Silk Mills Limited

Mr. Mohammad Shahin Alam

Nominated by Hossain Dyeing & Printing Mills Limited

Mrs. Shahnaz Rashid

Nominated by Anwar Steel Mills Limited

Mrs. Rashida Youshuf

Nominated by Mehmud Industries (Pvt.) Limited

Mr. Haider Ahmed Khan, FCA

Independent Director

Mr. A.K.M. Shamsuddin

Independent Director

Mr. Iqbal U. Ahmed

Independent Director

Mr. Mafizuddin Sarker

Managing Director & CEO

Brief Profile of the Directors

Mr. Manwar Hossain

Chairman

Nominated by Anwar Steel Mills Ltd.

Mr. Manwar is the Group Managing Director of Anwar Group. After having completed BBA & MBA from University of New Hampshire, USA in 1993, he joined the family conglomerate - Anwar Group of Industries(AGI) – during 1994. His business skills & entrepreneurial spirit has fetched him greater responsibilities to lead the conglomerate as its Managing Director under the umbrella of his dynamic father Al-haj Anwar Hossain. With over 200 years of family business heritage, Anwar Group comprises of several manufacturing industries namely Anwar Cement Ltd., Anwar Ispat Ltd., A-One Polymer Ltd., Anwar Landmark Ltd., AG Automobiles Ltd., Anwar Silk Mills Ltd., Anwar Jute Spinning Mills Ltd., Hossain Dyeing & Printing Mills Ltd., Anwar Cement Sheet Ltd. and Mehmud Industries (Pvt.) Ltd. His contribution in banking and Financial Institution is also noteworthy. As former Director of the City Bank Ltd., he has made substantial contribution to the growth of the Bank. He was elected as the youngest Vice Chairman in Banking Sector in the Board of the City Bank Ltd. in 1999 - 2000. He is also a Director of Bangladesh Commerce Bank Ltd.



Mr. Hossain Khaled

Vice Chairman

Nominated by Anwar Jute Spinning Mills Ltd.

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

Mr. Geasuddin Ahmed

Director

Mr. Geasuddin Ahmed, a science graduate, is Chairman of British American International School, Managing Director of Dhaka Complex (Pvt.) Ltd., Buy & Sale Trading Company Ltd., proprietor of Mamata Enterprise and also associated with number of socio-cultural organizations. He is the past Director of The Dhaka Chamber of Commerce & Industry and former Secretary General of Dhaka Metropolitan Film Exhibitors. Mr. Ahmed is a third generation businessman from a traditional business family. His father Late Mohammad Hossain started his business at Adamjee Nagar, Narayanganj in 1953 and was engaged in trading of yarn, coal and in wholesale business. His grand father Late Sheikh Mohiuddin was involved in agro product trading business at Bikrampur in early 1900s.



Mr. S.M. Didarul Alam

Director

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



Mr. Md Imtiaz

Director

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

Mr. Syed Tareq Akbar Ally

Director

Nominated by Khaled Iron & Steels Ltd.

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



Mr. Yousuf Aman

Director

Nominated by Anwar Silk Mills Ltd.

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



Mr. Mohammad Shahin Alam

Director

Nominated by Hossain Dyeing & Printing Mills Ltd.

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

Mrs. Shahnaz Rashid

Director

Nominated by Anwar Steel Mills Ltd.

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



Mrs. Rashida Youshuf

Director

Nominated by Mehmud Industries (Pvt.) Ltd.

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

Mr. 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. 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. Iqbal U. Ahmed

Independent Director

A professional banker Mr. Ahmed is a former Managing Director & CEO of Trust Bank Ltd. He is serving as Advisor of Mirror Financial Management Ltd, a concern of Labaid group. He contributed towards imparting internationally accepted best practices in core risk areas of bank management as a member of the 'Focus group' of Bangladesh Bank.



Mr. Mafizuddin Sarker

Managing Director

Mr. Mafizuddin Sarker, Managing Director & CEO, has over 35 years of experience in Financial Market. He started his career in 1976 with Bangladesh Shilpa Rin Shangstha and thereafter he joined IDLC Finance Limited and served there for 13 years in various key positions including General 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. Md. Imtiaz	Member
Mr. Mohammad Shahin Alam	Member
Mr. Mafizuddin Sarker	Member

AUDIT COMMITTEE

Mr. Haider Ahmed Khan, FCA	Chairman
Mr. Hossain Khaled	Member
Mr. Geasuddin Ahmed	Member
Mr. S. M. Didarul Alam	Member
Mr. Syed Tareq Akbar Ally	Member

MANAGEMENT COMMITTEE

MANAGEMENT COMMITTEE (MANCOM)

Mafizuddin Sarker Managing Director & CEO	Chairman
Chowdhury Khaled Saifullah Deputy Managing Director & Company Secretary	Member Secretary
Shah M. Badar Uddin Senior Vice President & Head of Treasury Division	Member
Mohammad Liton Miah ACA Vice President & CFO	Member
Sumon C. Karmokar Senior Assistant Vice President & Head of Investment Division	Member
S.M. Shafique Assistant Vice President & Head of Recovery Department.	Member
Md. Sajjadur Rahman Bhuiyan Assistant Vice President & Head of ICC	Member
Md. Rafiqul Amin First Assistant Vice President & Head of Accounts Department	Member
Bishwajit Saha Senior Executive Officer & Head of Channel Financing Department	Member

Mohammad Kamruzzaman Senior Executive Officer & Head of Legal Department	Member
Naseem Mahmud Zaman Chief Operating Officer, BD Finance Securities Limited	Member
Md. Nazrul Islam Chief Operating Officer, BD Finance Capital Holding Limited	Member

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

Mafizuddin Sarker, Managing Director & CEO	Chairman
Shah M. Badar Uddin Senior Vice President & Head of Treasury Division	Member Secretary
Chowdhury Khaled Saifullah Deputy Managing Director	Member
Mohammad Liton Miah ACA Vice President & CFO	Member
Sumon C. Karmokar Senior Assistant Vice President & Head of Investment Division	Member
S.M. Shafique Assistant Vice President & Head of Recovery Department.	Member

CREDIT EVALUATION COMMITTEE (CEC)

Chowdhury Khaled Saifullah Deputy Managing Director	Chairman
Sumon C. Karmokar Senior Assistant Vice President & Head of Investment Division	Member Secretary
S.M. Shafique Assistant Vice President & Head of Recovery Department	Member
Md. Sajjadur Rahman Bhuiyan Assistant Vice President & Head of Credit Risk Management	Member
Pulak Chaudhuri First Assistant Vice President & Head of Corporate Finance Department	Member
Md. Abdus Samad Senior Executive Office & Head of Retail Finance Department	Member
Bishwajit Saha Senior Executive Officer & Head of Channel Financing Department	Member
Md. Salauddin Officer & Head of SME Department	Member

BASEL IMPLEMENTATION COMMITTEE

Mafizuddin Sarker Managing Director & CEO	Chairman
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Mohammad Liton Miah ACA Vice President & CFO	Member Secretary
Chowdhury Khaled Saifullah Deputy Managing Director	Member
Sumon C. Karmokar Senior Assistant Vice President & Head of Investment Division	Member
S.M. Shafique Assistant Vice President & Head of Recovery Department	Member
Md. Sajjadur Rahman Bhuiyan Assistant Vice President & Head of CRM (CC)	Member
Md. Rafiqul Amin First Assistant Vice President & Head of Accounts Department.	Member

RISK MANAGEMENT FORUM

Md. Sajjadur Rahman Bhuiyan Assistant Vice President & Head of CRM (CC)	Chairman
Shah M. Badar Uddin Senior Vice President & Head of Treasury Division	Member
Mohammad Liton Miah ACA Vice President & CFO	Member
Sumon C. Karmokar Senior Assistant Vice President & Head of Investment Division	Member
S.M. Shafique Assistant Vice President & Head of Recovery Department	Member

RISK ANALYSIS UNIT

Md. Rafiqul Amin First Assistant Vice President & Head of Accounts Department	Chairman
Mohammad Kamruzzaman Senior Executive Officer & Head of Legal Department	Member
Mohammad Abu Bakar Siddique Executive & Head of MIS	Member
Saiful Arefin (Jitu) Assistant Officer & Head of IT	Member

HR COMMITTEE

Mafizuddin Sarker Managing Director & CEO	Chairman
Md. Emran Hossain Executive Officer & Head of Admin	Member Secretary
Chowdhury Khaled Saifullah Deputy Managing Director	Member

Mohammad Liton Miah ACA
Vice President & CFO

Member

INTERNAL CONTROL & COMPLIANCE COMMITTEE

Mafizuddin Sarker
Managing Director & CEO

Chairman

Md. Sajjadur Rahman Bhuiyan
Assistant Vice President & Head of ICC

Member Secretary

Chowdhury Khaled Saifullah
Deputy Managing Director

Member

Shah M. Badar Uddin
Senior Vice President & Head of Treasury Division

Member

Mohammad Liton Miah,
Vice President & CFO

ACA Member

Sumon C. Karmokar
Senior Assistant Vice President & Head of Investment Division

Member

S.M. Shafique
Assistant Vice President & Head of Recovery Department

Member

CORPORATE GOVERNANCE COMMITTEE

Mafizuddin Sarker
Managing Director & CEO

Chairman

Chowdhury Khaled Saifullah
Deputy Managing Director & Company Secretary

Member Secretary

Mohammad Liton Miah ACA
Vice President & CFO

Member

Md. Sajjadur Rahman Bhuiyan
Assistant Vice President & Head of ICC

Member

Md. Emran Hossain
Executive Officer & Head of Admin

Member

Management Team

Mr. Mafizuddin Sarker
Managing Director & CEO

Chowdhury Khaled Saifullah
Deputy Managing Director & Company Secretary

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

Mr. Mohammad Liton Miah, ACA
Vice President & CFO

Sumon C. Karmokar
SAVP & Head of Investment Division

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

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

Mr. Md. Sajjadur Rahman Bhuiyan
Assistant Vice President & Head of ICC

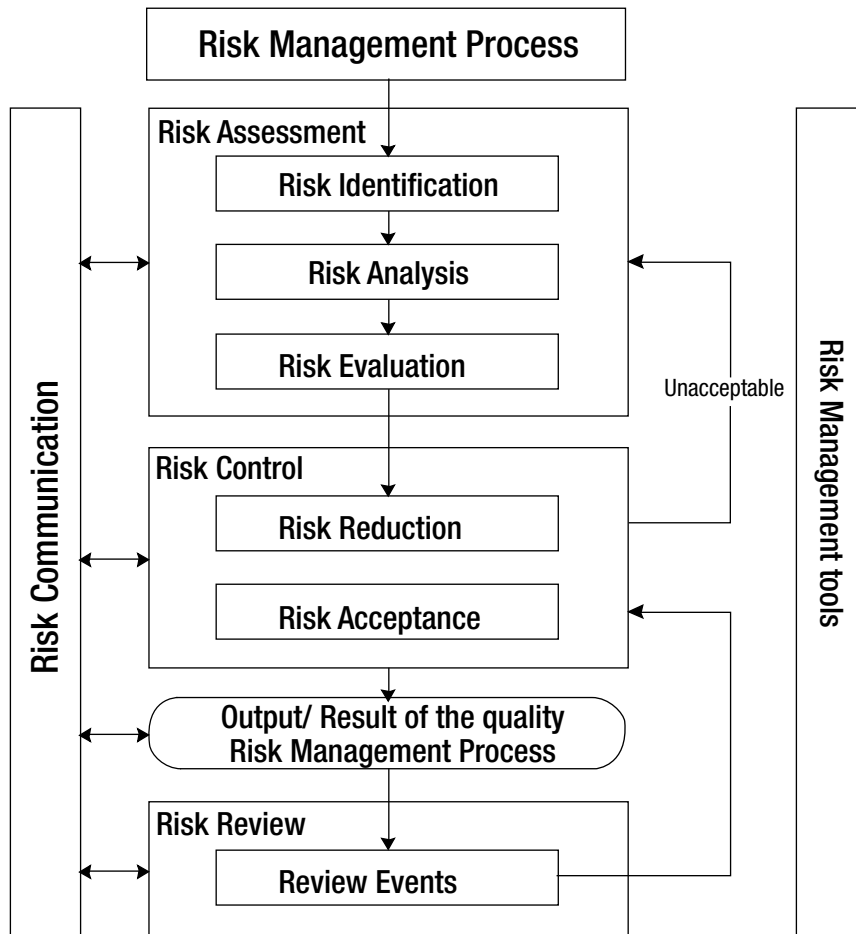
Mr. Md. Rafiqul Amin
First Assistant Vice President & Head of Accounts

Mr. Pulak Chaudhuri
First Assistant Vice President & Head of Corporate Finance

Mr. Ahammad Ali
First Assistant Vice President (Treasury)

Statement of Risk Management

Risks are usually defined by the adverse impact on profitability of several distinct sources of uncertainty. While the types and degree of risks an organization may be exposed to depend upon a number of factors such as its size, complexity business activities, volume etc. Risk is measured in terms of consequences and likelihood combined to arrive at a risk rating from Low to Very High. Risk management is the process of identification, analysis, quantification and mitigation of uncertainty in investment decision-making. As the outcomes of business activities are uncertain, some element of risk is inherent in every business. Inadequate risk management can result in severe consequences for companies as well as individuals. While it is impossible that companies remove all risk from the organization, it is important that they properly understand and manage the risks that they are willing to accept in the context of the overall corporate strategy. The management of the company is primarily responsible for risk management, but the board of directors, internal auditor, external auditor, and general counsel also play critical roles. Generally the Non-Banking Financial Institutions are exposed to Credit Risk, Market Risk, Liquidity Risk and Operational risks.



Managing Credit Risk:

Credit risk is the probability that a counter party fails to meet obligation in accordance with agreed terms. Credit risk does not arise only when a borrower defaults on payment of a loan but also when its repayment capability declines. The goal of credit risk management is to maximize the risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. We manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of any financial institution. The Company has segregated duties for the officers involved in Credit Risk Management (CRM). Credit evaluation, credit administration and credit monitoring and recovery functions are segregated to Operation, Credit Admin and Recovery Department respectively. Special recovery team has also been formed to handle the delinquent borrowers.

Managing Liquidity Risk:

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

Managing Market Risk:

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

Managing Operational Risk:

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

Statement on Corporate Governance

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

Constitution of the Board of Directors

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

The Directors are appointed by the shareholders in the Annual General Meeting (AGM) and casual vacancies, if any, are filled up by the Board in accordance with the stipulations of the Companies Act, 1994, Articles of the Company and the SEC rules. One-third members of the Board (those directors being the longest period in office) retire from office every year at the annual general meeting as per provision in Articles of Association but they remain eligible for re-election. The independent director is appointed as per requirement of the SEC vide notification no. SEC/CMRRCD/2006-158/134/Admin/44, dated August 07, 2012 by the Board of Directors.

Role of the Board

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

Chairman of the Board

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

Role of the Chairman

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

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

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

Role of the Managing Director

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

Role of the Company Secretary

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

Board Committees

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

Executive Committee & its role

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

Audit Committee & its role

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

Management Committees

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

These Committees are as under:

- Management Committee (MANCOM)
- Credit Evaluation Committee (CEC)
- Asset Liability Management Committee (ALCO)
- BASEL Implementation Committee
- Anti-Money Laundering Compliance Committee
- Internal Control & Compliance Committee
- Corporate Governance Committee
- HR Committee
- Risk Management Forum (RMF) & Risk Assessment Unit (RAU)

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

Related Party Transactions

Due care is taken in conducting necessary checks/verifications prior to Company's entering into credit and non-credit transactions to determine whether the counterparty is a related party as per applicable regulations for related party transactions for FIs and listed Companies to ensure required compliances and all credit facilities to related parties are monitored regularly. Notes related party transactions as at December 31, 2012 are given in Note: 42 of Notes to the Financial Statements on page no. 138

Internal Control & Compliance

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

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

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

Appointment of external auditors

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

Information Technology

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

Communication with shareholders

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



Report on Corporate Social Responsibility

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

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

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

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 2012, 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



Mohammad Liton Miah, ACA
VP & Chief Financial Officer

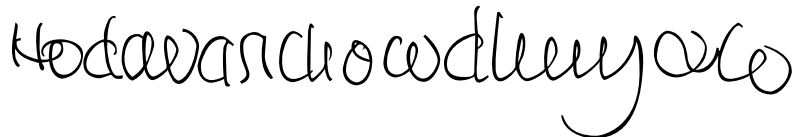
Certificate on Compliance of Corporate Governance Guidelines

(Issued under Condition # 7(1) of Corporate Governance Guidelines of BSEC vide Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012)

We have reviewed the Compliance of Corporate Governance Guidelines by Bangladesh Finance And Investment Company Limited (“the Company”) for the year ended 31 December 2012. Such compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission (BSEC).

We have conducted our review in a manner that has provided me a reasonable basis for evaluating the compliances and expressing our opinion thereon. This review has been limited to the measures adopted by the Company in ensuring such compliances and this has not been for expression of opinion on the financial statements of the Company.

According to the information and explanations provided by the Company. We hereby certify that in our opinion, the Company has complied with all the conditions of Corporate Governance Guidelines issued by BSEC.



Dhaka, 30 April 2013

Chartered Accountants

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status ("✓" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors (BoD)			
1.1	Board's Size (number of Board members – minimum 5 and Maximum 20)	✓		
1.2	Independent Directors	✓		
1.2 (i)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors		✓	Another Independent Director is appointed on 28 April, 2013 to fulfill
1.2 (ii)	Independent Director means a director	✓		
1.2 (ii) (a)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1.2 (ii) (b)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	✓		
1.2 (ii) (c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies	✓		
1.2 (ii) (d)	who is not a member, director or officer of any stock exchange	✓		
1.2 (ii) (e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	✓		
1.2 (ii) (f)	who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm			
1.2 (ii) (g)	who shall not be an independent director in more than 3 (three) listed companies	✓		
1.2 (ii) (h)	who 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 (NBFI)	✓		
1.2 (ii) (i)	who has not been convicted for a criminal offence involving moral turpitude	✓		

1.2 (iii)	Independent Director(s) shall be appointed by BoD approved by the shareholders in the Annual General Meeting (AGM)	✓		
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	✓		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
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	✓		
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 Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission	---	---	Not Applicable
1.4	The Chairman of the Board and the Chief Executive Officer (CEO) shall be different individuals. The 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	✓		
1.5	The Director's Report shall include the following additional statements	✓		
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	---	---	Not Applicable
1.5 (vi)	Basis for related party transactions - a statement of all related party transactions should be disclosed in the annual report	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	---	---	Not Applicable
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO)	---	---	Not Applicable

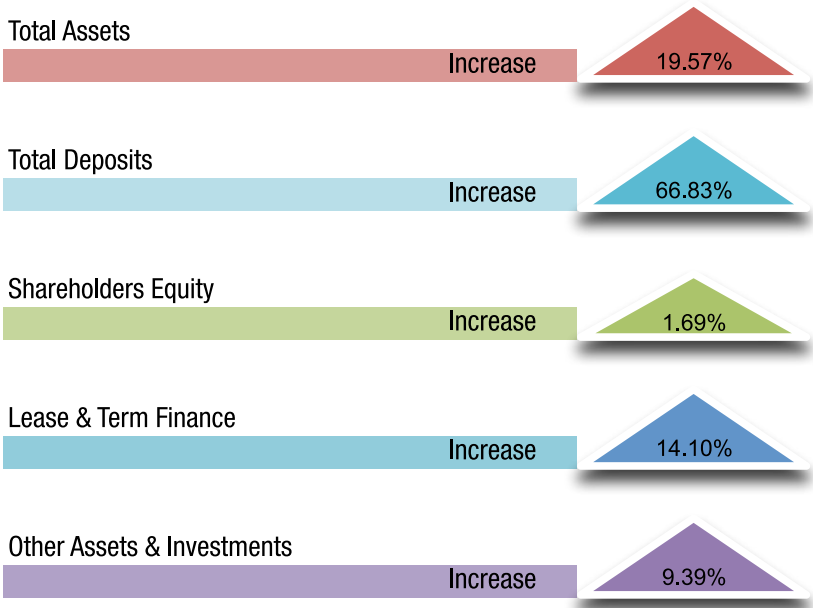
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance	✓		
1.5 (x)	Remuneration to directors including independent directors	✓		
1.5 (xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1.5 (xii)	Proper books of account have been maintained	✓		
1.5 (xiii)	Adaptation of appropriate accounting policies & estimates	✓		
1.5 (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		
1.5 (xvi)	Going Concern (ability to continue as a going concern)	✓		
1.5 (xvii)	Highlight and explain significant deviations from the last year's operating results	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		
1.5 (xix)	Reason for non declaration of Dividend	---	---	Not Applicable
1.5 (xx) T	he number of Board meetings held during the year and attendance by each director	✓		
1.5 (xxi)	Pattern of shareholding and name wise details (disclosing aggregate number of shares)	✓		
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies and other related parties	✓		
1.5 (xxi) (b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and their spouses and minor children	✓		
1.5 (xxi) (c)	Top five executives other than mentioned above	✓		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company	✓		
1.5 (xxii)	In case of the appointment/re-appointment of a director, disclose	✓		
1.5 (xxii) (a)	a brief resume of the director	✓		
1.5 (xxii) (b)	nature of his/her expertise in specific functional areas	✓		
1.5 (xxii) (c)	names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties	✓		
2.2	The CFO and the CS shall attend the meetings of the Board of Directors	✓		
3	Audit Committee	✓		

3 (i)	The company shall have an Audit Committee as a sub-committee of the BoD	✓		
3 (ii)	The Audit Committee shall assist the BoD 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	✓		
3 (iii)	The Audit Committee shall be responsible to the BoD. The duties of the Audit Committee shall be clearly set forth in writing	✓		
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	✓		
3.1 (ii)	The BoD shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent Director	✓		
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	✓		
3.1 (iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy (ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	---	---	No vacancy occurred
3.1 (v)	The Company Secretary shall act as the secretary of the Audit Committee	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		
3.2 (i)	The BoD shall select the Chairman of the Audit Committee, who shall be an Independent Director	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM	---	---	Chairman of the Audit Committee would be remained present at AGM
3.3	Role of Audit Committee	✓		
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review the annual financial statements before submission to the board for approval	✓		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3 (vii)	Review the adequacy of internal audit function	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		

3.3 (x)	Disclosure to the Audit Committee about the uses/ applications of IPO 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, shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus	---	---	Not Applicable
3.4.1 (i)	Reporting to BoD on the activities of the Audit Committee	✓		
3.4.1 (ii) (a)	Reporting to BoD on conflicts of interests	✓		
3.4.1 (ii) (b)	Reporting to BoD on any fraud or irregularity or material defect in the internal control system	✓		
3.4.1 (ii) (c)	Reporting to BoD on suspected infringement of laws	None		
3.4.1 (ii) (d)	Reporting to BoD on any other matter	✓		
3.4.2	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	✓		
3.5	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	✓		
4.00	External / Statutory Auditors	✓		
4.00 (i)	Non- engagement in appraisal or valuation services or fairness opinions	✓		
4.00 (ii)	Non-engagement in designing and implementation of Financial Information System	✓		
4.00 (iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	✓		
4.00 (iv)	Non- engagement in Broker-Dealer services	✓		
4.00 (v)	Non- engagement in Actuarial services	✓		
4.00 (vi)	Non- engagement in Internal Audit services	✓		
4.00 (vii)	Non- engagement in any other services that the Audit Committee determines	✓		
4.00 (viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	✓		
5	Subsidiary Company	✓		
5 (i)	Provisions relating to the composition of the BoD of the holding company shall be made applicable to the composition of the BoD of the subsidiary company	✓		
5 (ii)	At least 1 (one) Independent Director on the BoD of the holding company shall be a director on the BoD of the subsidiary company.		✓	One Independent Director is appointed on 21st April, 2013
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	✓		

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	✓		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	✓		
6	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	✓		
6 (i) (a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
6 (i) (b)	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	✓		
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 violation of the company's code of conduct	✓		
7 (i)	Obtaining certificate from a practicing Professional Accountant /Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	✓		
7 (ii)	Directors statement in the directors' report whether the company has complied with these conditions	✓		

Performance at a Glance



Credit Rating

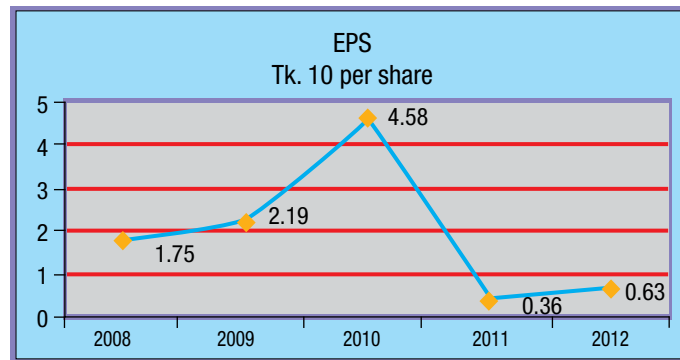
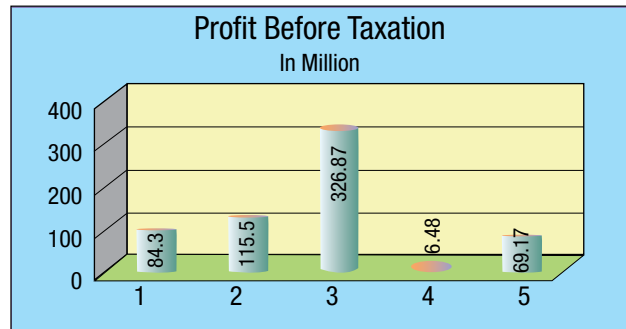
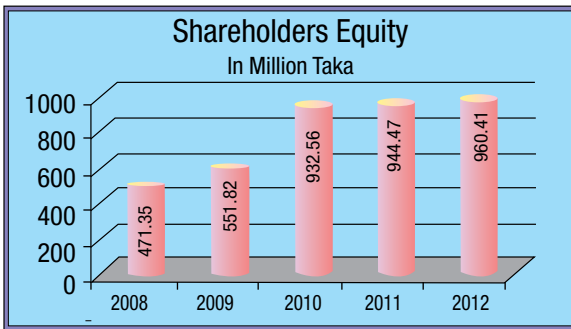
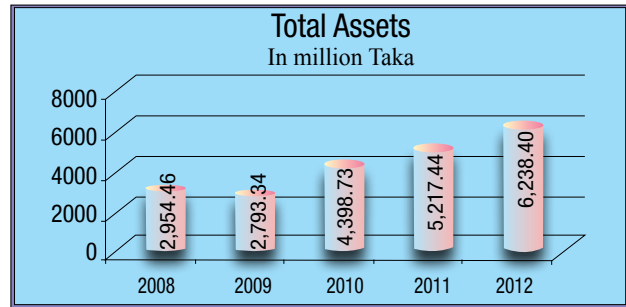
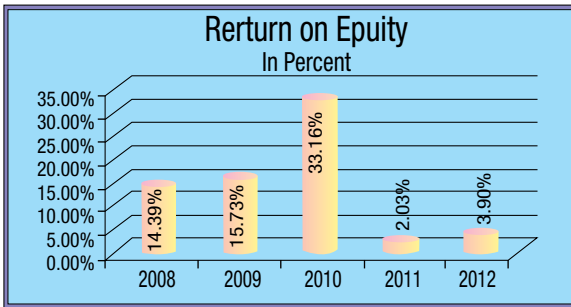
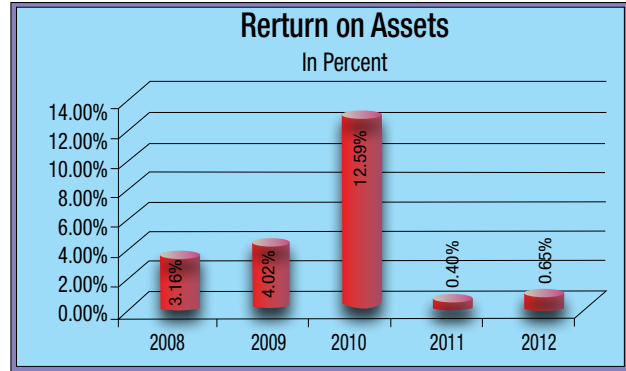
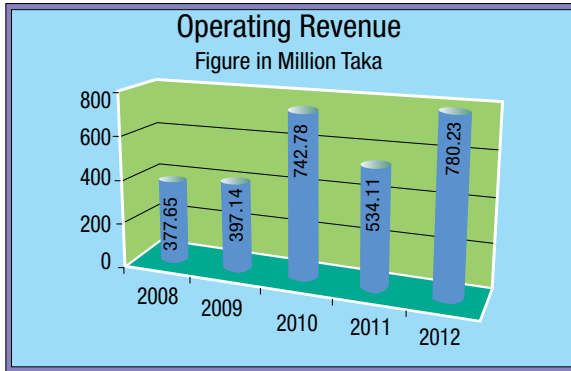
Rating	2012	2011
Long Term	A-	A-
Short Term	ST-3	ST-3

Financial Highlights

Figure in million Taka

	2008	2009	2010	2011	2012
Operational Performance					
Operating Revenue	377.65	397.14	742.78	534.11	780.23
Financial Expense	256.31	242.14	298.64	438.36	629.87
Operating Expense	293.35	281.64	415.91	527.63	711.05
Profit Before Taxation	84.3	115.5	326.87	6.48	69.17
Net Profit After Tax	64.3	80.47	246.14	19.03	37.11
Financial Performance					
Lease & Term Finance	1509.1	2144.06	2956.52	3290.84	3754.79
Provision Against Investment	53.58	56.72	123.63	161.01	183.42
Investment in Subsidiary	-	-	2.32	699.93	699.93
Total Assets	2954.46	2793.34	4398.73	5217.44	6238.4
Term Deposits	1031.25	985.31	1162.77	1692.82	2824.10
Financial Ratios					
Return on Equity	14.39%	15.73%	33.16%	2.03%	3.90%
Return on Assets	3.16%	4.02%	12.59%	0.40%	0.65%
Rate of Dividend					
Cash	-	-	-	-	-
Bonus	10%	20%	22%	10%	10%
EPS (Tk.)	1.75	2.19	4.58	0.36	0.63
Equity Statistics					
Authorized Capital	500	500	2,000	2,000	2,000
Number of Shares	33.36	36.7	44.04	53.73	59.1
Shareholders Equity	471.35	551.82	932.56	944.47	960.41
Net Assent Value Per Share	14.13	15.04	21.17	17.57	16.25

Performance Indicator



Statement on Directors' Responsibility

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

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

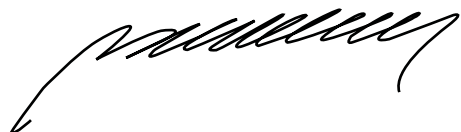
The financial statements are required by law and Bangladesh Accounting Standards to present fairly the financial position and the performance of the company for the period and to comply with rules and regulations issued by the Bangladesh Bank, the Companies Act, 1994, the Securities and Exchange Rules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

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

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

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

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



Manwar Hossain
Chairman, Board of Directors

Report of the Audit Committee

The Role of Audit Committee

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

The composition of the Audit Committee

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

Name of Member	Position in the Committee
Mr. Haider Ahmed Khan, FCA Independent Director	Chairman
Mr. Hossain Khaled Vice Chairman	Member
Mr. Geasuddin Ahmed Director	Member
Mr. Syed Tarek Akbar Ally Director	Member
Mr. Mohammad Shahin Alam 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 14th Annual General Meeting of Bangladesh Finance And Investment Company Limited. You are aware that in year 2012 Bangladesh Economy faced a number of challenges like high food & fuel prices, higher government borrowing especially from Banking sector, slower credit growth, adverse exchange rate movement, capital market crisis; consequently the investment climate was cloudy.

Strategic approach adopted by BD Finance to consolidate the position in one hand & on the other hand to put momentum towards the growth. Proper execution of the strategy has paid us the results. Consequently in 2012 the Net Profit after tax stood at Tk 37.1 million, up by 94.9% over that of Tk. 19.0 million of 2011. During the year we have strengthened our internal procedure to emerge as a customer oriented NBF. During the year we have intensified our recovery drives & effectiveness of risk management capabilities, consequently the overdue & infection ratio of our portfolio have dropped.

Our stock brokerage arm, BD Finance Securities Limited (BD Securities), the first subsidiary, started operation in November 2011 & within one year time has emerged as a premier brokerage house of the country. The second subsidiary, BD Finance

Capital Holdings Limited (BD Capital), has obtained license from SEC as a full-fledged merchant bank, expected to commence operation by second half of 2013. With these two subsidiaries along with the parent company we like to establish ourselves as a full-fledged Investment Bank. A silver lining has to be taped to generate synergic benefit between BD Finance & its subsidiaries.

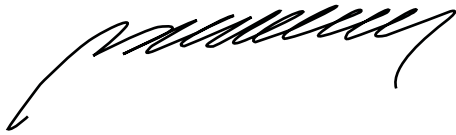
In 2012 we have launched a number of product range like Work Order Finance, Auto Loan, Home Loan & created gateway for opening new branches in Sylhet & Uttara which would start formal operation soon. We also revitalized the operation of our existing branches at Chittagong & Bangshal.

In 2013 we like to build our corporate image as a respected NBF of the country, enhance our paid up capital over Tk 1 billion through right share, 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

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

May the Almighty Allah bless us all.



Manwar Hossain
Chairman

চেয়ারম্যানের বক্তব্য

শ্রিয় শেয়ারহোল্ডারবৃন্দ

আসসালামু আলাইকুম ওয়া রাহ্মাতুল্লাহ

বাংলাদেশ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট কোম্পানী লি:(বিডি ফাইন্যান্স)-এর চতুর্দশ বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগতম জানাতে পেরে আমি অত্যন্ত আনন্দিত।

আপনারা অবগত আছেন যে, ২০১২ সালে বাংলাদেশের অর্থনীতি অনেক প্রতিকূলতার সম্মুখীন হয়েছে। এর মধ্যে অন্যতম ছিল খাদ্য ও জ্বালানীর মূল্য বৃদ্ধি, সরকারের অতিমাত্রায় ব্যাংক ঋণের উপর নির্ভরশীলতা, ঋণ সরবরাহে ধীরগতি, বৈরী মুদ্রা বিনিময় হার, পুঁজি বাজারে বিপর্যয়ের ফলে বিনিয়োগ পরিস্থিতি ছিল স্তিমিত।

বিডি ফাইন্যান্স একদিকে যেমন এর অবস্থান সমুন্নত করতে কর্মকৌশল গ্রহণ করেছে অন্যদিকে কোম্পানির অগ্রগতির ধারা অব্যাহত রেখেছে। কৌশলের যথাযথ বাস্তবায়ন আমাদের এ সফলতা অর্জনে ভূমিকা রেখেছে। যার পরিপ্রেক্ষিতে ২০১২ সালে কর, পরবর্তী মুনাফা দাঁড়িয়েছে ৩৭.১ মিলিয়ন টাকা যা ২০১১ সালের ১৯ মিলিয়ন টাকার চেয়ে শতকরা ৯৪.৯ ভাগ বেশি। গ্রাহক বান্ধব অ-ব্যাংকিং আর্থিক প্রতিষ্ঠান হিসাবে আত্মপ্রকাশের জন্য এ বছর আমরা আমাদের অভ্যন্তরীণ কর্মপন্থা সুসংহত করেছি। তাছাড়া আমরা ঋণ আদায় এবং কার্যকর ঋঁকি ব্যবস্থাপনা কার্যক্রম জোরদার করেছি যার পরিপ্রেক্ষিতে আমাদের পোর্টফোলিওতে মেয়াদোত্তীর্ণ ঋণ এবং সংক্রমণ অনুপাত হ্রাস পেয়েছে।

শেয়ার ব্রোকারেজ ব্যবসায় নিয়োজিত আমাদের প্রথম সাবসিডিয়ারি কোম্পানি বিডি ফাইন্যান্স সিকিউরিটিজ লি: (বিডি সিকিউরিটিজ) বিগত নভেম্বর ২০১১ সালে ব্যবসায়িক কার্যক্রম শুরু করে এবং এক বছরের মধ্যেই দেশের প্রথম সারির ব্রোকারেজ হাউস হিসেবে আবির্ভূত হয়। আমাদের দ্বিতীয় সাবসিডিয়ারি কোম্পানি বিডি ফাইন্যান্স ক্যাপিটাল হোল্ডিংস লি: পূর্ণাঙ্গ মার্চেন্ট ব্যাংকার হিসেবে ব্যবসা পরিচালনার জন্য বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন থেকে অনুমতি লাভ করেছে যার কার্যক্রম ২০১৩ সালের দ্বিতীয়ার্ধে শুরুর আশা করা যাচ্ছে। এ যৌথ উদ্যোগ সাফল্যমণ্ডিত হলে সবগুলি কোম্পানিই ভবিষ্যতে আশাতীত ফলাফল অর্জনে সক্ষম হবে।

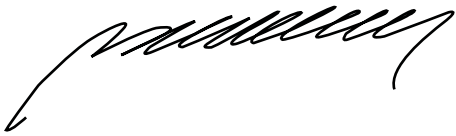
২০১২ সালে আমরা বেশকিছু পন্য ও সেবা যেমন ওয়ার্ক অর্ডার ফাইন্যান্স, আটো লোন, গৃহ ঋণ চালু করেছি এবং আমরা উত্তরা ও সিলেটে শাখা খোলার দ্বার উন্মোচন করেছি যা শীঘ্রই আনুষ্ঠানিক কার্যক্রম শুরু করবে। তাছাড়া আমাদের বিদ্যমান চট্টগ্রাম ও বংশাল শাখাকে টেলে সাজানো হয়েছে।

রাইট শেয়ার ইস্যুর মাধ্যমে পরিশোধিত মূলধন ১ বিলিয়ন টাকার অধিক বৃদ্ধি করে ও কর্মপরিধি সম্প্রসারণের মাধ্যমে বিস্তীর্ণ এলাকায় আমাদের সেবা ছড়িয়ে দিয়ে ২০১৩ সালে আমরা কোম্পানীর ভাবমূর্ত্তি একটি সম্মানিত অ-ব্যাংকিং আর্থিক প্রতিষ্ঠান হিসেবে গড়তে চাই।

পরিশেষে আমি আপনাদেরকে নিশ্চয়তা দিতে চাই যে, কোম্পানীর পরিচালনা পর্ষদ সবসময় কার্যসিদ্ধিমূলক কৌশল অবলম্বন করে সকল স্টেকহোল্ডারদের স্বার্থ রক্ষায় সচেষ্ট।

আমি কোম্পানীর পরিচালনা পর্ষদের সকল সদস্য, বিডি ফাইন্যান্স এবং এর সাবসিডিয়ারি প্রতিষ্ঠানদ্বয়ের ব্যবস্থাপনা কর্তৃপক্ষ, সকল কর্মকর্তা-কর্মচারীবৃন্দ, সম্মানিত শেয়ার হোল্ডারবৃন্দ, নিয়ন্ত্রণকারী সংস্থাসমূহের অব্যাহত আস্থা, সহায়তা ও সহযোগিতার জন্য সবাইকে আন্তরিক ধন্যবাদ জানাচ্ছি।

আল্লাহ আমাদের মঙ্গল করুন।



মনোয়ার হোসেন
চেয়ারম্যান





Managing Director & CEO's Review and Business Performance

GLOBAL ECONOMY

The global economy had to absorb a number of shocks in year 2012, with recession in many developed countries, social & political unrest prevailed in many oil rich middle-east countries, some parts of Europe encountered financial turbulence, consequently growth of global economy decreased from year 2011. Recession was deeper in the countries facing debt crisis fueled by unemployment, public debt burden & fragility in the financial market.

In Asia, China & India, the top growing economy, faced reduced export & lower domestic investment in 2012. GDP growth of Japan in 2012 was 1.5 percent mainly due to Government spending cut & increased tax on consumption. GDP growth in East Asia was 5.8 percent while in South Asia it was 4.4 percent.

Growth of World Gross Domestic Product is expected to be below 2.5 percent in 2013 as per United Nations Baseline Forecast.

BANGLADESH ECONOMY

In the backdrop of global economic recession Bangladesh witnessed an impressive 6.3 percent GDP growth rate in 2012 although it is below the initial target of 7.0 percent. This has been attributed mainly by slower Agricultural growth. The

average inflation in December 2012 was 8.7%, against 10.7% in December 2011. Export was recorded at USD 24,711 million in 2012 against that of USD 24,359 million of 2011. On the other hand there was strict control on the import of non-essential items even than total import in 2012 was USD 34,406 million registering a decline of 5.1% over 2011 of USD 36,162 million. The foreign currency reserve of Bangladesh Bank amounted to USD 12,750 million as of December 2012 up by 32 percent from that of USD 9,634 million of December 2011.

The capital market is yet to recover from the crash of 2010, although the global capital market observed moderate gain during 2012, restrictive monetary policies, liquidity crisis, upward trend of interest rate, devaluation of Taka were the main reasons. The performance of Secondary market was very poor although primary market got some momentum after listing 14 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, mutual fund regulation etc to have a sustainable capital market. These measures could not upturn the market significantly but certainly could bring discipline & expected to have long term impact on capital market.

FINANCIAL SECTOR

The Banking & Financial Sector passed a crucial year in 2012 due to few scandals in the Banking Industry followed by continued liquidity shortage. Bangladesh Bank took certain initiatives to stimulate private sector growth; namely limiting Government borrowing from Banking Sector, reducing credit flow to unproductive sectors, raising interest on Savings Certificate, reducing import of non-essential items, maintaining repo & reverse repo.

Overall money market scenario was volatile; liquidity crisis prevailed in the banking channel throughout the year 2012. During 2012 Bangladesh Bank also issued licenses to 9 commercial banks. In the operation of FIs cut throat competition prevailed during the year 2012 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 - 2012

BD Finance started 2012 with the plan to re-brand the company 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, Revolving 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.
- 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 open 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-2011	Actual-2012	Growth- %
Operating Income	95.74	150.36	57.05
Operating Expenses	51.89	55.60	7.15
Operating Profit	43.86	94.76	116.05
Profit before Income Tax	6.48	69.17	967.44
Profit after Income Tax	19.03	37.10	94.96
Investment Portfolio	4,030.71	4,849.46	20.31
Bank Borrowing	1,885.58	1,656.96	(12.12)
Deposit	1,787.40	2,887.71	61.56
Equity	944.47	960.41	1.69
Earning Per Share	0.32	0.63	96.88

FUTURE OUTLOOK

Growth with quality & profitability with partnership is the clearly defined strategy of BD Finance for the year 2013. 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

ব্যবসায়িক অগ্রগতি এবং ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহীর মূল্যায়ন

বিশ্ব অর্থনীতি

বিশ্ব অর্থনীতিকে ২০১২ সালে মারাত্মক বিপর্যয়ের সম্মুখীন হতে হয়েছে। অনেক উন্নত দেশে আর্থিক মন্দাভাব, মধ্যপ্রাচ্যের অনেক তেলসমৃদ্ধ দেশে সামাজিক এবং রাজনৈতিক অস্থিরতা, ইউরোপের কতিপয় অঞ্চলে আর্থিক খাতে ব্যাপক উত্তালতার পরিপ্রেক্ষিতে বিশ্ব অর্থনীতিতে ২০১১ সালের তুলনায় নিম্নমুখী প্রবৃদ্ধির হার পরিলক্ষিত হয়। মন্দাভাব আরোও প্রবল পরিলক্ষিত হয় সেসব দেশে যেখানে সার্বজনীন ঋণের বোঝা, আর্থিক বাজারের ভঙ্গুর অবস্থা, বেকারত্বের ফলে সৃষ্ট ঋণ সংকট বিরাজমান।

চীন এবং ভারতের মতো এশিয়ার প্রথম সারির অর্থনীতির দেশগুলোতে ২০১২ সালে অভ্যন্তরীণ বিনয়োগ ও রপ্তানি হ্রাস পেয়েছে। ২০১২ সালে জাপানে জিডিপি বৃদ্ধির হার শতকরা ১.৫ শতাংশ হওয়ার মূল কারণ ছিল সরকারি ব্যয় সংকোচন এবং ভোগ্যপণ্যের উপর করবৃদ্ধি। পূর্ব এশিয়া এবং দক্ষিণ এশিয়ায় জিডিপি বৃদ্ধির হার ছিল যথাক্রমে ৫.৮ ও ৪.৪ শতাংশ।

জাতিসংঘের পূর্বাভাস মতে ২০১৩ সালে বিশ্ব জিডিপি প্রবৃদ্ধির হার ২.৫ শতাংশের নিচে হবে বলে ধারণা করা হচ্ছে।

বাংলাদেশের অর্থনীতি

বিশ্ব অর্থনীতিতে মন্দা থাকা সত্ত্বেও বাংলাদেশে লক্ষনীয় পরিমাণ শতকরা ৬.৩ ভাগ জিডিপি প্রবৃদ্ধি হয়েছিল যদিও প্রাথমিক লক্ষ্য ছিল শতকরা ৭ ভাগ। এটা মূলত কৃষিখাতে ধীর প্রবৃদ্ধির ফসল। ডিসেম্বর ২০১২ সালে গড় মুদ্রাস্ফীতির হার ছিল শতকরা ৮.৭ ভাগ যেখানে ডিসেম্বর ২০১১ সালে এই হার ছিল শতকরা ১০.৭ ভাগ। ২০১২ সালে মোট রপ্তানির পরিমাণ ছিল ২৪,৭১১ মিলিয়ন মার্কিন ডলার যা ২০১১ সালে ছিল ২৪,৩৫৯ মিলিয়ন মার্কিন ডলার। পক্ষান্তরে, অপেক্ষাকৃত কম গুরুত্বপূর্ণ পণ্য আমদানিতে কঠোর নিয়ন্ত্রণের কারণে ২০১২ সালে মোট আমদানির পরিমাণ ছিল ৩৪,৪০৬ মিলিয়ন মার্কিন ডলার যা ২০১১ সালের মোট আমদানি ৩৬,১৬২ মিলিয়ন মার্কিন ডলারের তুলনায় শতকরা ৫.১ ভাগ কম। ডিসেম্বর ২০১২ বাংলাদেশ ব্যাংকের বৈদেশিক মুদ্রার রিজার্ভ ছিল ১২,৭৫০ মিলিয়ন মার্কিন ডলার যা ডিসেম্বর ২০১১ সালের ৯৬৩৪ মিলিয়ন মার্কিন ডলারের তুলনায় শতকরা ৩২ ভাগ বেশি।

২০১২ সালে বিশ্ব পুঁজিবাজারে পরিমিত উৎকর্ষতা লক্ষ্য করলেও রক্ষণশীল মুদ্রানীতি, তারল্য সংকট, সুদের হারের উর্ধ্বগতি এবং টাকার অবমূল্যায়নের কারণে ২০১০ সালের পুঁজি বাজারের বিপর্যয় এখনও কাটিয়ে উঠা সম্ভবপর হয়নি। ১৪টি কোম্পানি প্রাথমিক গণ প্রস্তাবের মাধ্যমে তালিকাভুক্ত হলেও সেকেন্ডারি মার্কেটের অগ্রগতি খুবই সামান্য। পুঁজিবাজারে স্থিতিশীলতা বজায় রাখার জন্য বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন পুঁজিবাজার উন্নয়নে মহাপরিকল্পনা, স্টক এক্সচেঞ্জের ডিমিউচুলাইজেশন, সার্ভাইলেন্স সফটওয়্যার স্থাপন, মার্জিন লোনের সংস্কার, মিউচুয়াল ফান্ড অধ্যাদেশ জারির মতো কিছু পদক্ষেপ গ্রহণ করেছে। এসব পদক্ষেপগুলো গ্রহণ করার ফলে পুঁজি বাজার উর্ধ্বমুখী না হলেও পুঁজিবাজারের শৃঙ্খলা এবং দীর্ঘমেয়াদী প্রভাব আশা করা যায়।

অর্থনৈতিক খাত

চলমান তারল্য সংকটসহ কিছু আর্থিক কেলেংকারির ফলে ২০১২ সাল ব্যাংক ও আর্থিক খাত কঠিন সময় পার করেছে। বেসরকারি প্রবৃদ্ধি উদ্দীপিত করার লক্ষ্যে বাংলাদেশ ব্যাংক কিছু উদ্যোগ গ্রহণ করেছে যেমন: ব্যাংকিং খাত থেকে সরকারের ঋণ গ্রহণ সীমিতকরণ, অনুৎপাদনশীল খাতে ঋণ প্রবাহ হ্রাস, সম্বয়পত্রের সুদের হার বৃদ্ধি, অনিত্যপ্রয়োজনীয় পণ্যের আমদানি হ্রাস এবং রিপো ও রিভার্স রিপো চালিয়ে যাওয়া।

২০১২ সালে সার্বিক মুদ্রাবাজার ছিল অত্যন্ত অস্থিতিশীল এবং বছর জুড়ে ব্যাংকিং খাতে তারল্য সংকট বিরাজমান ছিল। ঐ বছর বাংলাদেশ ব্যাংক ৯টি বাণিজ্যিক ব্যাংক খোলার জন্য লাইসেন্স প্রদান করেছে। ২০১২ সালে আর্থিক প্রতিষ্ঠানগুলো শুধু নিজেদের মধ্যে নয় বরং বাণিজ্যিক ব্যাংকগুলোর সাথেও প্রবল প্রতিযোগিতায় অবতীর্ণ হয়। আগামী দিনগুলিতে প্রতিযোগিতার তীব্রতা প্রবলতর হবে বলে আশা করা হচ্ছে।

২০১২ সালে বিডি ফাইন্যান্স-এর অগ্রগতি

বিডি ফাইন্যান্সকে নতুন আঙ্গিকে উপস্থাপনের লক্ষ্যে ২০১২ সালে নিম্নলিখিত পদক্ষেপসমূহ গ্রহণ করা হয়েছে:

- একটি পূর্ণাঙ্গ বিনিয়োগ প্রতিষ্ঠান হিসেবে আবির্ভূত হতে মূল প্রতিষ্ঠান বিডি ফাইন্যান্স এবং এর সাবসিডিয়ারি কোম্পানি বিডি ফাইন্যান্স সিকিউরিটিজ লিমিটেড এবং বিডি ফাইন্যান্স ক্যাপিটাল হোল্ডিংস লিমিটেডের মধ্যে সম্মিলিত উদ্যোগ বৃদ্ধি ও সম্বয় সাধন;
- পণ্য ও সেবায় বৈচিত্র্য আনয়নের পাশাপাশি এর পরিধি বৃদ্ধি এবং গ্রাহককে সকল সেবা এক ছাদের নিচ থেকে প্রদানের লক্ষ্যে নতুন পণ্য ও সেবা যেমন ফ্যান্ডরিং ফাইন্যান্স, বিল বাট্টাকরণ, পরিবেশক অর্থায়ন, নবায়নযোগ্য স্বল্পমেয়াদী ঋণ, কল মানি, স্বল্পমেয়াদী ঋণ ইত্যাদি আমাদের পণ্যসারিতে সংযোজন করা হয়েছে;

- সুনির্দিষ্ট পণ্য ও সেবায় অধিকতর গুরুত্ব আরোপের লক্ষ্যে কার্যক্রম ভিত্তিক বিভাগ প্রবর্তন, অভ্যন্তরীণ কর্মপ্রক্রিয়ায় গতিশীলতা আনয়ন এবং তথ্য প্রযুক্তির স্বয়ংক্রিয়করণ করা হয়েছে;
- বিনিয়োগ পোর্টফোলিও বৃদ্ধির জন্য আমরা লক্ষ্য ও গবেষণাভিত্তিক বিপণনের মাধ্যমে কর্পোরেট ঋণ প্রদানে অধিকতর মনোনিবেশ করেছি;
- তহবিলের উৎস হিসেবে বাণিজ্যিক ব্যাংকের উপর নির্ভরশীলতা কমানোর লক্ষ্যে ব্যক্তি ও প্রাতিষ্ঠানিক আমানত সংগ্রহে অধিকতর মনোনিবেশ করেছি - এ কৌশল কার্যকরী তহবিল উৎসের পাশাপাশি গড় তহবিল ব্যয় ও হ্রাস করে;
- আমরা মনে করি, মানবসম্পদ কোম্পানির সর্বোৎকৃষ্ট সম্পদ। আমাদের লক্ষ্য সঠিক কর্মী নিয়োগ ও তাদের কর্মক্ষমতা বৃদ্ধি করা, তাদের কর্মফলের মূল্যায়ন ও স্বীকৃতি প্রদান এবং প্রতিযোগিতামূলক পারিশ্রমিক প্রদান করে তাদের কোম্পানিতে ধরে রাখা।

কোম্পানির অগ্রগতির চিত্র নিম্নোক্ত ছকে সংক্ষেপে উপস্থাপন করা হলো:

মিলিয়ন টাকায়

বিবরণ	২০১১- প্রকৃত	২০১২- প্রকৃত	বৃদ্ধি (%)
পরিচালন আয়	৯৫.৭৪	১৫০.৩৬	৫৭.০৫
পরিচালন ব্যয়	৫১.৮৯	৫৫.৬০	৭.১৫
পরিচালন মুনাফা	৪৩.৮৬	৯৪.৭৬	১১৬.০৫
কর পূর্ববর্তী মুনাফা	৬.৪৮	৬৯.১৭	৯৬৭.৪৪
কর পরবর্তী মুনাফা	১৯.০৩	৩৭.১০	৯৪.৯৬
বিনিয়োগ পোর্টফোলিও	৪,০৩০.৭১	৪,৮৪৯.৪৬	২০.৩১
ব্যাংক হতে ঋণ	১,৮৮৫.৫৮	১,৬৫৬.৯৬	(১২.১২)
আমানত	১,৭৮৭.৪০	২,৮৮৭.৭১	৬১.৫৬
মূলধন ও সঞ্চিতি	৯৪৪.৪৭	৯৬০.৪১	১.৬৯
শেয়ার প্রতি মুনাফা	০.৩২	০.৬৩	৯৬.৮৮

ভবিষ্যৎ দৃষ্টিভঙ্গি

অংশীদারিত্বের ভিত্তিতে মুনাফা ও গুণগত মান বৃদ্ধি -২০১৩ সালের জন্য বিডি ফাইন্যান্সের সুনির্দিষ্ট কর্মকৌশল। আমাদের দর্শন ও প্রাথমিক লক্ষ্য সমুন্নত রেখে সকল কার্যক্রম পরিচালিত হবে এবং ব্যবসা বৃদ্ধির পাশাপাশি দেশের আর্থিক খাতে বিডি ফাইন্যান্সকে বিশেষভাবে প্রতিষ্ঠিত করা হবে। আমাদের ব্যবসা আরোও সুসংহত করতে ব্যাপক কর্মপরিকল্পনা গ্রহণ করা হয়েছে।

আমরা আশাবাদী যে আপনাদের প্রতিষ্ঠানের লক্ষ্য অর্জনে কোম্পানির ব্যবস্থাপনা কর্তৃপক্ষ সকল প্রকার বাধাবিপত্তি অতিক্রম করতে প্রস্তুত এবং বিডি ফাইন্যান্স টিম সর্বোচ্চ প্রচেষ্টা নিয়েগে দৃঢ় প্রতিজ্ঞ। আমরা বিশ্বাস করি, ব্যবসায়িক বহুমুখী নতুন উদ্ভাবিত ব্যবসায় কৌশল প্রয়োগ, কর্মীগণের অঙ্গীকার, গ্রাহক সংগ্রহের অব্যাহত উদ্যোগ আমাদেরকে লক্ষ্য অর্জনে এগিয়ে নেবার মত মানসম্পন্ন সম্পদ বৃদ্ধি, বর্তমান পোর্টফোলিওর মান উন্নয়ন করে আগামী বছরগুলোতে সকল ষ্টেকহোল্ডারদের গ্রহণযোগ্য ফলাফল অর্জনে সক্ষম হবে।

কৃতজ্ঞতা প্রকাশ

আমি আন্তরিকভাবে ধন্যবাদ জানাচ্ছি বিডি ফাইন্যান্সের সকল কর্মকর্তা ও কর্মচারীবৃন্দকে যাদের একাত্মতা, প্রতিশ্রুতি ও প্রচেষ্টার ফলে বিডি ফাইন্যান্সের আজকের এই অর্জন সম্ভবপর হয়েছে। ব্যবস্থাপনা কর্তৃপক্ষকে তাদের মূল্যবান নির্দেশনা, উৎসাহ প্রদান এবং অধিকতর ক্ষমতায়নের পাশাপাশি তাদের চলমান সুশাসন ও নৈতিক মানের প্রতি অঙ্গীকারের জন্য সম্মানিত চেয়ারম্যান এবং পর্যদের সদস্যগণের প্রতি আন্তরিক কৃতজ্ঞতা জানাচ্ছি। আমি সহযোগিতা ও সমর্থনের জন্য আরো ধন্যবাদ জানাচ্ছি আমাদের সকল পৃষ্ঠপোষক, সম্মানিত গ্রাহক, বিনিয়োগকারী এবং সকল নিয়ন্ত্রক সংস্থাসহ সকল শুভানুধ্যায়ীকে।

মহান আল্লাহ আমাদের সবার সহায় হোন।



মফিজউদ্দিন সরকার

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী

Director's Report

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assaalmu Alaikum Wa Rahmatullah

The Board of Directors of Bangladesh Finance And Investment Company Limited feels pleasure to welcome you to the 14th 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, 2012, 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 yet to get rid of the scars of the economic crisis of 2008-2009. The recovery has demonstrated to be more prolonged and challenging than any previous recession in the history. Global economic growth dropped to almost 3 percent in 2012, which indicates that the growth has been reduced by about 0.5 percent from the long-term trend since the crisis emerged. This slowing trend is likely to continue. Mature economies are still healing the wounds of the Global Economic Crisis. A unique set of challenges and opportunities are faced by businesses at the end of 2012. Critical growth factors in the near and long term include: 1) Fiscal challenges facing the countries, 2) Deregulation in key sectors of developing economies; 3) New monetary policies; 4) Commodity price uncertainty, including oil prices; and 5) Food inflation. It is expected that, growing strength of the US corporate sector could spark a quicker-than-anticipated bounce back of the global economic recovery.

The Euro zone crisis grabbed headlines for most of the year as policymakers fought a defensive action on a number of fronts. The European Central Bank (ECB) has maintained a record-low interest rate at 0.75 percent since July, 2012 earned more than \$1.3 trillion in long-term financing for the banking sector, and introduced a so unused sovereign bond-buying scheme to buy debt from countries that request bailout funds. Although forceful ECB intervention has eased risks in the euro zone, it has so far failed to arrest economic stagnation. The alarming 'fiscal cliff' could tip the US economy into recession, and China faces a challenging transition towards a more balanced growth model. As China's role in the global economy has grown rapidly over the past decade, a downturn of the China's economy would slow global growth significantly. The largest hit would be in South-East Asia owing to close trade links, while commodity exporters would also suffer from a steep fall in oil and other commodity prices. Major Advanced Economies would face a more persistent impact from the shock as their domestic policies are heavily constrained in responding to any adverse shocks.

The contraction of the euro zone and Japanese economy as well as weaker than expected growth in large emerging countries such as Brazil and India highlight the underlying weakness and downside risks facing the global economy. Emerging markets face growing challenges. The combination of weak import demand of Major Advanced Economies and domestic vulnerabilities has led to economic downturn in Brazil and India this year.

Bangladesh Economy

Despite an unfavorable global economy, GDP growth of Bangladesh is projected to close at 6 percent in the current fiscal year. During FY2012 GDP slowed down to 6.3% from 6.7% in the previous year. Bangladesh has maintained above 6%

growth over most of the last 10 years through strong export and remittance growth. Investment targets of the medium term budget framework 2013 to 2017 face major obstacles in shortage of electricity and gas supplies, and poorly functioning roads and ports. One positive prospect on the investment arena is the increase in foreign direct investment in FY2012, which surpassed the US\$ 1 billion for the second time in the history of Bangladesh. Fiscal policy is back on track. Weak external and domestic demand is projected to slow growth in FY2013, but the current account is expected to stay in surplus. Political instability in the run-up to the national election is a risk. Improving the business climate and infrastructure, deepening the finance sector, and liberalizing trade are needed to boost investment and competitiveness.

The overall budget deficit in FY2012 was 4.8 percent of GDP. Domestic financing of the deficit declined to 3.2 percent of GDP in FY 2012, from 3.5 percent in FY2011. Lower government borrowing from the banking system in the second half of FY2012 was a welcome reversal from worrying trends in the first half of the year. The FY2013 budget deficit target 5 percent of GDP is modest, though higher than the estimated 4.5 percent of FY2012, and is likely to be undershot primarily because of a shortfall in the implementation of the ambitious Tk 550 billion annual development programs. However, the financing of the deficit may be a challenge with a projected US\$2.2 billion net external financing need, substantially more than the \$1.4 billion of the revised FY12 budget. The rest of the deficit is projected to be financed from domestic sources, with a still heavy 69 percent reliance on bank borrowing.

Inflation reduced to 7.4 percent in September, due to a deceleration in both food and non-food price rises. Slowdown in global demand pushed both fuel and non-fuel commodity prices downward. Bangladesh has once again demonstrated its ability to overcome macroeconomic pressure through timely and adequate policy response. Food inflation in Bangladesh has been declining mainly because of falling rice prices. Adequate production in two consecutive years and higher government procurement have led to increased level of stock and supply of food grains. A number of safety net programs are in place to safeguard the poor from the impact of a possible global food crisis. With favorable weather condition and satisfactory stock level, Bangladesh food outlook for FY 2013 appears to be stable.

Bangladesh's economic outlook is subject to several near-term risks. Possible intensification of the euro zone crisis may deepen Bangladesh's export slump; escalation of global food prices may reverse the recent decline in food inflation; global oil price shock will place the balance of payments under pressure again and shrink fiscal space. Banks are susceptible to credit risk, market risk and the global economic vulnerabilities. Increased political instability and labor unrest may depress investments further.

Agriculture

Agriculture is a robust sector of Bangladesh economy which contributed 19.29% of the GDP in FY 2011-12. Agriculture sector attained 2.5% growth in 2012 from 5.1% in FY2011, as the growth of crop and horticulture dropped to 0.9 percent in 2012 from 5.7 percent in 2011. The contribution of crops and horticulture sub sector has decreased to 10.74 percent in FY 2012 from 14.59 percent in FY 2011. Escalation of the prices of power, fuel, and fertilizer and reduced area for the monsoon season (aman) rice crop, weakened the performance.

The agriculture and forestry sub sector recorded 5.56 percent actual growth, of which crop and horticulture contributed 6.13 percent, animal farming 3.38 percent, and forest and related services 5.23 percent In FY10. The fishing sub sector registered a 5.44 percent growth in FY11 compared to 4.15 percent actual growth of FY10.

Industry

The GDP growth was largely propelled by the industry sector which has exhibited average growth rates over the GDP growth during the last 5(five) years. The share of the industrial sector in GDP is increasing year on year basis, yet the average rate of growth of the industrial sector experienced a lower trend in the last five fiscal years compared to the previous five fiscal years for the shortage of private sector credit as well as inadequate supply of electricity. Industry sector recorded a growth of 9.47 % in 2012 compared to 8.2% in FY2011 and 6.49% in 2010. The share of industrial sector in GDP increased to 31.26% in FY 2011-12 from 30.33% in FY 2010-11. Sub-sectoral growth and share in GDP increased for manufacturing, large and medium scale industries and construction sub-sectors in FY12. The manufacturing sub sector expanded by 9.8% and construction and power both turned in somewhat better performances. The contribution of large and medium scale industries in GDP has decreased to 11.29 percent in FY 2012 from 13.12 percent in FY 2011. The contribution of small-scale industries in GDP is increasing in a negligible amount due to structural inefficiency. In the FY 2011-12, the share of small scale industries in GDP increased by only 4 percentage points than that of the previous fiscal year. Domestic market-oriented small-scale manufacturing benefited from new tax incentives and greater access to financing.

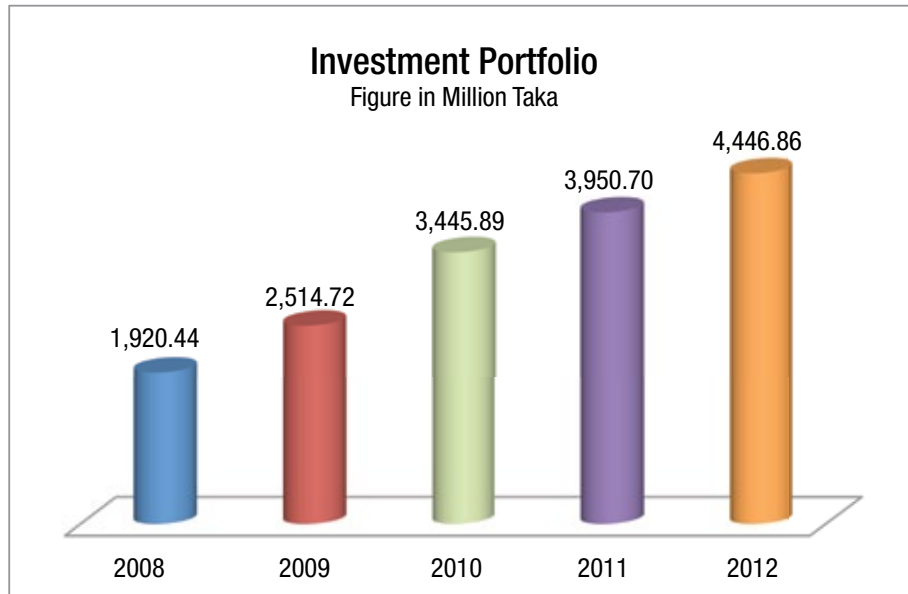
Services Sector

The service sector accounts for 49.45 percent of the GDP in FY 2011-12. Growth of the service sector slowed slightly to 6.1% in FY 2012, mainly because of lower exports and imports. Since the early nineties, growth in the service sector has been showing an increasing trend and over the last three years, it grew by 6.7% on average.

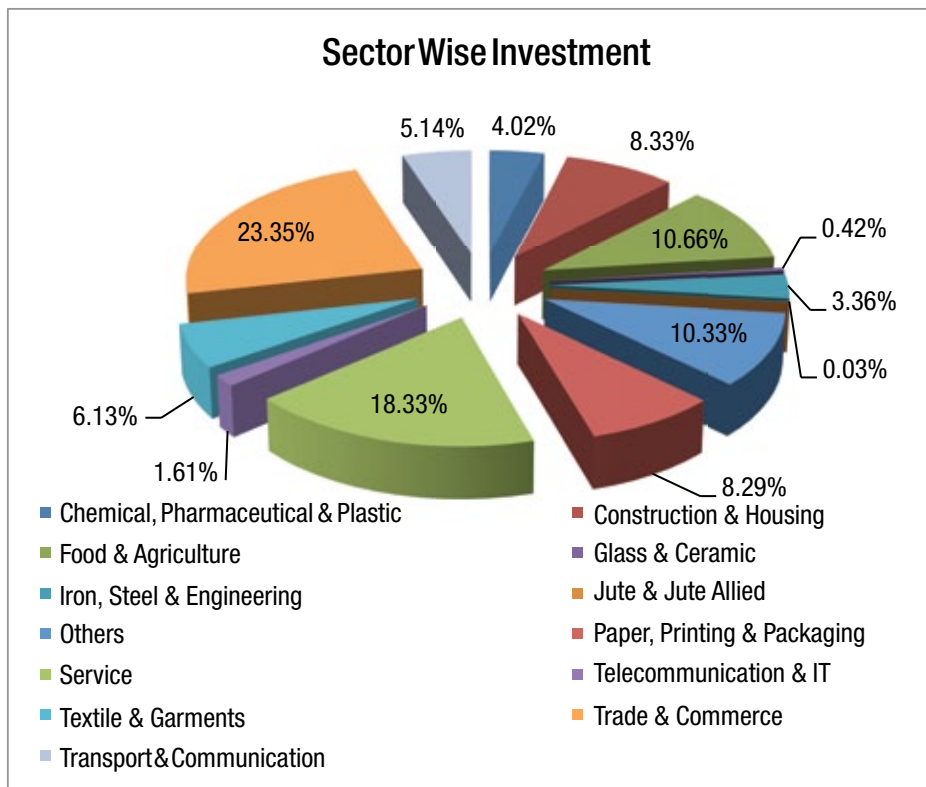
Performance Review of 2012

Starting operation of BD finance in 1999 with two product lease financing and term lending, today the company evolved as one of the premier multi-product financial institutions of the country. Prior to year 2011, the company concentrated more on capital market operation. After that the Management re-structured internal platform & in the year 2012 the company was back on the track of core business solutions with special focus in corporate finance.

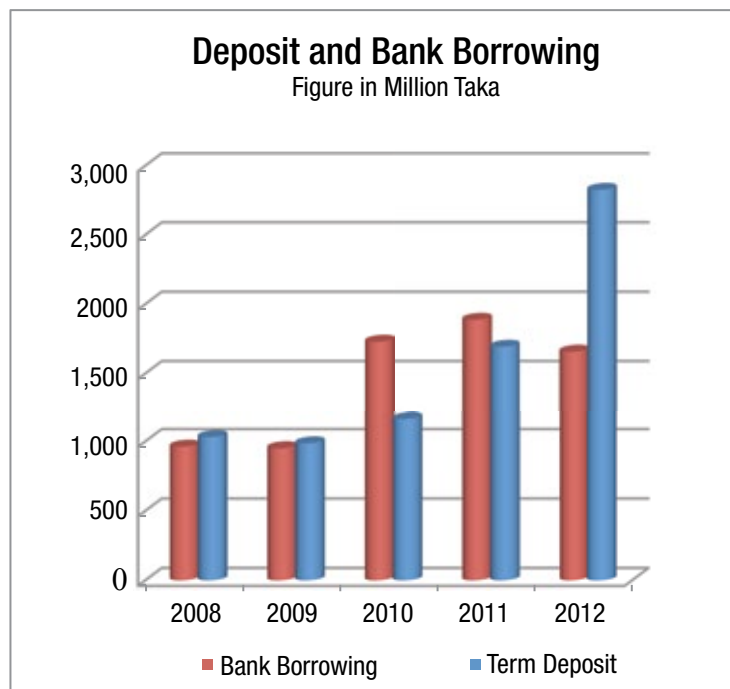
In spite of the global financial crisis affecting the Bangladesh economy experiencing tight liquidity & money flow and the prolonged bearish trend in the capital market, BD Finance performed well in the year 2012. The investment portfolio increased to TK 3,754.79 million in 2012 from TK 3,290.84 million in 2011 registering a growth of 14.10%.



The portfolio of BD Finance is well diversified sector-wise which has kept the exposure risk at minimum level. Sector-wise investment portfolio as on December 31, 2012 has been tabulated below:



We have financed 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 2012 increased to TK 33.10 million against TK 11.10 million in 2011. We received refinance of TK 16.30 million during the year 2012.

The Treasury Division had a remarkable contribution in maintaining strong liquidity of the company and reducing the average cost of fund during the year 2012. We have significantly reduced our dependence on term loan from banks by shifting our focus from bank borrowings to mobilizing individual and corporate deposits. Total deposit of BD finance increased to TK 2863.04 million in 2012 from TK 1780.18 million in 2011 registering a growth of 60.83% while the borrowing from Bank decreased from Tk. 1,885.58 million in 2011 to Tk. 1,656.96 million in 2012.

Operational performance of BD Finance is summarized below:

Particulars	Taka in million		
	2012	2011	Growth
Interest Income	703.75	469.31	49.95%
Interest Expenses	629.86	438.36	43.69%
Net Interest Income	73.89	30.95	138.74%
Total Operating income	150.36	95.74	57.05%
Profit Before Provision	69.18	6.48	967.59%
Provision Investment	25.58	37.38	-31.57%
Profit before Tax	69.17	6.48	967.44%
Net Profit After Tax	37.11	19.03	95.01%

The Interest Income increased to TK 703.75 million in 2012 from TK 469.31 million in 2011 registering a growth of 49.95 percent. The operating income stood at TK 94.76 million in 2012 from Tk 43.86 million in 2011. The net profit after tax

increased to TK 37.11 million in 2012 from TK 19.03 million in 2011 indicating a growth of 95.01 percent. Provision for investment decreased to TK 25.58 million in 2012 from TK37.38 million in 2011, which reflects substantial improvement in the quality of investment.

Human Capital

BD Finance believes that recruitment & selection of right people is the key to be continued success of a financial institution. A transparent recruitment process is being followed by the Management so that available best people are recruited on merit basis. We believe that our success lie in the quality of our human resource. BD Finance has a young, energetic team of professionals which truly believes in learning & contributing. We offer employees the opportunities to gain diverse mix of knowledge and exposures through participating in training & workshops. Apart from offering challenging working environment we ensure equal opportunities having no discrimination in terms of gender, race, origin, religion, age. Our people enjoy complete independence and freedom of expression so that they feel valued & respected.

Employee strength of the Company is presented below:

	2011	2012
Beginning of the year	43	48
New Recruitment	11	13
Released	(6)	(8)
Closing of the year	48	53

Financial Results & Appropriation

The Company posted a net profit after tax of TK 37.11 million in 2012 up by 95.01% over that of TK 19.03 million in 2011. Considering the overall environment of financial sector, prevailing financial strengths of the company, future investment scope, the Board is recommending 10% stock dividend to the shareholders for the Financial Year 2012 and propose the following appropriation:

1. Net Profit After Tax for the year 2012	:	37,101,314
2. Retained Earnings Brought Forward	:	49,944,289
Profit Available for Distribution	:	87,045,603
3. Transfer to Statutory Reserve	:	7,420,263
4. Amount Available for Declaration of Dividend	:	79,625,340
5. Proposed Dividend- 10% Stock	:	59,103,812
6. Retained Earnings Carried Forward	:	20,521,528

Subsidiary operation

First Subsidiary: BD Finance Securities Limited (BD Securities)

BD Securities, a subsidiary of BD Finance, is a reputed equity brokerage house of the country with a diverse clientele of institutions, individuals, retail investors. BD Securities offers full-fledged international standard brokerage service to its

clients. It has seat 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.

Future Outlook

2013 is expected to be another challenging year for the Financial Sector of the country, anticipating stiff competition among the banks and NBFIs, investment climate will not improve significantly as shortage of electricity, gas & infrastructure would persist. Since 2013 would be the national election year an investment friendly national budget is expected although the borrowing by the Government from the Banking Sector may increase but this can be neutralized by liberal extension of repo & reverse repo by Bangladesh Bank against Government Bond & Treasury Bills, thereby maintaining liquidity situation to normal level.

Overcoming all adversities & taking advantage of opportunities BD Finance is optimistic that 2013 would be a successful year for the company due to the following:

- Internal procedure has been streamlined & standardized.
- A few numbers of new products would be introduced during the year.
- Numbers of qualified professionals have been recruited & the overall capacity has been enhanced through imparting required training.
- Pragmatic steps undertaken to bring diversity in sources of fund to reduce the average cost of fund which would enhance our net margin on investment.
- Geographical net work expansion plan had been undertaken through opening few branches.
- During the year paid up capital of the company would be increased to Tk. 1 billion through issuance of right share.

We are confident that the above factors would act as catalyst to maintain sustainable growth of the company.

Contribution to the national economy

BD Finance likes to be a major contributor in the economy of Bangladesh through contribution to the National Exchequer by itself as well by its as invested productive enterprises and creating employment opportunities. During the year 2012 BD finance deposited TK 301,307 million to the Government Exchequer.

Risk management

The profitability and sustainability of a financial institution largely depends on how the risk is managed. A number of financial scam in the country has forced us to take a critical look at risk management practices and exposed some significant weaknesses in Credit Risk Management across the financial services industry. BD finance is continuously improving its risk management procedures to reach a level that would allow 'the right hand knows what the left is doing'. Under the new risk culture everyone consider himself or herself a risk manager with a shared understanding of the risk appetite, underpinned

by a clear governance structure for managing risk, incorporating 3(three) lines of defenses; Operation & Marketing – the business unit, Independent CRM and the Internal Audit.

Corporate & Financial Reporting Framework

The Directors in accordance with SEC Notification No. SEC. SEC/CMRRCD/2006-158/ADmn/02-08 dated February 20, 2006 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 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 SEC Notification No. SEC. SEC/CMRRCD/2006-158/ADmn/02-08 dated February 20, 2006 are presented in page No. 53.

Highlights of overall operation of the Company as per DFIM Circular No. 11 dated December 23, 2009 are also shown in page No. 142.

Shareholding Pattern

Shareholding pattern of the Company as of December 31, 2012 is shown on page No. 77 in Annexure-I of this report.

Meetings

During the year 2012 a total 11 numbers of Board meetings & 4 number of Audit Committee meetings were held and attendance of the Directors are shown on page - 78 in Annexure- II of this report.

Dividend

The Board of Directors proposed 10% stock dividend i.e, 10 (Ten) bonus shares for every 100 (One Hundred) shares for total 5,910,381 Nos. Ordinary Shares of Tk. 10/- each for the year ended December 31, 2012.

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. S. M. Didarul Alam
Mr. Md. Imtiaz

Auditors

In the 12th Annual General Meeting, the Shareholders appointed M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, as auditors of the Company for the year 2011. The auditors are due to retire in the 14th AGM of the Company and being eligible has offered themselves for re-appointment for the year 2012. As proposed by the Audit Committee, the Board recommends M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, for further appointment for the year 2013 as auditors of the Company and to fix their remuneration by the AGM subject to approval of Bangladesh Bank.

Status of Compliance on Corporate Governance

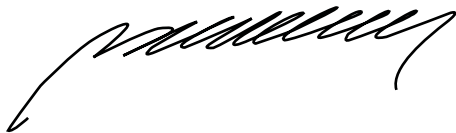
Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is presented on page No. 46.

Acknowledgement

The Board of Directors expresses heart-felt appreciation & gratitude to the valued clients, lenders, depositors, bankers & business associates for their support & cooperation. Board also expresses its gratitude to Bangladesh Bank, Securities & Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, National Board of Revenue, Registrar Joint Stock Companies & Firms and other regulatory bodies for their assistance and guidance. The Board also thanks M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, the Auditors of the Company for their efforts for timely completion of audits. Our sincere appreciation goes to the employees of the Company for their loyalty, efforts and dedication. I would take the opportunity to thank all my colleagues of the Board who have extended all sorts of cooperation to make the year 2012 another year of success for the Company.

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

For and on behalf of the Board of Directors.



Manwar Hossain
Chairman

Annexure : I

Pattern of Shareholdings as on December 31, 2012

Shareholders	No. of Shares	% of holding
i) Parent/subsidiary/Associated Companies		
Anwar Steel Mills Ltd	28,27,217	4.7835
Represented by Mr. Manwar Hossain		
Anwar Silk Mills Ltd.	11,94,809	2.0215
Represented by : Mr. Yousuf Aman		
Khaled Iron & Steel Mills Ltd.	11,92,527	2.0177
Represented by : Mr. Syed Tareq Akber Ali		
Hossain Dyeing & Printing Mills Ltd.	11,94,809	2.0215
Represented by : Mr. Mohammad Shahin Alam		
Mehmud Industries (Pvt.) Ltd.	11,93,236	2.0189
Represented by: Mrs. Rashida Yousuf		
Anwar Landmark Ltd.	5,11,315	0.8651
Anwar Jute Spinning Mills Ltd.	14,51,238	2.4554
ii) Directors & their spouses and children		
Haji M.A. Taher	21,11,828	3.5731
Mr. S.M. Didarul Alam	11,87,612	2.0094
Mr. Geasuddin Ahmed	11,84,798	2.0046
Haji Md. Yousuf	13,71,392	2.3203
Mr. Md. Imtiaz	11,99,932	2.0302
Mrs. Bibi Amena	8,07,776	1.3667
ii.a) Chief Executive Officer, his spouse & minor children	Nil	Nil
ii.b) Company Secretary, his spouse & minor children	Nil	Nil
ii.c) Chief Financial Officer, his spouse & minor children	Nil	Nil
iii) Executives	Nil	Nil
iv) Shareholders holding 10% or more voting interest	Nil	Nil
v) Others	4,35,75,323	70.5121
Total	5,91,03,812	100.00

Annexure: II
Meetings attended by the Directors during 2012

Name of Directors	Board of Director's Meeting			Audit Committee Meeting		
	The BoD Meeting held during director's tenure	Meeting attended	Attendance as % of total meeting held	The AC Meeting held during director's tenure	Meeting attended	Attendance as % of total meeting held
Mr. Anwar Hossain	3	3	100	-	-	-
Mr. Manwar Hossain	11	11	100	-	-	-
Mr. Hossain Khaled	11	6	55	4	3	75
Mr. Hossain Akhtar	3	3	100	-	-	-
Mrs. Bibi Amena	3	3	100	-	-	-
Mr. Haji M. A. Taher	3	3	100	-	-	-
Mr. Geasuddin Ahmed	11	11	100	4	4	100
Mr. S. M. Didarul Alam	11	5	45	4	0	0
Mr. Haji Md. Yousuf	3	3	100	-	-	-
Mr. Md. Imtyaz	11	11	100	-	-	-
Mr. Haider Ahmed Khan, FCA	11	10	91	4	4	100
Mr. Chowdhury Erteza Ahmed Siddique	5	1	20	-	-	-
Mrs. Shahnaz Rashid	8	8	100	-	-	-
Mrs. Rahida Yousuf	8	7	86	-	-	-
Mr. Shahin Alam	8	4	50	-	-	-
Mr. Yousuf Aman	8	7	86	2	2	100
Mr. Sayed Tareq Akber Ali	8	6	75	2	1	50

পরিচালনা পর্ষদের প্রতিবেদন

বিসমিল্লাহির রাহমানির রাহিম

প্রিয় শেয়ারহোল্ডারবৃন্দ

আসসালামু আলাইকুম

বাংলাদেশ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট কোম্পানি লিমিটেড (বিডি ফাইন্যান্স) পরিচালনাপর্ষদ আপনাদেরকে কোম্পানির ১৪তম সাধারণ সভায় স্বাগত জানাচ্ছে এবং ৩১ ডিসেম্বর, ২০১২ তারিখে সমাপ্ত অর্থ বছরের জন্য কোম্পানির নিরীক্ষিত বার্ষিক হিসাব বিবরণীসহ বার্ষিক প্রতিবেদন আপনাদের নিকট উপস্থাপন করছে। সেই সাথে কোম্পানি আইন ১৯৯৪, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, বাংলাদেশ ব্যাংক এবং বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস-এর বিধান ও নির্দেশাবলী অনুযায়ী পরিচালকদের প্রতিবেদন, নিরীক্ষকদের প্রতিবেদন ও কোম্পানির আলোচ্য বছরের কার্যাবলীর ফলাফলের উপর সংশ্লিষ্ট তথ্যাদি উপস্থাপিত হল।

বিশ্ব অর্থনৈতিক পরিস্থিতি

২০০৮-২০০৯ সালের অর্থনৈতিক মন্দার প্রভাব থেকে বিশ্ব অর্থনীতি এখনও মুক্ত হতে পারেনি। বিগত অন্যান্য আর্থিক মন্দার চেয়ে এর পুনরুদ্ধার অধিকতর দীর্ঘস্থায়ী এবং কষ্টসাধ্য হয়েছে। বিশ্ব অর্থনীতির প্রবৃদ্ধির হার ২০১২ সালে প্রায় শতকরা তিনভাগ নেমে এসেছে যা সংকট আবির্ভাবের শুরুতে দীর্ঘমেয়াদী প্রবৃদ্ধির গতিধারা থেকে শতকরা ০.৫ ভাগ কম। এ ধীরগতির প্রবৃদ্ধি অব্যাহত থাকার আশংকা করা হচ্ছে। পুনর্বিবেচিত অর্থনীতিসমূহ এখনও বিশ্ব মন্দার প্রভাব নিরাময় করছে। ব্যবসায় ক্ষেত্রে কতিপয় অনন্য সুযোগ এবং প্রতিকূলতার মধ্য দিয়ে ২০১২ সাল অতিবাহিত হয়েছে। স্বল্প ও দীর্ঘমেয়াদী প্রবৃদ্ধি অর্জনে বাধাগুলো হলো : ১. দেশে রাজস্ব আদায়ে প্রতিকূলতা ২. উন্নয়নশীল দেশে গুরুত্বপূর্ণ খাতে বিকেন্দ্রীকরণ ৩. নতুন মুদ্রানীতি ৪. জ্বালানীসহ নিত্য প্রয়োজনীয় দ্রব্যমূল্যের অনিশ্চয়তা ৫. খাদ্য মূল্যস্ফীতি । প্রত্যাশা করা হচ্ছে, যুক্তরাষ্ট্রে প্রাতিষ্ঠানিক খাতে প্রবৃদ্ধির সক্ষমতা বিশ্ব অর্থনীতির প্রত্যাশার চাইতে দ্রুত পুনরুদ্ধার ত্বরান্বিত করবে।

ইউরোজেন সংকট বছর জুড়ে বিভিন্ন মাধ্যমের শিরোনাম ছিল যখন নীতিনির্ধারকরা কয়েকটি দিক আত্মরক্ষামূলক ব্যবস্থা নিয়ে লড়াইয়ে লিপ্ত ছিল। ইউরোপীয় কেন্দ্রীয় ব্যাংক (ইসিবি) ২০১২ সালের জুলাই মাস থেকে রেকর্ড সর্বনিম্ন সুদের হার ০.৭৫ শতাংশে রাখা, ব্যাংকিং খাতে দীর্ঘমেয়াদী অর্থায়ণ ১.৩ ট্রিলিয়ন মার্কিন ডলার উপার্জন করেছে, সহায়তা তহবিলের অনুরোধ করেছে এমন দেশ হতে কম প্রচলিত সার্বভৌম বন্ড-ক্রয় প্রকল্প প্রবর্তন করেছে। যদিও ইসিবি কর্তৃক জোরপূর্বক হস্তক্ষেপ ইউরো অঞ্চলের সংকট সহজতর করেছে তবে অর্থনৈতিক অচলাবস্থা দূরীকরণে ব্যর্থ হয়েছে। উদ্বেগজনক ‘ফিসকেল ক্লিফ’ যুক্তরাষ্ট্রের অর্থনীতিকে মন্দায় পতিত করতে পারত এবং চীন অধিকতর সুষম উন্নয়ন মডেল এ উত্তরণের প্রতিদ্বন্দ্বিতাপূর্ণ ক্রান্তিকালের সম্মুখীন। চীনের অর্থনীতি প্রবৃদ্ধি হ্রাস বিশ্ব অর্থনীতির প্রবৃদ্ধিকে মন্থর করতে পারে কারণ বিগত দশকে বিশ্ব অর্থনীতিতে চীনের অবদান উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে। সবচেয়ে বড় আঘাত হবে দক্ষিণ এশিয়ায় যেখানে পণ্য রপ্তানিকারকেরাও জ্বালানী ও দ্রব্যমূল্যের পতনে ক্ষতিগ্রস্ত হবে। অধিক সমৃদ্ধ অর্থনীতি ক্রমাগত অধিকতর প্রভাবের সম্মুখীন হবে যেহেতু তাদের অভ্যন্তরীণ নীতি যেকোন বৈরি সংকট মোকাবেলায় অপ্রস্তুত।

ইউরো অঞ্চল এবং জাপানী অর্থনীতির সংকটের পাশাপাশি ব্রাজিল ও ভারতের মতো বৃহৎ উদীয়মান দেশে প্রত্যাশার চেয়ে কম প্রবৃদ্ধির কারণে বিশ্ব অর্থনীতি অন্তর্নিহিত দুর্বলতা এবং বিরূপ ঝুঁকির মুখোমুখি হচ্ছে। উদীয়মান বাজার ক্রমবর্ধমান প্রতিকূলতার মুখোমুখি হচ্ছে। অধিক সমৃদ্ধশালী দেশে কম আমদানি চাহিদার সাথে অভ্যন্তরীণ দুর্বলতা যুক্ত হয়ে এবছর ভারত ও ব্রাজিলে অর্থনৈতিক নিম্ন প্রবণতা পরিলক্ষিত হয়।

বাংলাদেশের অর্থনীতি

আন্তর্জাতিক অর্থনীতিতে প্রতিকূলতা সত্ত্বেও, এই বছরে বাংলাদেশের জিডিপি প্রবৃদ্ধির লক্ষ্যমাত্রা শতকরা ৬ ভাগের কাছাকাছি নির্ধারণ করা হয়েছে। পূর্ববর্তী বছরের ৬.৭% এর তুলনায় ২০১২ অর্থবছরে জিডিপি হ্রাস পেয়ে ৬.৩%-এ দাঁড়ায়। উল্লেখযোগ্য পরিমাণ রপ্তানি এবং রেমিট্যান্স বৃদ্ধির কারণে বাংলাদেশ বিগত দশ বছর প্রায় সব বছরই জিডিপি-এর প্রবৃদ্ধি ৬% এর উপরে ধরে রাখতে সমর্থ হয়েছে। ২০১৩-২০১৭ সালে মধ্য মেয়াদী বাজেটে বিনিয়োগের লক্ষ্যমাত্রা অর্জনের ক্ষেত্রে বিদ্যুৎ ও গ্যাসের অপরিপূর্ণতা, সড়ক এবং বন্দরের দুর্ভাবস্থা মূল প্রতিবন্ধকতা হিসেবে প্রতীয়মান হবে। তবে বিনিয়োগের ক্ষেত্রে আশার বাণী হলো ২০১২ অর্থবছরে বৈদেশিক বিনিয়োগের বৃদ্ধি যা বাংলাদেশের ইতিহাসে দ্বিতীয়বারের মত ১০০ কোটি মার্কিন ডলার ছাড়িয়েছে। রাজস্বনীতি মূলধারায় ফিরে এসেছে। অভ্যন্তরীণ এবং বৈদেশিক অপ্রতুল চাহিদার কারণে ২০১৩ অর্থবছরে ধীর প্রবৃদ্ধির লক্ষ্যমাত্রা স্থির করা হলেও চলতি হিসাবে উদ্বৃত্ত আশা করা হচ্ছে। জাতীয় নির্বাচন প্রস্তুতিপর্বে রাজনৈতিক অস্থিরতা হুমকিস্বরূপ। বিনিয়োগ এবং প্রতিযোগিতা বৃদ্ধির লক্ষ্যে ব্যবসার অনুকূল পরিবেশ সৃষ্টি এবং অবকাঠামো উন্নয়ন, আর্থিক খাতকে সমৃদ্ধকরণ, বাণিজ্য উদারীকরণ করা প্রয়োজন।

২০১২ অর্থ বছরে বাজেট ঘাটতি মোট জিডিপি-র ৪.৮ শতাংশ। ২০১১ অর্থ বছরে ৩.৫ শতাংশের তুলনায় ২০১২ অর্থ বছরে ঘাটতিতে অভ্যন্তরীণ অর্থায়ন জিডিপি-র ৩.২ শতাংশে নেমে আসে। ২০১২ অর্থবছরের প্রথমভাগে ভিত্তিক অবস্থার বিপরীতে দ্বিতীয়ভাগে ব্যাংকিং খাত থেকে সরকারের নিম্নমুখী ঋণ গ্রহণ প্রবণতা ছিল স্বস্তিদায়ক। ২০১২ অর্থ বছরে বাজেট ঘাটতি জিডিপি ৪.৫ শতাংশ হলেও ২০১৩ অর্থবছরে এই ঘাটতি ৫ শতাংশে নির্ধারণ করা হয়েছে যা গ্রহণযোগ্য তবে ৫৫,০০০ কোটি টাকার উচ্চভিত্তিক বার্ষিক উন্নয়ন কার্যক্রম প্রাথমিকভাবে পুরোপুরি বাস্তবায়ন না হলে এ ঘাটতি কিছুটা কমেতে পারে। এটি কিছুটা চ্যালেঞ্জের সম্মুখীন হবে, কেননা ঘাটতি পূরণে প্রায় নীট ২২০ কোটি মার্কিন ডলার বৈদেশিক অর্থায়ন প্রয়োজন, যা ২০১২ অর্থবছরের সম্পূর্ণ

বাজেটের চেয়ে ১৪০ কোটি মার্কিন ডলার বেশী। বাকি ঘাটতি অভ্যন্তরীণ উৎস থেকে পূরণ করা হবে বলে আশা করা যাচ্ছে, যদিও এর ৬৯% ভাগই ব্যাংক খাতের উপর নির্ভরশীল।

খাদ্য এবং বর্হিভূত পণ্যের দীর্ঘগতির মূল্যবৃদ্ধির কারণে সেপ্টেম্বর মাসে মুদ্রাস্ফীতি ৭.৪ শতাংশে হ্রাস পেয়েছে, আন্তর্জাতিক চাহিদা হ্রাসের প্রেক্ষিতে জ্বালানি এবং জ্বালানি বর্হিভূত পণ্যের মূল্য হ্রাস পায়। সময়োপযোগী যথাযথ নীতি প্রনয়ণের মধ্য দিয়ে সামষ্টিক অর্থনীতির চাপ কাটিয়ে উঠতে বাংলাদেশ আবারও সক্ষমতার পরিচয় দিয়েছে। প্রধানত: চালের মূল্য হ্রাসের ফলে বাংলাদেশের খাদ্য মূল্যস্ফীতি হ্রাস পেয়েছে। পরপর দুই বছরের পর্যাপ্ত উৎপাদন এবং সরকারের অধিক ক্রয়ের কারণে খাদ্যের মজুদ ও যোগান দুই-ই বৃদ্ধি পেয়েছে। সাম্রা্য বিশ্ব খাদ্যসংকট থেকে দরিদ্র জনগোষ্ঠীকে রক্ষার লক্ষ্যে বেশ কিছু নিরাপত্তামূলক কার্যক্রম হাতে নেওয়া হয়েছে। সন্তোষজনক মজুদ এবং অনুকূল আবহাওয়া বিরাজমান থাকলে ২০১৩ অর্থবছরে বাংলাদেশ খাদ্য পরিস্থিতি স্বাভাবিক থাকবে বলে আশা করা হচ্ছে।

বাংলাদেশের অর্থনৈতিক ভবিষ্যৎ বেশকিছু আসন্ন ঝুঁকির উপর নির্ভর করছে। ইউরো অঞ্চল অর্থনৈতিক সংকটের সম্ভাব্য তীব্রতা বাংলাদেশের রপ্তানিতে গভীর মন্দা বয়ে আনতে পারে; আন্তর্জাতিক বাজারে খাদ্যমূল্যের বৃদ্ধির ফলে সাম্প্রতিক খাদ্যমূল্যস্ফীতি যা হ্রাস পেয়েছে তা আবার বেড়ে যেতে পারে; আন্তর্জাতিক বাজারে তেলের মূল্যবৃদ্ধিতে বাংলাদেশের মুদ্রা ভারসাম্য আবারও চাপের মুখে পড়বে এবং রাজস্ব আয়তন সংকোচিত হবে। ব্যাংকগুলো ঋণ ঝুঁকি, বাজার ঝুঁকি এবং আন্তর্জাতিক অর্থনৈতিক আক্রমণের সংবেদনশীল। ক্রমবর্ধমান রাজনৈতিক অস্থিরতা এবং শ্রমিক অসন্তোষ বাংলাদেশের বিনিয়োগকে পুনরায় ঝুঁকির মধ্যে ফেলতে পারে।

কৃষিখাত

কৃষি বাংলাদেশের অর্থনীতির খুবই শক্তিশালী খাত এবং ২০১১-১২ অর্থবছরে জিডিপিতে যার অবদান ছিল শতকরা ১৯.২৯ ভাগ। ফসল ও হার্টিকালচার-এর প্রবৃদ্ধি ২০১১ সালের শতকরা ৫.৭ ভাগের তুলনায় ২০১২ সালে শতকরা ০.৯ ভাগে নেমে আসার পরিপ্রেক্ষিতে ২০১২ সালে কৃষিখাতে শতকরা ২.৫ ভাগ প্রবৃদ্ধি অর্জিত হয় যা ২০১১ অর্থবছরে ছিল শতকরা ৫.১ ভাগ। ফসল ও হার্টিকালচার উপখাতের অবদান ২০১১ সালের শতকরা ১৪.৫৯ ভাগের তুলনায় ২০১২ অর্থবছরে তা শতকরা ১০.৭৪ ভাগে নেমে আসে। বিদ্যুৎ, জ্বালানী এবং সারের ধাপে ধাপে মূল্যবৃদ্ধি এবং বর্ষা মৌসুমে আবাদযোগ্য ভূমি হ্রাস পাওয়ার ফলে কাজিত ফলাফল অর্জিত হয়নি।

২০১২ অর্থবছরে কৃষি এবং বনায়ন উপখাতে প্রবৃদ্ধির হার ছিল শতকরা ৫.৫৬ ভাগ যার মধ্যে শস্য ও হার্টিকালচার শতকরা ৬.১৩ ভাগ, গবাদি পশুপালন শতকরা ৩.৩৮ ভাগ, বনায়ন ও অন্যান্য সেবা শতকরা ৫.২৩ ভাগ। মৎস্য উপখাতে ২০১০ অর্থবছরের শতকরা ৪.১৫ ভাগ প্রবৃদ্ধির তুলনায় ২০১১ অর্থবছরে শতকরা ৫.৪৪ ভাগ প্রবৃদ্ধি অর্জিত হয়।

শিল্পখাত

আমাদের জিডিপি মূল চালিকাশক্তি শিল্পখাতে বিগত ৫ বছরে গড় প্রবৃদ্ধির হার মোট জিডিপি প্রবৃদ্ধির হারকে ছাড়িয়ে গেছে। জিডিপিতে শিল্পখাতের অবদান বছরের পর বছর বৃদ্ধি পাচ্ছে তবে বেসরকারি খাতে ঋণ এবং বিদ্যুৎ সরবরাহে ঘাটতির কারণে বিগত ৫ বছরের গড় প্রবৃদ্ধি পূর্বের ৫ বছরের গড় প্রবৃদ্ধির তুলনায় নিম্নমুখী প্রবণতা লক্ষ্য করা গেছে। শিল্পখাতে ২০১০ সালের শতকরা ৬.৪৯ ভাগের তুলনায় ২০১১ সালে শতকরা ৮.২ ভাগ এবং ২০১২ সালে শতকরা ৯.৪৭ ভাগ প্রবৃদ্ধি অর্জিত হয়। জিডিপিতে শিল্পখাতের অবদান ২০১০-১১ অর্থবছরে শতকরা ৩০.৩৩ ভাগের চেয়ে বৃদ্ধি পেয়ে ২০১১-১২ অর্থবছরে তা শতকরা ৩১.২৬ ভাগে দাঁড়িয়েছে। ২০১২ সালে উৎপাদন খাত, বৃহৎ ও মাঝারি শিল্প ও নির্মাণ শিল্প উপখাতের প্রবৃদ্ধি এবং মোট জিডিপিতে অবদান বৃদ্ধি পেয়েছে। উৎপাদন উপখাতে শতকরা ৯.৮ ভাগ বৃদ্ধির পাশাপাশি নির্মাণ ও বিদ্যুৎ খাতের কিছু অগ্রগতি পরিলক্ষিত হয়। মোট জিডিপিতে বিদ্যুৎ ও মাঝারি শিল্পের অবদান ২০১১ অর্থবছরের শতকরা ১৩.১২ ভাগের তুলনায় হ্রাস পেয়ে ২০১২ সালে শতকরা ১১.২৯ ভাগে দাঁড়িয়েছে। সাংগঠনিক অদক্ষতার কারণে মোট জিডিপিতে ক্ষুদ্র শিল্পের অবদান খুব সামান্যই বৃদ্ধি পেয়েছে। বিগত অর্থবছরের তুলনায় ২০১১-১২ অর্থবছরে জিডিপিতে ক্ষুদ্র শিল্পের অবদান বৃদ্ধি পায় শতকরা ৪ ভাগ। নতুন কর প্রণোদনা এবং ঋণ সুবিধার কারণে অভ্যন্তরীণ বাজার নির্ভর ক্ষুদ্র শিল্প উপকৃত হয়েছে।

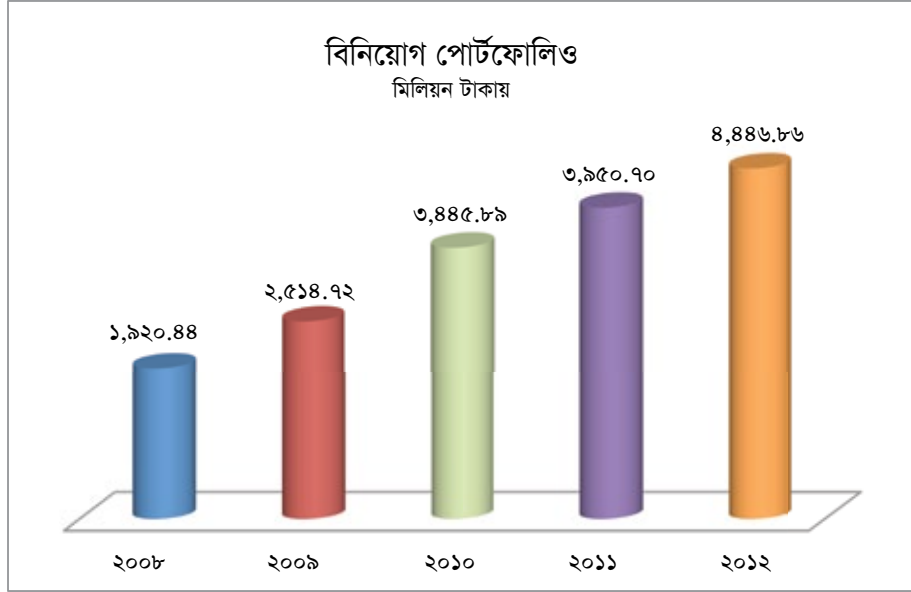
সেবাখাত

২০১১-১২ অর্থবছরে মোট জিডিপিতে সেবাখাতের অবদান ছিল ৪৯.৪৫ ভাগ। সীমিত আমদানি ও রপ্তানির কারণে সেবাখাতে ২০১২ অর্থবছরে শতকরা ৬.১ ভাগ দীর্ঘ প্রবৃদ্ধি অর্জিত হয়। নব্বই শতকের গোড়ার দিক থেকে সেবাখাতের ক্রমবর্ধমান প্রবণতা লক্ষ্য করা যায় এবং বিগত তিন বছর ধরে এখাত গড়ে শতকরা ৬.৭ ভাগ বৃদ্ধি পেয়েছে।

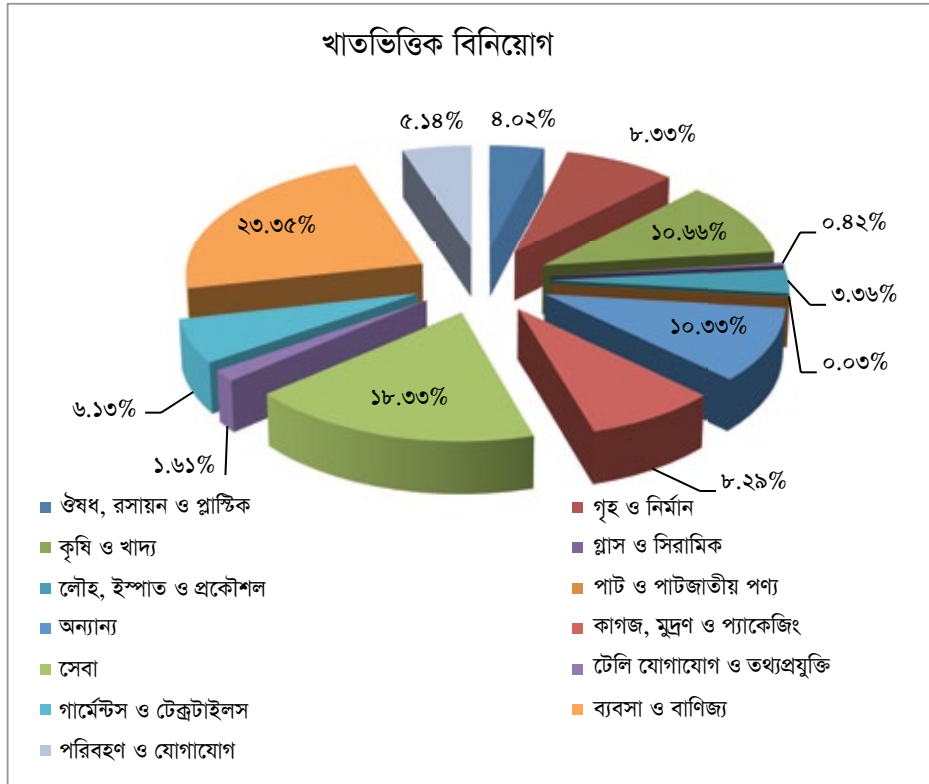
ব্যবসায়িক পর্যালোচনা ২০১২

মেয়াদী ঋণ এবং লিজ অর্থাৎ এ দুটি পণ্য ও সেবা নিয়ে ১৯৯৯ সালে বিডি ফাইন্যান্স-এর যাত্রা শুরু হলেও বর্তমানে এটি দেশের শীর্ষস্থানীয় বহুবিধ সেবা প্রদানকারী আর্থিক প্রতিষ্ঠান হিসেবে পরিগণিত হয়েছে। ২০১১ সালের পূর্বে কোম্পানি শেয়ার বাজারে অধিকতর মনোযোগী ছিল। পরিবর্তীতে ব্যবস্থাপনা কর্তৃপক্ষ অভ্যন্তরীণ কাঠামো পুনর্গঠন করে এবং প্রাতিষ্ঠানিক অর্থায়নে বিশেষ গুরুত্ব প্রদানের মধ্য দিয়ে মূলধারার ব্যবসায় ফিরে আসে।

বাংলাদেশে বিশ্ব অর্থনীতির মন্দার প্রভাবে মুদ্রাবাজারে অর্থের প্রবাহ, তীব্র তারল্য সংকট এবং শেয়ারবাজারে দীর্ঘগতির প্রবণতা সত্ত্বেও ২০১২ সালে বিডি ফাইন্যান্স-এর অগ্রগতি ছিল সন্তোষজনক। বিনিয়োগ পোর্টফোলিও ২০১১ সালের ৩২৯০.৮৪ মিলিয়ন টাকার তুলনায় শতকরা ১৪.১০ ভাগ বৃদ্ধি পেয়ে ২০১১ সালে ৩৭৫৪.৭৯ মিলিয়ন টাকায় উন্নীত হয়।

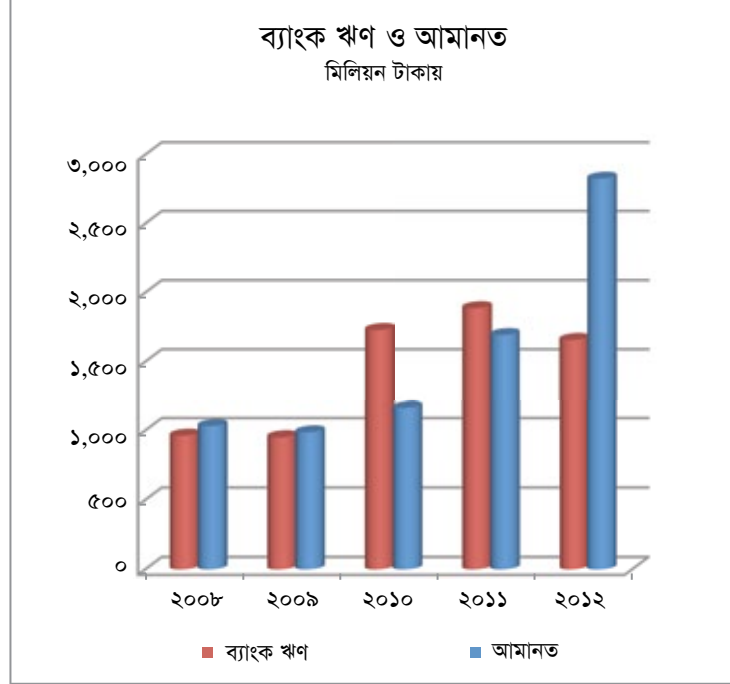


বিডি ফাইন্যান্সে খাতভিত্তিক বিনিয়োগ যথেষ্ট বহুমুখী যা প্রদর্শিত (exposure) ঝুঁকি সর্বনিম্ন স্তরে রাখতে সক্ষম হয়। ডিসেম্বর ৩১, ২০১২-এর খাতভিত্তিক বিনিয়োগ নিম্নে সারণীবদ্ধ করা হলো।



এসএমই কার্যক্রমের আওতায় আমরা বিভিন্ন ব্যবসা প্রতিষ্ঠানে অর্থায়ন করেছি এবং বাংলাদেশ ব্যাংক, জাইকা ও মহিলা উদ্যোক্তা ঋণ পুনঃঅর্থায়ন কর্মসূচিতে অংশগ্রহণ করি। এসএমই খাতে মোট ঋণের পরিমাণ ২০১২ সালে বৃদ্ধি পেয়ে টাকা ৩৩.১০ মিলিয়নে উন্নীত হয় যা ২০১১ সালে ছিল টাকা ১১.১০ মিলিয়ন। ২০১২ সালে আমরা মোট ২৬.৩০ মিলিয়ন টাকা পুনঃঅর্থায়ন পাই।

২০১২ সালে সুদূঢ় তারল্য বজায় রাখা এবং তহবিলের গড় মূল্য কমিয়ে রাখার ক্ষেত্রে ট্রেজারি বিভাগের লক্ষণীয় অবদান ছিল। ব্যাংক ঋণ থেকে সরে এসে কর্পোরেট ও ব্যক্তিগত আমানত সংগ্রহে মনোযোগ পরিবর্তন করে আমরা গুরুত্বপূর্ণভাবে ব্যাংকের মেয়াদী ঋণের উপর নির্ভরশীলতা হ্রাস করেছি। বিডি ফাইন্যান্সের মোট দায় ২০১২ সালে ৬০.৮৩% বৃদ্ধি পেয়ে ২৮৬৩.০৪ মিলিয়ন টাকায় উন্নীত হয় যা ২০১১ সালে ছিল ১৭৮০.১৮ মিলিয়ন টাকা। ব্যাংক ঋণের পরিমাণ ২০১১ সালের ১৮৮৫.৫৮ মিলিয়ন টাকা থেকে ২০১২ সালে ১৬৫৬.৯৬ মিলিয়ন টাকায় হ্রাস পায়।



বিডি ফাইন্যান্সের পরিচালনা কার্যাবলীর অগ্রগতি সংক্ষেপে নিম্নরূপ:

বিবরণ	মিলিয়ন টাকায়		
	২০১২	২০১১	বৃদ্ধির হার
সুদ থেকে আয়	৭০৩.৭৫	৪৬৯.৩১	৪৯.৯৫%
সুদ প্রদান	৬২৯.৮৬	৪৩৮.৩৬	৪৩.৬৯%
নিট সুদ আয়	৭৩.৮৯	৩০.৯৫	১৩৮.৭৪%
মোট পরিচালনা আয়	১৫০.৩৬	৯৫.৭৪	৫৭.০৫%
কর-পূর্ববর্তী সঞ্চিতি	৬৯.১৮	৬.৪৮	৯৬৭.৫৯%
বিনিয়োগের জন্য সঞ্চিতি	২৫.৫৮	৩৭.৩৮	- ৩১.৫৭%
কর-পূর্ব মুনাফা	৬৯.১৭	৬.৪৮	৯৬৭.৪৪%
কর-পরবর্তী মুনাফা	৩৭.১১	১৯.০৩	৯৫.০১%

সুদ থেকে আয় ২০১২ সালে ৪৯.৯৫% প্রবৃদ্ধি লাভ করে ১০১১ সালের ৪৬৯.৩১ মিলিয়ন টাকা থেকে বৃদ্ধি পেয়ে ৭০৩.৭৫ মিলিয়ন টাকায় উন্নীত হয়। ২০১২ সালে পরিচালনা আয় ৯৫.৭৬ মিলিয়ন টাকায় উন্নীত হয় যা ২০১১ সালে ছিল ৪৩.৮৬ মিলিয়ন টাকা। কর পরবর্তী নিট আয় ৯৫.০৫% প্রবৃদ্ধি লাভ করে ২০১১ সালের ১৯.০৩ মিলিয়ন টাকা থেকে বৃদ্ধি পেয়ে ২০১২ সালে ৩৭.১১ মিলিয়ন টাকায় উন্নীত হয়। বিনিয়োগের উপর সঞ্চিতি ২০১২ সালের ৩৭.৩৮ মিলিয়ন টাকা থেকে ২০১১ সালে ২৫.৫৮ মিলিয়ন টাকায় হ্রাস পায় যা বিনিয়োগের গুণগত মানের ব্যাপক উৎকর্ষতার প্রতিফলন।

মানব সম্পদ

বিডি ফাইন্যান্স বিশ্বাস করে যথাযথ জনবল নির্বাচন ও নিয়োগ একটি আর্থিক প্রতিষ্ঠানের স্থায়ী সফলতার চাবিকাঠি। ব্যবস্থাপনা কর্তৃপক্ষ একটি স্বচ্ছ বাছাই প্রক্রিয়া অনুসরণ করে যেন প্রাপ্ত সর্বোত্তম ব্যক্তিবর্গ মেধার ভিত্তিতে নির্বাচিত হয়।

আমরা বিশ্বাস করি মানব সম্পদের গুণগতমানের উপর আমাদের সফলতা নির্ভরশীল। বিডি ফাইন্যান্সের রয়েছে একঝাঁক নবীন পেশাজীবী কর্মীবাহিনী যা জ্ঞানার্জন এবং অবদানে আন্তরিকভাবে বিশ্বাসী। আমরা কর্মীদের প্রশিক্ষণ ও ওয়ার্কশপে অংশ গ্রহণের মাধ্যমে বিভিন্ন জ্ঞান ও অভিজ্ঞতা লাভের সুযোগ দিয়ে

থাকি। প্রতিদ্বন্দ্বিতাপূর্ণ কর্মপরিবেশ ছাড়াও আমরা নারী-পুরুষ, জাতী-ধর্ম, বর্ণ, বয়স নির্বিশেষে সকলের সমান সুযোগ নিশ্চিত করি। আমাদের কর্মীরা পূর্ণ স্বাধীনতা ও মত প্রকাশের অধিকার উপভোগ করে যার ফলে তারা মূল্যবান ও সম্মানিত বোধ করে।

কোম্পানির মানবসম্পদের বিবরণ নিম্নে প্রদত্ত হল:

	২০১১	২০১২
বছরের শুরুতে স্থিতি	৪৩	৪৮
নতুন নির্বাচন	১১	১৩
অব্যাহতি প্রদান	(৬)	(৮)
বছরের শেষে স্থিতি	৪৮	৫৩

আর্থিক ফলাফল ও বন্টন

কোম্পানির কর পরবর্তী নীট আয় ২০১১ সালের ১৯.০৩ মিলিয়ন টাকা থেকে ৯৫.০১% প্রবৃদ্ধি লাভ করে ২০১২ সালে ৩৭.১১ মিলিয়ন টাকায় উন্নীত হয়। আর্থিক খাতের সার্বিক পরিবেশ, কোম্পানীর বিরাজমান আর্থিক সক্ষমতা, ভবিষ্যৎ বিনিয়োগ সুযোগ বিবেচনা করে বোর্ড ২০১২ সালে শেয়ার হোল্ডারদের জন্য ১০% স্টক ডিভিডেন্ট প্রদানের সুপারিশ করে এবং নিম্নলিখিত বন্টন প্রস্তাব করেছে:

১. ২০১২ সালের কর পরবর্তী মুনাফা	:	৩৭,১০১,৩১৪
২. পূঞ্জীভূত আয় - পূর্ববর্তী বছর হতে আনীত	:	৪৯,৯৪৪,২৮৯
বিতরণযোগ্য মুনাফা	:	৮৭,০৪৫,৬০৩
৩. বিধিবদ্ধ সঞ্চিতে স্থানান্তর	:	৭,৪২০,২৬৩
৪. ঘোষণাযোগ্য লভ্যাংশের পরিমাণ	:	৭৯,৬২৫,৩৪০
৫. প্রস্তাবিত লাভাংশ - ১০% বোনাস শেয়ার	:	৫৯,১০৩,৮১২
৬. পূঞ্জীভূত আয় - পরবর্তী বছর স্থানান্তর	:	২০,৫২১,৫২৮

সাবসিডিয়ারী কার্যক্রম

প্রথম সাবসিডিয়ারী : বিডি ফাইন্যান্স সিকিউরিটিজ লিমিটেড (বিডি সিকিউরিটিজ)

বিডি ফাইন্যান্সের সাবসিডিয়ারী বিডি সিকিউরিটিজ প্রাতিষ্ঠানিক, ব্যক্তি, সাধারণ বিনিয়োগকারী সহ নানা রকম বিনিয়োগকারীদের নিয়ে দেশের একটি সুখ্যাত শেয়ার ব্রোকারেজ হাউজ। বিডি সিকিউরিটিজ তার বিনিয়োগকারীদের আন্তর্জাতিক মানের পরিপূর্ণ ব্রোকারেজ সেবা দিয়ে তাকে। এটির ঢাকা স্টক এক্সচেঞ্জের সদস্য পদ রয়েছে। নভেম্বর ২০১১ সালে এটি কার্যক্রম শুরু করে। অত্যন্ত স্বল্প সময় বিডি সিকিউরিটিজ এই খাতে একটি শক্তিশালী প্রতিষ্ঠান হিসেবে আবির্ভূত হয়।

দ্বিতীয় সাবসিডিয়ারী : বিডি ফাইন্যান্স ক্যাপিটাল হোল্ডিংস লিমিটেড (বিডি ক্যাপিটাল)

বিডি ফাইন্যান্সের ১০০% সাবসিডিয়ারী কোম্পানি। ২৬ ফেব্রুয়ারী ২০১২ সালে এস সি থেকে পুরপূর্ণ মার্চেন্ট ব্যাংকার হিসাবে অনুমোদন লাভ করে। কোম্পানির মূল ব্যবসা পোর্টফোলিও ব্যবস্থাপনা, ইস্যু ব্যবস্থাপনা, সিকিউরিটিজ আন্ডাররাইটিং এবং পরামর্শ সেবা। কোম্পানিটি কার্যক্রম শুরুর সন্মুখকালে।

ভবিষ্যৎ পূর্বাভাস

আশা করা যায় ২০১৩ সাল দেশের আর্থিক খাতের জন্য আর একটি কঠিন বছর। এই প্রত্যাশা করে যে, ব্যাংক ও আর্থিক প্রতিষ্ঠানগুলোর মধ্যে তীব্র প্রতিযোগিতা, গ্যাস, বিদ্যুৎ অবকাঠামোর অপরিপূর্ণতার জন্য বিনিয়োগ পরিস্থিতি খুব একটা উন্নতি সাধন হবেনা। যেহেতু ২০১৩ জাতীয় নির্বাচন বছর তাই একটি বিনিয়োগ বান্ধব জাতীয় বাজেট আশা করা যায় যদিও ব্যাংকিং খাত থেকে সরকারের ঋণ বৃদ্ধি পেতে পারে যা অবশ্য বাংলাদেশ ব্যাংকের সরকারি বণ্ড ও ট্রেজারী বিলের বিপরীতে রেপো ও রিভার্স রেপো দিয়ে নিষ্ক্রিয় করে তদনুযায়ী তারল্য পরিস্থিতি স্বাভাবিক স্তরে বজায় রাখা যেতে পারে।

সকল দৈবদুর্বিপাক পরাভূত করে এবং সুযোগের সদ্ব্যবহার করে ২০১৩ কোম্পানির জন্য একটি সফল বছর হবে বলে বিডি ফাইন্যান্স নিম্নলিখিত কারণে আশাবাদী:

- অভ্যন্তরীণ কার্যপ্রণালী দক্ষতার এবং প্রমিত করা হয়েছে।
- এ বছর কিছু নতুন পণ্য ও সেবার প্রবর্তন করা হবে।
- বেশ কিছু যোগ্যতা সম্পন্ন পেশাজীবী নিয়োগ দেয়া হয়েছে এবং প্রয়োজনীয় প্রশিক্ষণের মাধ্যমে সার্বিক সক্ষমতা বৃদ্ধি করা হয়েছে।
- তহবিলের উৎসের বৈচিত্র্য আনয়ন ও গড় তহবিল কমানোর জন্য কার্যসিদ্ধিমূলক ব্যবস্থা গ্রহণ করা হয়েছে যা আমাদের বিনিয়োগের উপর নিট মার্জিন বৃদ্ধি করবে।
- নতুন শাখা খোলার মাধ্যমে ভৌগলিক আওতা সম্প্রসারণের পরিকল্পনা নেয়া হয়েছে।
- এ বছর কোম্পানির পরিশোধিত মূলধন রাইট শেয়ার ইস্যুর মাধ্যমে ১০০ কোটি টাকায় উন্নীত করা হবে। আমরা অস্থায়ী যে উল্লেখিত উপাদানসমূহ কোম্পানির অব্যাহত প্রবৃদ্ধি অক্ষুণ্ণ রাখার ক্ষেত্রে সহায়ক ভূমিকা রাখবে।

জাতীয় কোষাগারে কোম্পানির অবদান

জাতীয় কোষাগারে নিজস্ব অর্থ প্রদান সহ উৎপাদনশীল খাতে বিনিয়োগের মাধ্যমে বিডি ফাইন্যান্স বাংলাদেশের অর্থনীতিতে গুরুত্বপূর্ণ অবদান রাখতে চায়। ২০১২ সালে বিডি ফাইন্যান্স সরকারী কোষাগারে ৩০১.৩১ মিলিয়ন টাকা জমা দিয়েছে।

ঝুঁকি ব্যবস্থাপনা

একটি আর্থিক প্রতিষ্ঠানের মুনাফা অর্জন অব্যাহত রাখা ঋণের ঝুঁকি নিয়ন্ত্রণের উপর বহুলাংশে নির্ভরশীল। দেশের বেশ কিছু আর্থিক কেলেংকারীর ঘটনা আমাদেরকে ঝুঁকি ব্যবস্থাপনা রীতিনীতি নিয়ে সমালোচনার দৃষ্টিতে দেখতে বাধ্য করেছে এবং তা আর্থিক খাতে ঝুঁকি ব্যবস্থাপনার কিছু তাৎপর্যপূর্ণ দুর্বলতা উন্মোচন করেছে। বিডি ফাইন্যান্স তার ঝুঁকি ব্যবস্থাপনা কার্যপ্রণালী অবিরাম উন্নতিসাধনে সচেষ্ট যাতে এমন পর্যায়ে পৌঁছা যায় যে 'ডান হাত জানে যে বাম হাত কি করছেন'। নতুন ঝুঁকি ব্যবস্থাপনা সংস্কৃতিতে প্রতিটি কর্মী ঝুঁকি ক্ষুধা নিয়ে পারস্পরিক বোঝাপোড়া সাপেক্ষে নিজেকে একজন ঝুঁকি ব্যবস্থাপক মনে করেন, যা ঝুঁকি ব্যবস্থাপনার জন্য তিন স্তর বিশিষ্ট প্রতিরক্ষা ব্যবস্থায় স্বচ্ছ নিয়ন্ত্রণ কাঠামোর উপর প্রতিষ্ঠিত, অপারেশন ও বিপণন বাণিজ্য ইউনিট, স্বতন্ত্র সিআরএম এবং অভ্যন্তরীণ নিরীক্ষা ব্যবস্থা।

কর্পোরেট ও আর্থিক বিবরণী প্রণয়নের বিধি বিধান পরিপালন

উল্লিখিত বিষয়ে এস ই সি নোটিফিকেশন নং এসইসি/সিএম আরসিডি/২০০৬-১৫৮/এডমিন / ০২-০৮ তাং ফেব্রুয়ারী ২০, ২০০৬ অনুযায়ী নিম্নে বর্ণিত বিধাণাবলী পরিপালিত হয়েছে:

- আর্থিক বিবরণী এবং সংশ্লিষ্ট নোট সমূহ কোম্পানি আইন ১৯৯৪, ফিন্যান্সিয়াল ইনস্টিটিউশন এ্যাক্ট ১৯৯৩, সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস ১৯৮৭, বিভিন্ন সময়ে বাংলাদেশ ব্যাংক কর্তৃক জারিকৃত বিধি বিধান সমূহ এবং অন্যান্য প্রযোজ্য বিবিধ বিধান অনুসারে প্রণীত হয়েছে। এই কোম্পানির স্টেট অব এ্যাক্কেয়ার্স, পরিচালনার ফলাফল, নগদ প্রবাহ এবং ইকুয়িটির পরিবর্তন প্রতিফলিত হয়েছে।
- পর্যাপ্ত এবং সঠিক হিসাব বহিসমূহ চালু রাখা হয়েছে।
- হিসাব বিবরণীসমূহ প্রস্তুতকরণে হিসাব সংক্রান্ত উপযুক্ত নীতিমালাসমূহ ধারাবাহিকভাবে প্রয়োগ করা হয়েছে এবং হিসাব সংক্রান্ত অংক সমূহের নির্ধারণ যুক্তিযুক্ত ও দূরদর্শী সুবিবেচনার ভিত্তিতে করা হয়েছে।
- বাংলাদেশে প্রযোজ্য আন্তর্জাতিক একাউন্টিং-এর মানদণ্ড অনুসারে হিসাবের বিবরণীগুলি প্রণয়ন করা হয়েছে। কোম্পানির অভ্যন্তরীণ নিয়ন্ত্রণ প্রথা পদ্ধতি সুষ্ঠুভাবে প্রণয়ন করা হয়েছে, যাহা যথাযথভাবে বাস্তবায়িত হয়েছে এবং তা নিয়মিত সঠিকভাবে পর্যবেক্ষণ করা হয়।
- একটি প্রতিষ্ঠান হিসেবে টিকে থাকার এবং উত্তরোত্তর উন্নতি সাধনের জন্য কোম্পানির সক্ষমতার বিষয়ে কোন প্রকার সন্দেহের অবকাশ নেই।

কোম্পানির পরিচালনা কার্যক্রম ও আর্থিক ফলাফল উপাত্ত :

সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশনা নং এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/এডমিন /০২-০৮ তাং ফেব্রুয়ারী ২০, ২০০৬ বিধান অনুযায়ী কোম্পানির পরিচালনা কার্যক্রম ও আর্থিক ফলাফল উপাত্ত ৫৩ নং পাতায় প্রদর্শিত হয়েছে।

কোম্পানির সার্বিক কার্যক্রমের প্রধান বৈশিষ্ট্যগুলি বাংলাদেশ ব্যাংকের ডিএফআইএম সার্কুলার নং ১১ তাং ২২ ডিসেম্বর ২০০৯ এর অনুসরণে পাতা নং ১৪২ এ প্রদর্শিত হয়েছে।

শেয়ার মালিকনার ধরণ

এস ই সি নোটিফিকেশন নং এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/এডমিন / ০২-০৮ তাং ফেব্রুয়ারী ২০, ২০০৬ এর ১.৪ (ক) নং ধারা অনুযায়ী ৩১ ডিসেম্বর ২০১২ তারিখের শেয়ার মালিকনার ধরণ ৭৭ নং পাতায় প্রদর্শিত হয়েছে।

পরিচালনা পর্ষদের ও অডিট কমিটির সভা ও উপস্থিতি

২০১২ সালে ১১ টি পর্ষদ সভা ও ৪টি অডিট কমিটির সভা অনুষ্ঠিত হয় এবং উহাতে পরিচালকদের উপস্থিতি সম্পর্কিত প্রতিবেদন সংক্ষিপ্ত আকারে ৭৮ নং পাতায় আপনাদের অবগতির জন্য পেশ করা হলো।

লভ্যাংশ

কোম্পানির পরিচালনা পর্ষদ ২০১২ সালের ১০% বোনাস শেয়ার (প্রতিটি ১০/- অভিহিত মূল্যের ১০০ টি সাধারণ শেয়ারের বিপরীতে ১০টি বোনাস শেয়ার) হিসেবে মোট ৫,৯১০,৩৮১ শেয়ার ষ্টক ডিভিডেন্ট হিসেবে প্রদানের প্রস্তাব করেছে।

পরিচালকবৃন্দ

কোম্পানির সংঘবিধির ১২৬, ১২৭ এবং ১২৮ ধারা অনুযায়ী নিম্নের ৪ জন পরিচালক পালক্রমে অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় পুণ: নির্বাচিত হতে আবেদন করেছেন :

জনাব হোসেন খালেদ
জনাব গিয়াসউদ্দিন আহমেদ
জনাব এস. এম দিদারুল আলম
জনাব মো: ইমতিয়াজ

নিরীক্ষক

কোম্পানির শেয়ারহোল্ডারবৃন্দ ১২ তম বার্ষিক সাধারণ সভায় মের্সাস হোদা ভাসি চৌধুরী এন্ড কোম্পানি, চার্টার্ড একাউন্টেন্টসকে ২০১২ সালের জন্য নিরীক্ষক হিসাবে নিয়োগ প্রদান করে। ১৪ তম বার্ষিক সাধারণ সভায় বর্তমান নিরীক্ষকগণ অবসর গ্রহণ করবেন এবং যোগ্য বিধায় তাহারা ২০১৩ সালের জন্য কোম্পানির নিরীক্ষক হিসেবে নিয়োগের আবেদন করেছেন। অডিট কমিটির প্রস্তাব অনুযায়ী পরিচালক পর্ষদ বাংলাদেশ ব্যাংকের অনুমোদন সাপেক্ষে মের্সাস হোদা ভাসি চৌধুরী এন্ড কোম্পানিকে ২০১৩ সালের জন্য নিরীক্ষক হিসাবে নিয়োগ দান ও তাদের পারিশ্রমিক পরবর্তী বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারবৃন্দ কর্তৃক অনুমোদনের সুপারিশ করেছেন।

কর্পোরেট গভার্নেন্স সংক্রান্ত পরিপালন প্রতিবেদন

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ অধ্যাদেশ ১৯৬৯ এর ২সিসি ধারা অনুযায়ী বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন নোটিফিকেশন নং এসইসি/সিএম আরসিডি/২০০৬-১৫৮/এডমিন / ৪৪ তাং আগষ্ট ০৭, ২০১২ এর বিধান অনুযায়ী ৪৬ নং পাতায় প্রদর্শিত হয়েছে।

কৃতজ্ঞতা স্বীকার

পরিচালক পর্ষদ সম্মানিত শেয়ারহোল্ডারবৃন্দ, গ্রাহকবৃন্দ, আমানতকারী, ব্যাংক সমূহ ও কোম্পানির ব্যবসায় সংশ্লিষ্ট সকল অংশিদার ও শুভানুধ্যায়ীদেরকে তাদের সমর্থন ও সহযোগিতার জন্য আন্তরিক ভাবে কৃতজ্ঞতা ও ধন্যবাদ জানাচ্ছে। বাংলাদেশ ব্যাংক, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ, চট্টগ্রাম স্টক এক্সচেঞ্জ, জাতীয় রাজস্ব বোর্ড, রেজিস্টার অব জয়েন্ট স্টক কোম্পানিজ এন্ড ফার্মস্ ও অন্যান্য নিয়ন্ত্রনকারী সংস্থার প্রতি তাদের সহায়তা ও সহযোগিতার জন্য কৃতজ্ঞতা প্রকাশ করছে। পর্ষদ মের্সাস হোদা ভাসি চৌধুরী এন্ড কোম্পানি চার্টার্ড একাউন্টেন্টসকে কোম্পানির হিসাব নিরীক্ষা সময়মত সম্পন্ন করার জন্য ধন্যবাদ জ্ঞাপণ করছে।

আনুগত্য কর্মে একনিষ্ঠা ও একাগ্র প্রচেষ্টার জন্য কোম্পানির কর্মকর্তা ও কর্মচারীবৃন্দের প্রতি পর্ষদ প্রশংসা জ্ঞাপণ করছে। ২০১২ সালে কোম্পানির জন্য একটি সার্থকতার বছরে পরিগণিত করতে তাদের আন্তরিক সহযোগিতার জন্য পর্ষদের সকল সদস্যদেরকে আমরা ধন্যবাদ জ্ঞাপণ করছি।

পরিশেষে কোম্পানির পরিচালকপর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষের উপর অবিচল আস্থার জন্য সম্মানিত শেয়ারহোল্ডারদের সবার প্রতি পরিচালক পর্ষদ ধন্যবাদ জ্ঞাপণ করছে এবং কোম্পানির উত্তোরত্তর সমৃদ্ধির জন্য ও শেয়ারহোল্ডারদের স্বার্থ রক্ষায় সর্বোচ্চ প্রচেষ্টা অব্যাহত রাখার আশ্বাস প্রদান করছে।

পরিচালকদের পক্ষে

মনোয়ার হোসেন
চেয়ারম্যান

BD Finance's Professionals & Staff



Gallery of Events



13th Annual General Meeting of BD Finance held on Sunday, June 03, 2012



Managing Director & CEO of BD Finance Mr. Mafizuddin Sarker & Managing Director & CEO of NRB Commercial Bank Limited Dewan Mujibur Rahman signing a Tk 200 million loan agreement on behalf of their respective organizations



Extra-Ordinary General Meeting (EGM) of BD Finance held on Sunday, April 21, 2013



BD finance signed a Lease Finance Agreement with IFAD Autos Ltd on January, 2013



Share Holders of BD Finance at the 13th AGM



A snapshot of 13th AGM of BD Finance



AUDITORS' REPORT TO THE SHAREHOLDERS OF BANGLADESH FINANCE AND INVESTMENT COMPANY LIMITED AND IT'S SUBSIDIARY

We have audited the accompanying consolidated financial statements of Bangladesh Finance And Investment Company Limited (BD Finance) and its subsidiary (the "Group") as well as the financial statements of BD Finance "the company" which comprises the balance sheet as at 31 December 2012, profit & loss account, changes in equity, cash flow statement, liquidity statement for the period then ended and a summary of significant accounting policies and other explanatory notes. The financial statements of the subsidiary were audited by us.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the group and the financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December 2012 and of the results of its operations and cash flows for the year then ended and comply with the Financial Institutions Act 1993, The Company's Act 1994, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by BD Finance so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (iii) the BD Finance's Balance Sheet and Profit and Loss Account together with the annexed notes 1 to 43 dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the BD Finance business;
- (v) the financial position of BD Finance as on 31 December 2012 and the profit for the year then ended have been properly reflected in the financial statements and the financial statements have been prepared in accordance with the Generally Accepted Accounting Principles;
- (vi) the financial statements have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- (vii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;



Dhaka, 28 April 2013

Chartered Accountants

Consolidated Balance Sheet

As on 31 December 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
PROPERTY AND ASSETS			
Cash			
Cash in hand	3.a	59,611	135,880
Balance with Bangladesh Bank		73,358,455	36,784,328
		73,418,066	36,920,208
Balance with other Banks and Financial Institutions	4.a		
Inside Bangladesh		217,400,745	225,056,078
Outside Bangladesh		-	-
		217,400,745	225,056,078
Money at call and short notice	4.4	402,602,083	80,000,000
Investment in Securities	5.a		
Government		-	-
Others		818,208,573	674,336,428
		818,208,573	674,336,428
Lease, Loans and Advances	6.a		
In Bangladesh		3,653,430,844	3,296,042,033
Outside Bangladesh		-	-
		3,653,430,844	3,296,042,033
Fixed Assets including Premises, Furniture and Fixtures	7.a	222,515,788	218,006,972
Other Assets	8.a	1,207,449,392	1,130,570,542
Non Banking Assets		-	-
Total Assets		6,595,025,490	5,660,932,260
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from other Banks, Financial Institutions and Agents	9.a	1,656,962,855	1,885,582,831
Deposits and other Accounts	10.a	2,773,802,633	1,787,403,321
Other Liabilities	11.a	764,550,643	606,959,591
		5,195,316,132	4,279,945,743
Capital/ Shareholders' Equity			
Share Capital	12	591,038,120	537,307,390
Statutory Reserve	13	131,435,406	124,015,143
General Reserve	14	50,000,000	50,000,000
Revaluation Surplus on Land & Building	7.b	138,223,602	138,223,602
Retained earnings	15.a	44,874,501	89,628,055
Total Shareholders' Equity		955,571,629	939,174,190
Total Liabilities & Shareholders' Equity		6,150,887,761	5,219,119,933
Non Controlling Interest	15.b	444,137,729	441,812,328
Total Liabilities		6,595,025,490	5,660,932,260

Consolidated Off-Balance Sheet

As on 31 December 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	16	124,801,330	4,801,330
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		124,801,330	4,801,330
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		-	-
Total Off-Balance Sheet items including contingent liabilities		124,801,330	4,801,330

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



Dahka 28 April, 2013

Chartered Accountants

Consolidated Profit and Loss Account

For the year ended 31 December 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
Interest Income	18.a	697,265,162	470,074,216
Less: Interest paid on Deposits & Borrowings etc.	19.a	615,536,052	438,371,279
Net Interest Income		81,729,111	31,702,937
Income from Investment in securities	20.a	(13,645,990)	33,562,900
Commission, Exchange and Brokerage	20.b	43,160,928	266,614
Other Operating Income	21.a	87,668,666	31,824,290
		117,183,604	65,653,804
Total Operating Income		198,912,715	97,356,741
Salaries and Allowances	22.a	27,907,606	20,656,457
Rent, Taxes, Insurances, Electricity etc.	23.a	10,965,265	7,759,864
Legal Expenses	24	434,077	734,235
Postage, Stamps, Telecommunication etc.	25.a	946,385	518,747
Stationery, Printings, Advertisements etc.	26.a	3,692,225	2,099,152
Managing Director's Salary and Allowances	27	6,500,000	4,537,460
Directors' Fees and Conveyance	28.a	1,023,977	1,157,072
Auditors' Fees	28.b	248,000	104,000
Depreciation & Repairs of Assets	29.a	9,441,638	7,064,143
Other Expenses	30.a	26,767,171	12,375,580
Total Operating Expenses		87,926,344	57,006,710
Profit before Provision		110,986,370	40,350,031
Specific provisions for Classified Investment	31	17,536,788	27,411,176
General Provisions for Unclassified Investment	31	6,876,206	(122,686)
Provisions for Investment in Securities	31.a	8,135,166	15,667,512
Total Provision		32,548,160	42,956,002
Total Profit before Provisions for Taxation		78,438,210	(2,605,971)
Deferred Tax Expenses/(benefit)		172,368	262,363
Income Tax Adjustment from Previous Year		-	(31,455,119)
Current Tax Expenses-BD Finance		31,901,152	18,639,019
Current Tax Expenses-BD Securities Ltd.		5,462,410	152,125
Current Tax Expenses-BD Capital Holding Ltd.		1,018,360	318,157
		38,554,290	(12,083,455)
Net Profit after Taxation		39,883,920	9,477,484
Attributable to		39,883,920	9,477,484
Shareholder of the Company		37,558,519	13,735,156
Non-controlling Interest		2,325,401	(4,257,672)
Net Profit available for distribution		37,558,519	13,735,156

Consolidated Profit and Loss Account

For the year ended 31 December 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
Appropriations			
Statutory Reserve	13	7,420,263	2,747,031
General Reserve	14	-	-
Retained Earnings	15	30,138,256	10,988,125
		<u>37,558,519</u>	<u>13,735,156</u>
Earning Per Share (Re-stated)	32a	0.64	0.23

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



Chartered Accountants

Dahka 28 April, 2013

Consolidated Cash Flow Statement

For the year ended 31 December 2012

	31-Dec-12 BDT	31-Dec-11 BDT
Cash Flow from Operating Activities		
Interest received	651,146,136	479,997,801
Interest paid	(535,364,153)	(350,995,819)
Dividend received	5,724,279	5,020,908
Fees & Commission received	43,160,928	200,000
Cash Payments to Employees	(34,407,606)	(22,321,974)
Cash Payments to Suppliers	(19,918,819)	(1,662,540)
Income Tax Paid	(16,831,413)	(43,416,134)
Received from other Operating activities	70,064,197	59,672,707
Payments for other Operating activities	(44,516,474)	(50,004,428)
Operating Profit before changes in Operating Assets & Liabilities	119,057,076	76,490,521
Changes in Operating Assets and Liabilities		
Purchases/Sale of Trading Securities	(32,211,830)	(170,491,147)
Loans and Lease Finance to Customers	(400,840,897)	105,676,320
Other Assets	(310,071,212)	(657,996,400)
Deposits	986,399,312	525,950,822
Other Liabilities	20,140,040	(11,918,481)
Sub Total	263,415,413	(208,778,886)
A) Net Cash from Operating Activities	382,472,489	(132,288,364)
Cash flows from Investing Activities		
Purchase/sale of non trading securities	(111,660,315)	(13,714,629)
Adjustment of Depreciation for 2010	-	1,621,150
Proceeds from Sale of fixed assets	-	2,000
Purchases/sale of Property, Plant & Equipment	(13,349,673)	(1,011,943,312)
B) Net Cash from Investing Activities	(125,009,988)	(1,024,034,791)
Cash flows from Financing Activities		
Increase/(decrease) of borrowings	(228,619,976)	156,403,777
Prior year adjustments	-	-
Paid up Capital	-	1,146,000,000
Dividend Paid	-	-
C) Net Cash from Financing Activities	(228,619,976)	1,302,403,777
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	28,842,525	146,080,622
E) Cash & Cash Equivalents at the beginning of the period	261,976,286	115,895,664
F) Cash & Cash Equivalents at the end of the period (D+E)	290,818,811	261,976,286


Company Secretary


Managing Director


Director


Director

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2012

Particulars	Share capital BDT	Statutory reserve BDT	General reserve BDT	Revaluation Surplus BDT	Retained earnings BDT	Total BDT	Non Controlling Interest BDT	Total Equity BDT
Balance as at 1 January 2012	537,307,390	124,015,143	50,000,000	138,223,602	89,628,055	939,174,190	441,812,328	1,380,986,518
Changes during the period 2012								
Issue of Bonus Share	53,730,730	-	-	-	(53,730,730)	-	-	-
Prior year adjustment	-	-	-	-	(20,931,832)	(20,931,832)	-	(20,931,832)
VAT Paid for FY 2006	-	-	-	-	(229,247)	(229,247)	-	229,247
Profit/(Loss) for the period	-	-	-	-	37,558,519	37,558,519	2,325,401	39,883,920
Transfer to statutory reserve	-	7,420,263	-	-	(7,420,263)	-	-	-
	53,730,730	7,420,263	-	-	-	16,397,439	2,325,401	18,722,840
Balance as at 31 December 2012	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
Balance as at 1 January 2011	440,415,900	120,208,563	46,702,684	138,223,602	187,008,575	932,559,324	-	932,559,324
Changes during the period 2011								
Share Capital	-	-	-	-	-	-	446,070,000	446,070,000
Issue of Bonus Share	96,891,490	-	-	-	(96,891,490)	-	-	-
Payment to CDBL for Share Split	-	-	-	-	(2,606,161)	(2,606,161)	-	(2,606,161)
Donation to BD Finance Foundation	-	-	-	-	(6,135,280)	(6,135,280)	-	(6,135,280)
Adjustment of Depreciation	-	-	-	-	1,621,150	1,621,150	-	1,621,150
Profit/(Loss) for the period	-	-	-	-	13,735,156	13,735,156	(4,257,672)	9,477,484
Transfer to general reserve	-	-	3,297,316	-	(3,297,316)	-	-	-
Transfer to statutory reserve	-	3,806,580	-	-	(3,806,580)	-	-	-
	96,891,490	3,806,580	3,297,316	-	(97,380,521)	6,614,867	441,812,328	448,427,194
Balance as at 31 December 2011	537,307,390	124,015,143	50,000,000	138,223,602	89,628,055	939,174,190	441,812,328	1,380,986,517


Company Secretary


Managing Director


Director


Director

Balance Sheet

As on 31 December 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
PROPERTY AND ASSETS			
Cash	3	73,413,469	36,907,395
Cash in hand		55,014	123,067
Balance with Bangladesh Bank		73,358,455	36,784,328
Balance with other Banks and Financial Institutions	4	211,155,270	120,516,648
Inside Bangladesh		211,155,270	120,516,648
Outside Bangladesh		-	-
Money at call and short notice	4.4	402,602,083	80,000,000
Investment in Securities	5	692,072,054	659,860,224
Government		-	-
Others		692,072,054	659,860,224
Lease, Loans and Advances	6	3,754,792,183	3,290,848,549
In Bangladesh		3,754,792,183	3,290,848,549
Outside Bangladesh		-	-
Fixed Assets including Premises, Furniture and Fixtures	7	194,443,974	197,511,469
Other Assets	8	909,917,108	831,797,429
Non Banking Assets		-	-
Total Assets		<u>6,238,396,140</u>	<u>5,217,441,715</u>
LIABILITIES AND CAPITAL			
Financing (Borrowings) from Other Banks, Financial Institutions and Agents	9	1,656,962,855	1,885,582,831
Deposits and other Accounts	10	2,887,709,254	1,787,403,321
Term Deposits		2,739,881,351	1,607,805,511
Scheme Deposit		84,223,000	85,013,000
Other Deposits		38,939,005	59,054,262
Advance Rent & Installments		24,665,898	35,530,548
Bills Payable		-	-
Other Liabilities	11	733,311,862	599,983,628
Total Liabilities		<u>5,277,983,971</u>	<u>4,272,969,780</u>
Capital/ Shareholders' Equity			
Share Capital	12	591,038,120	537,307,390
Statutory Reserve	13	131,435,406	124,015,143
General Reserve	14	50,000,000	50,000,000
Revaluation Surplus on Land & Building	7.1	138,223,602	138,223,602
Retained earnings	15	49,715,042	94,925,800
Total Shareholders' Equity		<u>960,412,170</u>	<u>944,471,935</u>
Total Liabilities & Shareholders' Equity		<u>6,238,396,140</u>	<u>5,217,441,715</u>

Off-Balance Sheet

As on 31 December 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITY			
Acceptances and Endorsements		-	-
Letters of Guarantee	16	124,801,330	4,801,330
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		124,801,330	4,801,330
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		-	-
Total Off-Balance Sheet items including contingent liabilities		124,801,330	4,801,330

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



Dahka 28 April, 2013

Chartered Accountants

Profit and Loss Account

For the year ended 31 December 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
Interest Income	18	703,752,596	469,311,700
Less: Interest paid on Deposits & Borrowings etc.	19	629,867,899	438,363,691
Net Interest Income		73,884,698	30,948,009
Income from Investment in securities	20	(13,661,814)	32,771,326
Commission, Exchange and Brokerage		700,000	200,000
Other Operating Income	21	89,434,466	31,824,290
		76,472,652	64,795,616
Total Operating Income		150,357,350	95,743,625
Salaries and Allowances	22	19,415,461	18,044,014
Rent, Taxes, Insurances, Electricity etc.	23	8,627,926	7,347,516
Legal Expenses	24	434,077	734,235
Postage, Stamps, Telecommunication etc.	25	431,576	470,228
Stationery, Printings, Advertisements etc.	26	2,092,004	1,662,540
Managing Director's Salary and Allowances	27	6,500,000	4,537,460
Directors' Fees and Conveyance	28	941,477	989,827
Auditors' Fees		138,000	104,000
Depreciation & Repairs of NBF's Assets	29	5,125,790	5,950,825
Other Expenses	30	11,893,897	12,046,718
Total Operating Expenses		55,600,208	51,887,363
Profit before Provision		94,757,141	43,856,262
Specific provisions for Classified Investment		17,536,788	27,411,176
General Provisions for Unclassified Investment		6,876,206	(122,686)
Provisions for Investment in Securities		1,169,313	10,088,606
Total Provision	31	25,582,307	37,377,096
Total Profit before Provisions for Taxation		69,174,834	6,479,166
Deferred Tax Expenses/(benefit)		172,368	262,363
Income Tax adjustment for Previous Year		-	(31,455,119)
Current Tax Expenses		31,901,152	18,639,019
		32,073,520	(12,553,737)
Net Profit after Taxation		37,101,314	19,032,902
Appropriation			
Statutory Reserve	13	7,420,263	3,806,580
General Reserve	14	-	-
Retained Earnings	15	29,681,051	15,226,322
		37,101,314	19,032,902
Earning Per Share (Re-stated)	32	0.63	0.32

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


Chartered Accountants

Dahka 28 April, 2013

Cash Flow Statement

For the year ended 31 December 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
Cash Flow from Operating Activities			
Interest received	33	657,674,276	479,318,366
Interest paid	34	(549,737,281)	(350,995,819)
Dividend received		5,715,529	5,020,908
Fees & Commission received		700,000	200,000
Cash Payments to Employees		(25,915,461)	(22,321,974)
Cash Payments to Suppliers		(2,092,004)	(1,662,540)
Income Tax Paid		(10,687,932)	(43,416,134)
Received from other Operating activities	35	70,057,123	59,572,707
Payments for other Operating activities	36	(44,501,858)	(31,476,180)
Operating Profit before changes in Operating Assets & Liabilities		101,212,392	94,239,334
Changes in Operating Assets and Liabilities			
Purchases/Sale of Trading Securities		(32,211,830)	(170,491,147)
Loans and Lease Finance to Customers		(786,545,717)	105,676,320
Other Assets	37	(38,828,468)	(657,996,400)
Deposits		1,100,305,933	525,950,822
Other Liabilities	38	13,016,831	(11,918,481)
Sub Total		255,736,749	(208,778,886)
A) Net Cash from Operating Activities		356,949,141	(114,539,552)
Cash flows from Investing Activities			
Purchase/sale of non trading securities		-	-
Adjustment of Depreciation for 2010		-	1,621,150
Proceeds from Sale of fixed assets		-	2,000
Purchases/sale of Property, Plant & Equipment		(1,184,470)	(2,008,996)
B) Net Cash from Investing Activities		(1,184,470)	(385,846)
Cash flows from Financing Activities			
Increase/(decrease) of borrowings		(228,619,976)	156,453,777
Dividend Paid		-	-
C) Net Cash from Financing Activities		(228,619,976)	156,453,777
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		127,144,695	41,528,379
E) Cash and cash equivalents at the beginning of the period		157,424,043	115,895,664
F) Cash and cash equivalents at the end of the period (D+E)	39	284,568,738	157,424,043


Company Secretary


Managing Director


Director


Director

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2012

Particulars	Share capital Taka	Statutory reserve Taka	General reserve Taka	Revaluation Surplus Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2012	537,307,390	124,015,143	50,000,000	138,223,602	94,925,800	944,471,935

Changes during the period 2012

Issue of Bonus Share	53,730,730	-	-	-	(53,730,730)	-
Prior year adjustment	-	-	-	-	(20,931,832)	20,931,832
VAT Paid for FY 2006	-	-	-	-	(229,247)	(229,247)
Profit/(Loss) for the period	-	-	-	-	37,101,314	37,101,314
Transfer to statutory reserve	-	7,420,263	-	-	(7,420,263)	-
Balance as at 31 December 2012	591,038,120	131,435,406	50,000,000	-	49,715,042	960,412,170

Balance as at 1 January 2011	440,415,900	120,208,563	46,702,684	138,223,602	187,008,575	932,559,324
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Changes during the period 2011

Issue of Bonus Share	96,891,490	-	-	-	(96,891,490)	-
Depreciation adjustment of 2010	-	-	-	-	1,621,150	1,621,150
Payment to CDBL for Share Split	-	-	-	-	(2,606,161)	(2,606,161)
Donation to BD Finance Foundation	-	-	-	-	(6,135,280)	(6,135,280)
Profit for the period	-	-	-	-	19,032,902	19,032,902
Transfer to general reserve	-	-	3,297,316	-	(3,297,316)	-
Transfer to statutory reserve	-	3,806,580	-	-	(3,806,580)	-
Balance as at 31 December 2011	537,307,390	124,015,143	50,000,000	138,223,602	94,925,800	944,471,935

Note: The opening balance of Retained Earnings as on January 1, 2012 was Tk. 93,792,672 which was actually Tk. 94,925,800. The difference was arises due to Depreciation adjustment in 2010 Tk. 1,621,150 and Provision for Donation to BD Finance Foundation in 2011 Tk. 488,023 were inadvertently not reflected and Profit and (Loss) for the period was reported Tk. 19,520,925 in place of Tk. 19,032,902 in the statement of Changes in Equity.


Company Secretary


Managing Director


Director


Director

Liquidity Statement Assets And Liabilities Maturity Analysis

As at 31 December 2012

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	55,014	-	-	-	-	55,014
Balance with Bangladesh Bank	73,358,455	-	-	-	-	73,358,455
Balance with other banks and financial institutions	4,087,265	37,068,005	170,000,000	-	-	211,155,270
Money at Call and Short Notice	52,602,083	350,000,000	-	-	-	402,602,083
Investment in securities	22,037,500	462,050,980	169,726,244	38,257,330	-	692,072,054
Investment (Loans and Advances)	106,098,750	266,749,989	495,663,629	2,403,066,997	483,212,818	3,754,792,183
Fixed Assets including premises, furniture and fixtures etc.	-	-	-	4,914,823	189,529,151	194,443,974
Other Assets	81,375,437	-	18,007,290	110,604,380	699,930,000	909,917,108
Non-banking Assets						-
Total Assets (i)	339,614,504	1,115,868,974	853,397,164	2,556,843,530	1,372,671,969	6,238,396,140
Liabilities						
Financing (Borrowing) from other banks, financial institutions and agents	17,375,325	203,752,241	253,563,142	913,129,733	269,142,415	1,656,962,855
Deposits and other accounts	155,069,987	403,990,525	173,262,555	1,346,827,596	808,558,591	2,887,709,254
Provision and other liabilities	48,045,180	235,282,002	78,070,521	119,018,069	252,896,089	733,311,862
Total Liabilities (ii)	220,490,492	843,024,768	504,896,218	2,378,975,398	1,330,597,095	5,277,983,971
Net Liquidity Gap (i-ii)	119,124,012	272,844,206	348,500,946	177,868,132	42,074,874	960,412,169

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


Managing Director


Company Secretary


Director


Director

Notes to the consolidated and separate financial statements

For the year ended 31 December 2012

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 International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act. 1994, the Securities & Exchange Rules 1987 and other laws & regulations applicable in Bangladesh.

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

2.1.1 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 2012 to 31 December 2012

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%
Furniture and fixtures	20%
Motor vehicles	20%
Other assets	20%

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

2.10 Intangible Assets

a. Components

The main item included in intangible asset is software.

b. Basis of recognition

An Intangible Asset shall only be recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with BAS 38: Intangible Assets. Accordingly, this asset is stated in the Balance Sheet at cost less accumulated amortization.

c. Subsequent expenditure

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

d. Amortization

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

2.11 Cash & Cash Equivalents

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

2.12 Investments in Securities

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

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

a. Investment in quoted securities

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

b. Investment in un-quoted securities

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

2.13 Statutory reserve

NBFIs are required to transfer 20% of the profit to statutory reserve before declaration of dividend as per Financial Institutions Regulations, 1994. Bangladesh Finance And Investment Company 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.

		31-Dec-12 BDT	31-Dec-11 BDT
3	Cash		
	Cash in hand (Notes :3.1)	55,014	123,067
	Balance with Bangladesh Bank (Notes : 3.2)	73,358,455	36,784,328
		73,413,469	36,907,395
3.a	Cash in Hand (Consolidated)		
	BD Finance	55,014	123,067
	BD Finance Securities Limited	4,597	12,813
	BD Finance Capital Holdings Limited	-	-
		59,611	135,880
3.1	Cash In hand (including foreign currencies)		
	In local currency	55,014	123,067
	In foreign currency	-	-
		55,014	123,067
3.2	Balance with Bangladesh Bank (including foreign currencies)		
	In local currency	73,358,455	36,784,328
	In foreign currency	-	-
		73,358,455	36,784,328
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	62,054,000	33,256,000
	Actual Reserve held with Bangladesh Bank(local currency)	73,358,455	36,784,328
	Surplus	11,304,455	3,528,328
3.5	Statutory Liquidity Ratio (SLR): 5% (including 2.5% CRR) of Average Demand and Time Liabilities		
	Required Reserve	143,164,000	82,756,000
	Actual Reserve held (Note- 3.6)	284,568,738	157,424,043
	Surplus	141,404,738	74,668,043
3.6	Held for Statutory Liquidity Ratio		
	Cash in hand	55,014	123,067
	Balance with Bangladesh Bank	73,358,455	36,784,328
	Balance with other bank and Financial Institutions (Note-4)	211,155,270	120,516,648
		284,568,738	157,424,043
4	Balance with other Banks and Financial Institutions		
	Inside Bangladesh (Note - 4.1)	211,155,270	120,516,648
	Outside Bangladesh (Note - 4.2)	-	-
		211,155,270	120,516,648
4.a	Balance with other Banks and Financial Institutions (Consolidated)		
	BD Finance	211,155,270	120,516,648
	BD Finance Securities Limited	5,550,625	3,816,317
	BD Finance Capital Holdings Limited.	694,851	100,723,113
		217,400,745	225,056,078

	31-Dec-12 BDT	31-Dec-11 BDT
4.1 Inside Bangladesh		
Current Account		
Bank Alfalah Limited, Main Branch	681	1,881
BRAC Bank Limited, Gulshan Branch	1,072	1,072
Dhaka Bank Limited, Foreign Exchange Branch.	3,988,671	1,807,104
Dutch Bangla Bank Limited,	30,347	30,347
EXIM Bank Limited, Motijheel Branch.	35	35
IFIC Bank Limited, Motijheel Branch	870	870
Islami Bank Bangladesh Limited, Gulshan Branch.	615	615
NCC Bank Limited, Jatrabari Branch.	-	3,400
One Bank Limited, Principal Branch.	181	15,733
Prime Bank Limited, Islami Banking Branch, Dilkusha.	22,291	320,808
Rupali Bank Limited, Local Office.	1,055	2,800
Shahjalal Bank Limited, Foreign Exchange Branch.	7,857	181
Social Investment Bank Limited, Principal Branch.	24,589	1,395,270
The City Bank Limited, Shamoly Branch.	5,755	5,755
UCBL, Principal Branch	3,247	3,247
	4,087,265	3,589,116
STD Account		
Bank Asia Limited, Principal Branch.	31,688	641,948
BRAC Bank Limited, Gulshan Branch.	624,693	4,190,369
Dutch Bangla Bank Limited, Foreign Exchange Branch	1,008,716	667,409
Dutch Bangla Bank Limited, Nayabazar Branch	263,352	9,313
Mutual Trust Bank Limited, Principal Branch.	69,427	5,412,734
NCC Bank Limited, Dilkusha Branch.	-	12,772
Southeast Bank Limited, Principal Branch.	18,797,680	30,177,142
Southeast Bank Limited, Agrabad Branch.	3,445,021	882,553
Southeast Bank Limited, Corporate Branch, Motijheel.	68,853	42,416
Southeast Bank Limited, Corporate Branch, Motijheel.	900,209	848,448
Southeast Bank Limited, Bangshal Branch	464,509	4,140,347
The City Bank Limited, Foreign Exchange Branch	11,391,613	4,904,836
The City Bank Limited, Pricipal Branch	2,243	2,243
	37,068,005	51,932,533
FDR with Southeast Bank Limited.	-	64,995,000
FDR with Bangladesh Industrial Finance Co. Limited.	100,000,000	-
FDR with Basic Bank Limited.	70,000,000	-
Cash at Bank	211,155,270	120,516,648
4.2 Outside Bangladesh		
Cash at Foreign Bank	-	-
Total Cash at Bank (Bangladesh & Foreign)	211,155,270	120,516,648

	31-Dec-12 BDT	31-Dec-11 BDT
4.3 Maturity-wise groupings of balance with other banks and FI's		
On Demand	4,087,265	3,589,116
Not more than 3 months	37,068,005	51,932,533
More than 3 months but less than 1 year	170,000,000	64,995,000
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
	211,155,270	120,516,648
4.4 Money at Call and Short Notice Tk. 402,602,083 represents the amount of investment as Short Notice for the year 2012 and Tk. 80,000,000 represents amount of investment as Money at Call for the year 2011.		
5 Investment in Securities		
a) Government	-	-
b) Others	692,072,054	659,860,224
	692,072,054	659,860,224
5.a Investment in Securities (Consolidated)		
BD Finance	692,072,054	659,860,224
BD Finance Securities Limited	17,280,877	14,476,204
BD Finance Capital Holdings Limited	108,855,642	-
	818,208,573	674,336,428
5.b. Investment in Securities-Others		
Investment in shares (in quoted companies) (Note 5.1)	653,814,724	621,602,894
Investment in shares (in un-quoted companies) (Note 5.2)	38,257,330	38,257,330
	692,072,054	659,860,224
Maturity-wise Grouping of Investment in Securities:		
On demand	22,037,500	24,660,346
Not more than 3 months	462,050,980	514,537,144
More than 3 months but less than 1 year	169,726,244	92,405,404
More than 1 year but less than 5 years	38,257,330	28,257,330
More than 5 years	-	-
	692,072,054	659,860,224

		31-Dec-12 BDT	31-Dec-11 BDT	
5.1	Name of the Institution	Cost Price 2012	Market Price 2012	Cost Price 2011
	Al-Hajtex	-	-	5,912,137
	Beacon Pharma	-	-	2,535,090
	Beximco Limited.	46,475,592	43,148,000	46,475,592
	Beximco Pharma	98,025,986	91,004,976	99,116,903
	BSRM Steel	2,083,897	1,358,000	-
	Eastland Insurance	5,065,908	3,679,000	5,299,361
	Exim Bank	5,880,396	6,627,358	5,880,396
	Fu-Wang Foods Limited.	-	-	5,033,453
	Grammen Phone Limited.	141,643,151	139,125,000	9,487,631
	IDLC	3,036,091	3,848,400	82,405,404
	International Leasing & Fin. Ser. Limited.	856,660	241,200	23,471,730
	Jamuna Oil Co.	-	-	59,628,075
	Lafarge Surma Cement	28,743,604	27,405,700	-
	Lanka Bangla	-	-	10,153,621
	MAKSON Spinning	-	-	1,158,438
	Meghna Life Insurance	1,591,656	721,920	1,591,656
	Mercantile Insurance	-	-	6,117,899
	MJL Bangladesh Limited.	1,191,986	565,870	437,246
	National Bank Limited.	24,271,602	22,677,981	24,271,602
	NCC Bank	1,079,192	638,820	1,079,192
	Northern Insurance	-	-	7,068,467
	One Bank Limited	27,012,990	25,330,800	27,012,990
	Padma Life Insurance Co. Limited.	12,998,365	8,744,250	-
	Peoples Leasing & Financial Services Limited.	20,621,408	17,902,652	20,621,408
	Phoenix Insurance Co.Limited.	470,072	406,000	-
	Prime Islami Life	3,869,472	2,340,880	3,869,472
	R.A.K. Ceramics (Bangladesh) Limited.	-	-	4,896
	Rangpur Dairy & Food Products Limited.	2,013,244	1,356,080	-
	Rupali Bank	519,958	314,424	519,958
	Singer BD	3,370,708	1,263,570	3,370,708
	Social Investment Bank Limited.	1,078,475	936,050	-
	Southeast Bank Limited.	71,103,250	68,506,800	71,103,250
	Square Pharma	3,081,465	1,457,378	3,060,768
	Standard Insurance	228,570	214,500	-
	Summit Power	46,569,100	44,225,035	46,569,100
	The City Bank Limited.	10,226,719	9,387,067	10,226,719

		31-Dec-12 BDT	31-Dec-11 BDT
Titas Gas	54,740,360	46,363,000	-
UCBL	620,773	433,600	288,720
United Air	836	1,196	2,487,775
United Leasing	35,343,238	30,331,296	35,343,238
	653,814,724	600,556,805	621,602,894

**Details are given in Annexure-B

5.2 Unquoted

Name of the Institution	Cost Price 2012	Market Price 2012	Cost Price 2011
Bangladesh Commerce Bank Limited.	28,257,330	28,257,330	28,257,330
GMG Airlines Limited.	10,000,000	10,000,000	10,000,000
	38,257,330	38,257,330	38,257,330
	692,072,054	638,814,135	659,860,224

6 Lease, Loans and Advances

a) Inside Bangladesh

i) Net Investment in lease Finance

Gross lease rental receivable

1,272,550,625

1,374,286,648

Less: Unearned interest income

306,253,156

352,045,390

Net Investment in lease Finance

966,297,469

1,022,241,258

ii) Term Finance

2,786,736,998

2,266,764,651

iii) Housing Finance

1,757,717

1,842,640

and Lease

3,754,792,183

3,290,848,549

b) Outside Bangladesh

Total Loans and Lease Finance (a+b)

-

-

3,754,792,183

3,290,848,549

6.a Lease, Loans and Advances (Consolidated)

BD Finance

3,754,792,183

3,290,848,549

BD Finance Securities Limited

278,186,126

6,693,484

BD Finance Capital Holdings Limited.

-

-

Loan to BD Finance Securities Limited

(260,000,000)

(1,500,000)

Loan to BD Finance Capital Holdings Limited.

(119,547,465)

-

3,653,430,844

3,296,042,033

6.1 Maturity wise Classification of Investments:

With a residual maturity of

Receivable on Demand

106,098,750

20,685,986

Not more than 3 months

266,749,989

36,339,340

Over 3 months but not more than 1 year

495,663,629

598,961,659

Over 1 year but not more than 5 years

2,403,066,997

2,441,714,114

Over 5 years

483,212,818

193,147,450

3,754,792,183

3,290,848,549

	31-Dec-12 BDT	31-Dec-11 BDT
6.2 Investments on the basis of significant concentration:		
Investments to allied concern of Directors (Note: 42.5)	532,140,259	76,198,045
Investments to Executives/Officers	7,948,431	9,940,815
Investments to Customer Groups	618,498,864	671,940,036
Industrial Investment	1,266,337,910	1,334,491,367
Others	1,329,866,719	1,198,278,287
	3,754,792,183	3,290,848,549

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 2012		As at 31 December 2011	
	Amount	Composition	Amount	Composition
Agriculture	829,923	0.02%	4,436,576	0.13%
Cement/Clinker & Allied Industries	18,451,490	0.49%	26,708,683	0.81%
Chemical & Pharmaceuticals	5,869,720	0.16%	11,913,321	0.36%
Financial Institutions	-	0.00%	201,925,834	6.14%
Food Processing Ind.	400,579,130	10.67%	66,142,993	2.01%
Garments	177,185,017	4.72%	271,843,910	8.26%
Glass & Ceramic Industries	15,725,023	0.42%	24,920,262	0.76%
Iron, Steel & Engineering	98,933,541	2.63%	924,843	0.03%
Jute & Jute Allied Industries	1,173,489	0.03%	6,367,685	0.19%
Merchant Banking	152,421,875	4.06%	-	0.00%
Others	1,634,444,218	43.53%	1,082,491,311	32.89%
Paper, Printing&Packaging	170,563,588	4.54%	197,971,524	6.02%
Plastic Industries	126,806,594	3.38%	5,910,438	0.18%
Real Estate & Housing	160,022,677	4.26%	205,570,810	6.25%
Ship & Ship Mfg. Industries	152,973,026	4.07%	195,669,126	5.95%
Telecom& Information Technology	59,125,018	1.57%	62,985,028	1.91%
Textile	53,187,818	1.42%	181,647,073	5.52%
Trading	333,355,864	8.88%	461,932,650	14.04%
Transport & Communication	193,144,172	5.14%	281,486,482	8.55%
	3,754,792,183	100.00%	3,290,848,549	100.00%

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6.5 Geographical Location-wise loans and lease Finance:

Location	As at 31 December 2012		As at 31 December 2011	
	Amount	Composition	Amount	Composition
Dhaka	3,206,789,912	85.41%	2,723,148,093	82.75%
Chittagong	548,002,271	14.59%	567,700,456	17.25%
	3,754,792,183	100.00%	3,290,848,549	100.00%

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

	As at 31 December 2012		As at 31 December 2011	
	Amount	Composition	Amount	Composition
Unclassified				
Standard	3,361,729,276	89.53%	2,638,903,915	80.19%
Special Mention Account (SMA)	100,985,628	2.69%	336,747,787	10.23%
	3,462,714,904		2,975,651,702	
Classified				
Substandard	86,351,669	2.30%	89,424,695	2.72%
Doubtful	-	0.00%	51,444,874	1.56%
Bad or loss	205,725,610	5.48%	174,327,278	5.30%
	292,077,279		315,196,847	
	3,754,792,183	100.00%	3,290,848,549	100.00%

6.7 Particulars of provision for Loans and lease Finance

Status	Rate	Basis for Provision	Amount	Amount
			2012	2011
General Provision (for Unclassified portion)				
Unclassified	1%	3,361,722,672	33,617,227	26,389,039
Special Mention Account	5%	95,348,118	4,767,406	15,804,486
			38,384,633	42,193,525
Specific Provision (for Classified Portion)				
Substandard	20%	62,195,103	12,439,021	13,460,915
Doubtful	50%	-	-	-
Bad or loss	100%	78,571,394	78,571,394	49,900,135
			91,010,415	63,361,050
Required provision for Loans & Lease Finance			129,395,047	105,554,576
Total provision maintained {note # 11.1(a) & (b)}			130,159,092	108,922,788
Surplus Provision			764,045	3,368,212

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BD Finance has maintained provision on unclassified investment amounting to Tk. 33,569,229 (note#11.1.b) and for classified Loan & Lease finance Tk. 96,589,863 (note#11.1.a) totaling Tk.130,159,092. Surplus provision against loan/lease is Tk.764,045.

6.8 Particulars of Investments:

(i) Debts considered good in respect of which the NBFi is fully secured	1,439,466,959	1,870,938,205
(ii) Debts considered good for which the NBFi holds no other security other than the debtor's personal guarantee	1,922,252,917	767,965,710
(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	<u>76,896,471</u>	<u>92,982,596</u>
(v) Debts due by directors or officers of the NBFi or any of them either severally or jointly with any other person	<u>12,107,374</u>	<u>9,940,815</u>
(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).	<u>532,140,259</u>	<u>76,198,045</u>
(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.	<u>7,948,431</u>	<u>71,765,000</u>
(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	<u>271,520,000</u>	<u>21,780,000</u>
(ix) Receivable from other NBFi's	<u>60,930,000</u>	<u>201,925,834</u>
(x) Total amount of advance on which Profit is not credited:	<u>393,062,907</u>	<u>651,944,634</u>
(xi) Cumulative amount of written off Investments	<u>-</u>	<u>-</u>

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7 Fixed Assets including Premises, Furniture & Fixtures		
A. Cost:		
Opening balance	223,243,145	222,915,718
Addition during the year	1,184,469	412,347
Add: Revaluation During the year	-	-
Less: Disposal during the year	-	84,920
Closing balance at cost	224,427,614	223,243,145
B. Depreciation:		
Opening balance	25,731,675	22,245,134
Less: Adjustment in 2010	-	1,621,150
Addition during the year	4,251,965	5,398,960
Less: Adjustment on disposal during the year	-	291,269
Accumulated Depreciation	29,983,640	25,731,676
Carrying value	194,443,974	197,511,469
*Details are given in Annexure-A		
7.a Fixed Assets including Premises, Furniture and Fixtures (Consolidated)		
BD Finance	194,443,974	197,511,470
BD Finance Securities Limited - PPE	18,279,937	17,085,731
BD Finance Securities Limited - Intangible Assets	2,291,877	2,445,267
BD Finance Capital Holdings Limited.	7,500,000	964,505
	222,515,788	218,006,972
7.1 Revaluation Surplus on Land And Building		
Revalued Amount	191,148,790	191,148,790
Less: Acquisition Value	52,925,188	52,925,188
Revaluation Surplus	138,223,602	138,223,602
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 20, 2010 by a prominent independent valuer, Axis Resources Limited, 9-G, Motijheel C/A, Dhaka and the valuation also counter certified by Hoda Vasi Chowdhury & Co. Chartered Accounts. The acquisition value of the asset was Tk. 52,925,188, the Revalued (Carrying) Amount is Tk. 191,148,790 and the Revaluation Surplus is Tk. 138,223,602. The present market value of land is Tk. 50,000,000 per Katha. BD Finance is 50% owner of the said building.		
7.b Revaluation Reserve (Consolidated)		
BD Finance	138,223,602	138,223,602
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
	138,223,602	138,223,602
8 Other Assets		
Investment in Subsidiaries (Note: 8.1)	699,930,000	699,930,000
Receivables, Advances & Deposits (Note 8.2)	209,987,108	131,867,429
	909,917,108	831,797,429

	31-Dec-12 BDT	31-Dec-11 BDT
8.a Other Assets (Consolidated)		
BD Finance	209,987,108	131,867,429
BD Finance Securities Limited	1,005,377,581	999,642,125
Receivable from BD Finance Capital Holdings Limited	(8,671,860)	(1,014,505)
BD Finance Capital Holdings Limited	756,563	75,493
	1,207,449,392	1,130,570,542
8.1 Investment In Subsidiaries		
Investment In paid up capital (BD Finance Capital Holdings Limited.)	99,930,000	99,930,000
Investment In paid up capital (BD Finance Securities Limited.)	600,000,000	600,000,000
	699,930,000	699,930,000
8.2 Receivables, Advances & Deposits		
a) Other receivables		
Interest on investment in FDR	12,023,283	6,837,819
Re-imbursable expenses	4,536,896	2,977,913
Receivable Grace Period Interest	15,262,671	2,187,451
Receivable Delinquent Charge	36,085,639	12,534,492
Receivable on sale of Shares	3	2
Receivable against Call Loan	-	133,333
Receivable Excise Duty	1,228,083	1,224,534
Receivable from BD Capital Holdings Limited	8,671,860	1,014,505
Receivable-Others	3,522,567	1,685,000
Stock of Stamp	44,435	26,555
	81,375,437	28,621,604
b) Advance Income Tax		
Opening Balance	98,445,034	55,028,899
Add: Addition during the year	10,687,932	43,416,134
	109,132,966	98,445,034
Less: Adjustment during the year	-	-
Closing balance	109,132,966	98,445,034
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	-
	62,153,405	53,653,405

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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	-
	46,979,561	44,791,628
	109,132,966	98,445,033
c) Advance, deposits and prepayments		
Advances		
Advance office rent	180,513	283,677
Advance Office rent-Uttara Br.	960,000	-
Advance Office rent-Sylhet Br.	2,406,600	-
Accounts with Bangshal Branch	(3,150)	-
Accounts with Chittagong Branch	-	-
Advance others	14,430,454	3,020,600
Advance against 64 Motijheel	32,873	25,100
	18,007,290	3,329,377
d) Deposits with others		
Deposits with BTTB & Mobile	60,600	60,600
Deposits with Baitul Hossain Building	203,814	203,814
Deposit with Land Lord Bangshal Branch	800,000	800,000
Deposit with CDBL	400,000	400,000
Deposit with Sadharan Bima	7,000	7,000
	1,471,414	1,471,414
Other Assets (a+b+c+d)	209,987,108	131,867,429
8.3 Maturity wise classification of other assets		
Receivable on Demand	81,625,337	28,108,011
Not more than 3 months	-	-
Over 3 months but not more than 1 year	17,757,390	3,835,704
Over 1 year but not more than 5 years	110,604,380	99,923,714
Over 5 years	699,930,000	699,930,000
	909,917,108	831,797,429

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9. Borrowing from other banks, Financial Institutions and agents		
Secured	63,195,071	62,051,936
Un secured	1,593,767,785	1,823,530,895
	1,656,962,855	1,885,582,831
In Bangladesh	1,656,962,855	1,885,582,831
Outside Bangladesh	-	-
	1,656,962,855	1,885,582,831
9.a Borrowing from other banks, Financial Institutions and agents		
BD Finance	1,656,962,855	1,885,582,831
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
	1,656,962,855	1,885,582,831
9.1. In Bangladesh		
Refinance against SME loan from Bangladesh Bank	30,058,384	60,735,805
Refinance against Housing loan from Bangladesh Bank	2,421,426	2,664,285
Refinance against SME loan from JICA	15,300,000	
Term Loan from other Banks (Note - 9.2)	1,335,898,571	1,488,704,990
Short term loan from other banks (Note - 9.3)	273,284,474	333,477,751
Call Loan	-	-
	1,656,962,855	1,885,582,831
9.2 Term loan from Other Banks		
Bank Alfalah Limited.	10,950,665	20,694,215
Bank Asia Limited.	22,667,386	54,265,575
Basic Bank Limited.	87,764,444	114,192,875
BRAC Bank Limited.	56,382,776	73,300,369
Mercantile Bank Limited.	63,876,504	90,975,515
Mutual Trust Bank Limited.	137,166,950	184,880,965
National Bank Limited.	25,158,325	33,870,773
One Bank Limited	69,533,258	101,441,416
Prime Bank Limited.	75,123,296	87,350,168
Rupali Bank Limited.	150,175,093	200,000,000
Shahjalal Islami Bank Limited.	181,093,479	49,070,374
Sonali Bank Limited.	23,672,000	44,728,000
Southeast Bank Limited.	56,615,642	83,366,204
Standard Bank Limited.	42,332,796	72,218,101
Uttara Bank Limited.	333,385,958	278,350,441
	1,335,898,571	1,488,704,990

	31-Dec-12 BDT	31-Dec-11 BDT
9.3 Short Term Loan from Other Banks		
Basic Bank Limited.	63,195,071	62,051,936
Mercantile Bank Limited.	28,703,355	47,802,725
Mutual Trust Bank Limited.	35,105,491	82,209,148
Rupali Bank Limited.	97,913,564	99,572,281
Uttara Bank Limited.	48,366,994	41,841,661
	273,284,474	333,477,751
9.4 Maturity wise classification of loan		
Repayable on demand	-	-
Within 1 month	17,375,325	19,566,257
Over 1 months but not more than 3 months	203,752,241	255,518,185
Over 3 months but not more than 1 year	253,563,142	606,284,611
Over 1 year but not more than 5 years	913,129,733	943,213,777
Over 5 years	269,142,415	61,000,000
	1,656,962,855	1,885,582,831
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.		
10. Deposit & Other Accounts:		
Term Deposits (Note - 10.1)	2,739,881,351	1,607,805,511
Scheme Deposits (Double Benefit Scheme) (Note - 10.2)	84,223,000	85,013,000
Other Deposits (Note - 10.3)	38,939,005	59,054,262
Advance Rent & Installments (Note - 10.6)	24,665,898	35,530,548
	2,887,709,254	1,787,403,321
10.a Deposits (Consolidated)		
BD Finance	2,887,709,254	1,787,403,321
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	(113,906,621)	-
	2,773,802,633	1,787,403,321
10.1 Term Deposits		
General Deposit	2,509,881,351	1,357,805,511
Deposit from Other Banks and FI's (Note - 10.5)	230,000,000	250,000,000
	2,739,881,351	1,607,805,511
10.2 Scheme Deposits		
General Deposits	84,223,000	85,013,000
Deposit from Other Banks and FI's	-	-
	84,223,000	85,013,000

	31-Dec-12 BDT	31-Dec-11 BDT
10.3 Other Deposits		
Lease deposits	32,138,126	35,910,911
Security deposits	1,994,170	2,014,170
Sundry Creditors	4,806,709	21,129,181
	38,939,005	59,054,262
10.4 Deposit		
General Deposits	2,633,043,356	1,501,872,773
Deposit from Other Banks and Financial Institutions	230,000,000	250,000,000
	2,863,043,356	1,751,872,773
10.5 Term Deposits from other bank and FI's		
Janata Bank Limited.	30,000,000	50,000,000
Rupali Bank Limited.	100,000,000	100,000,000
Sonali Bank Limited.	100,000,000	100,000,000
	230,000,000	250,000,000
10.6 Advance Rent & Installments		
Advance Lease Rent	2,963,700	-
Advance Term Installments	21,702,198	35,530,548
	24,665,898	35,530,548
10.7 Maturity wise classification of Deposits		
Repayable on demand	-	-
Within 1 month	155,069,987	131,731,625
Over 1 months but not more than 3 months	403,990,525	148,890,697
Over 3 months but not more than 1 year	173,262,555	63,631,558
Over 1 year but not more than 5 years	1,346,827,596	833,644,909
Over 5 year to 10 years	808,558,591	609,504,532
Over 10 years	-	-
	2,887,709,254	1,787,403,321
11. Other Liabilities		
Provision for Loans and Lease Finance (Note 11.1)	130,159,092	108,922,788
Provisions for Investment in Securities (Note 11.2)	53,257,919	52,088,606
Interest Suspense (Note 11.3)	54,956,462	69,254,814
Provision for Taxation (Note 11.4)	166,543,702	134,642,550
Deferred Tax (Note 11.5)	3,242,994	3,070,626
Interest payable on Borrowing and Deposits (Note 11.6)	284,149,604	204,018,987
Payable & Provision against expenditure (Note 11.7)	12,691,992	8,069,241
Advance Rent Received	23,236,620	15,960,000
Advance Excise Duty Received	548,900	-
Gratuity Fund	3,593,466	3,044,706
Dividend payable	931,110	911,311
	733,311,862	599,983,628

	31-Dec-12 BDT	31-Dec-11 BDT
11.a Other Liabilities (Consolidated)		
BD Finance	733,311,862	599,983,628
BD Finance Securities Limited	25,499,526	6,657,806
BD Finance Capital Holdings Limited	5,739,256	318,157
	764,550,643	606,959,591
11.1 Provision for Investment:		
(a) Provision on Classified Investment:		
Provision held at the beginning of the period	82,229,765	54,818,589
Net charge to Profit & Loss Account (Note - 31)	14,360,098	27,411,176
Provision held at the end of the period	96,589,863	82,229,765
(b) General Provision on Unclassified Investment:		
Provision held at the beginning of the period	26,693,023	26,815,709
Net charge to Profit & Loss Account (Note - 31)	6,876,206	(122,686)
Balance at the end of the period	33,569,229	26,693,023
Total Provision for Investments	130,159,092	108,922,788
11.2 Provision for Investment in Securities:		
Provision held at the beginning of the period	52,088,606	42,000,000
Addition/(Adjustment) during the year (note-31)	1,169,313	10,088,606
Balance at the end of the period	53,257,919	52,088,606
11.3 Interest Suspense Account:		
Balance at the beginning of the period	69,254,814	45,130,473
Amount transferred to suspense account during the period	-	24,124,341
Amount recovered from suspense account during the period	(14,298,352)	-
Balance at the end of the period	54,956,462	69,254,814
11.4 Provision for Taxation		
Balance at the beginning of the period	134,642,550	147,458,650
Provision made during the period	31,901,152	18,639,019
Adjustment during the period	-	(31,455,119)
Balance at the end of the period	166,543,702	134,642,550
11.5 Deferred Tax		
Balance at the beginning of the period	3,070,626	2,808,263
Adjustment during the period	172,368	262,363
Balance at the end of the period	3,242,994	3,070,626

	31-Dec-12 BDT	31-Dec-11 BDT
11.6 Interest payable on Borrowing and Deposits		
Interest payable on TDR and other deposits	250,428,331	165,085,876
Interest payable on term loan	33,029,121	37,688,520
Interest payable on Refinancing loan from BB (SME)	477,312	1,157,587
Interest payable on Refinancing loan from BB (Housing)	16,150	18,814
Interest payable on Refinancing loan from JICA	130,500	-
Interest payable on Security Deposit	68,190	68,190
Balance at the end of the period	<u>284,149,604</u>	<u>204,018,987</u>
11.7 Payable & Provision against expenditure		
Advance transfer price	8,001	8,001
Payable others	4,415,472	5,098,076
Payable to BD Finance Foundation	1,773,714	488,023
Withholding Excise Duty	3,482,690	1,992,920
Withholding tax	2,929,871	390,485
Withholding VAT	82,244	91,736
Balance at the end of the period	<u>12,691,992</u>	<u>8,069,241</u>
11.8 Maturity wise classification of other liabilities		
Repayable on demand	14,331,741	11,636,612
Within 1 month	33,817,545	27,673,159
Over 1 months but not more than 3 months	235,246,259	192,503,840
Over 3 months but not more than 1 year	78,058,661	63,876,008
Over 1 year but not more than 5 years	118,999,988	97,378,614
Over 5 years	252,857,669	206,915,394
Balance at the end of the period	<u>733,311,862</u>	<u>599,983,628</u>
12. Capital		
12.1 Authorized Capital:		
200,000,000 ordinary shares of Tk. 10 each	<u>2,000,000,000</u>	<u>2,000,000,000</u>
12.2 Issued, Subscribed and Paid up Capital:		
5,91,03,812 fully paid ordinary shares of Tk. 10 each subscribed and paid up.	<u>591,038,120</u>	<u>537,307,390</u>
Sponsor Shareholders Group	320,708,150	338,035,270
General Shareholders Group	270,329,970	199,272,120
	<u>591,038,120</u>	<u>537,307,390</u>
General Shareholders Group:		
General Public	203,342,860	154,843,380
Financial Institutes	42,615,700	23,874,450
Investors Account	24,371,410	20,554,290
	<u>270,329,970</u>	<u>199,272,120</u>

		31-Dec-12 BDT	31-Dec-11 BDT
Classification of Shareholders by holding:	No. of Shareholders	No. of Shares	Percentage of Share Holding
Less than 500 shares	11,581	1,835,044	3.10%
501 to 5,000 shares	6,925	9,600,012	16.24%
5,001 to 10,000 shares	428	3,021,285	5.11%
10,001 to 20,000 shares	183	2,526,961	4.28%
20,001 to 30,000 shares	45	1,101,723	1.86%
30,001 to 40,000 shares	31	1,054,225	1.78%
40,001 to 50,000 shares	20	885,956	1.50%
50,001 to 1,00,000 shares	27	1,793,326	3.03%
1,00,001 to 10,00,000 shares	48	13,978,264	23.65%
10,00,001 to 99,99,999 shares	16	23,307,016	39.43%
Total	19,304	59,103,812	100.00%

Year	Declaration	No of Shares	Value of Shares	Value of Shares	Cumulative no. of shares
1999	Sponsored Share	500,000	5,000,000	5,000,000	5,000,000
1999	Allotment Share	4,500,000	45,000,000	45,000,000	50,000,000
2003	Bonus Share	500,000	5,000,000	5,000,000	55,000,000
2003	Right Share	1,000,000	10,000,000	10,000,000	65,000,000
2004	Right Share	7,506,000	75,060,000	75,060,000	140,060,000
2004	Bonus Share	780,000	7,800,000	7,800,000	147,860,000
2005	Right Share	4,201,800	42,018,000	42,018,000	189,878,000
2005	Bonus Share	1,478,600	14,786,000	14,786,000	204,664,000
2006	Bonus Share	2,865,290	28,652,900	28,652,900	233,316,900
2007	IPO	7,000,000	70,000,000	70,000,000	303,316,900
2008	Bonus Share	3,033,160	30,331,600	30,331,600	333,648,500
2009	Bonus Share	3,336,480	33,364,800	33,364,800	367,013,300
2010	Bonus Share	7,340,260	73,402,600	73,402,600	440,415,900
2011	Bonus Share	9,689,149	96,891,490	96,891,490	537,307,390
2012	Bonus Share	5,373,073	53,730,730	53,730,730	591,038,120

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BDT31-Dec-11
BDT**12.3 Capital under Capital Adequacy and Market Discipline (CAMD)****a) Core Capital (Tier -I):**

i) Paid-up Capital	591,038,120	537,307,390
ii) Statutory Reserve (Note # 13)	131,435,406	124,015,143
iii) General Reserve (Note # 14)	50,000,000	50,000,000
iv) Retained Earnings (Note # 15)	49,715,042	94,925,800
v) Minority interest (Note # 15.b)	444,137,729	441,812,328
	1,266,326,297	1,248,060,661

b) Supplementary Capital (Tier-II):

i) Revaluation Surplus on Land & Building	69,111,801	69,111,801
ii) General Provision {Note 11.1(b)}	33,569,229	35,815,709
	102,681,030	104,927,510
c) Total (a +b)	1,369,007,327	1,352,988,170

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	591,038,120	537,307,390
Requires minimum capital	1,000,000,000	1,000,000,000
Excess (Shortfall) of Paid up Capital over minimum capital	(408,961,880)	(462,692,610)

As stated above in the procedure (2) BD Finance may meet up the deficiency through issuance of Right Share during the period 2012. Application for the Right Issue with ROD submitted to the BSEC on 14 October 2012.

13. Statutory Reserve

Opening balance	124,015,143	120,208,563
Add: Addition during the period	7,420,263	3,806,580
	131,435,406	124,015,143

	31-Dec-12 BDT	31-Dec-11 BDT
14. General Reserve		
Opening balance	50,000,000	46,702,684
Add: Transfer from Retained Earning	-	3,297,316
	50,000,000	50,000,000

15. Retained Earnings		
Opening balance	94,925,800	187,008,575
Less: Prior year adjustment	(20,931,832)	-
Less: VAT paid for FY 2006	(229,247)	-
Add: Depreciation adjustment of 2010	-	1,621,150
Less: Payment to CDBL for Share Split	-	(2,606,161)
Less: Donation to BD Finance Foundation	-	(6,135,280)
Add: Profit After Tax during the period	37,101,314	19,032,902
Less: Transfer to General Reserve	-	(3,297,316)
Less: Transfer to Statutory Reserve	(7,420,263)	(3,806,580)
Less: Issue of Bonus shares	(53,730,730)	(96,891,490)
	49,715,042	94,925,800

Notes: Tk. 20,931,832 was adjusted as waiver of interest with Lease Account No. LA/462/2010 as per decision of the BOD on its 144th meeting held on 16.11.2011 which was inadvertently not adjusted in the year 2011.

15.a Retained Earnings (Consolidated)		
Bangladesh Finance And Investment Co. Limited. (BD Finance)	49,715,042	94,925,800
BD Finance Securities Limited-Retained Loss	(4,527,906)	(9,985,865)
BD Finance Capital Holdings Limited.-Retained Loss	(2,244,904)	430,449
Adjustment for Minority Interest	1,932,271	4,257,672
	44,874,501	89,628,055

15.b Non Controlling Interest (Consolidated)		
BD Finance Securities Limited		
Paid up Capital	446,000,000	4,546,000
Share Money Deposit	-	441,454,000
Retained Profit/(Loss)	(1,930,699)	(4,257,974)
	444,069,301	441,742,026

BD Finance Capital Holdings Limited.		
Paid up Capital	70,000	70,000
Retained Profit/(Loss)	(1,571)	302
	68,429	70,302
	444,137,729	441,812,328

	31-Dec-12 BDT	31-Dec-11 BDT
16. Letters of Guarantees		
Letters of guarantee	124,801,330	4,801,330
Less: Margin	-	-
	124,801,330	4,801,330
17. Profit and Loss Account		
Income		
Interest, discount and similar income (Note-18)	703,752,596	469,311,700
Dividend income {Note-20}	5,715,529	5,020,908
Commission, Exchange and Brokerage	700,000	200,000
Gains less losses arising from investment securities {Note-20}	(19,377,344)	27,750,418
Other operating income (Note-21)	89,434,466	31,824,290
	780,225,248	534,107,316
Expenses:		
Interest paid on Deposits & Borrowing (Note-19)	629,867,899	438,363,691
Administrative expenses	39,316,347	34,309,034
Other operating expenses (Note-30)	11,893,897	11,818,195
Depreciation on Fixed assets {Note-29(a)+29(b)}	4,251,964	5,168,111
	685,330,107	489,659,032
Income over expenditure	94,895,141	44,448,284
18. Interest income		
Interest income on Loans & Lease Finance (Note-18.1)	683,382,536	449,710,821
Interest on placement with other Banks & FIS (Note-18.2)	20,370,060	19,600,879
	703,752,596	469,311,700
18.a Interest Income (Consolidated)		
BD Finance	703,752,596	469,311,700
BD Finance Securities Limited	29,115,016	20,088
BD Finance Capital Holdings Limited	40,706	754,928
BD Finance Securities Limited-Adjustment	(25,457,333)	(12,500)
BD Finance Capital Holdings Limited.-Adjustment	(10,185,823)	-
	697,265,162	470,074,216
18.1 Interest on Loans & Lease Finance		
Interest income on lease finance	150,065,009	132,851,361
Interest income on term finance	533,158,167	316,667,690
Interest on housing finance	159,360	191,770
	683,382,536	449,710,821
18.2 Interest on placement with other banks & FIS		
Interest on TDR	12,984,864	7,572,072
Interest on STD accounts	1,572,558	5,519,641
Interest on fund placements	5,812,639	6,509,167
	20,370,060	19,600,879

	31-Dec-12 BDT	31-Dec-11 BDT
19. Interest paid on deposits & borrowing		
Interest paid on deposits	334,613,646	184,328,982
Interest paid on borrowings (Note-19.1)	295,254,252	254,034,708
	629,867,899	438,363,691
19.a Interest Expenses (Consolidated)		
BD Finance	629,867,899	438,363,691
BD Finance Securities Limited	261,774	7,588
BD Finance Capital Holdings Limited	-	-
BD Finance Securities Limited-Adjustment	-	-
BD Finance Capital Holdings Limited.-Adjustment	(14,593,621)	-
	615,536,052	438,371,279
19.1 Interest paid on borrowing		
Interest Expenses on Term Loan	261,518,949	235,011,741
Interest Expenses on SOD Loan	26,732,415	14,954,887
Interest Expenses on Call Loan	4,565,417	16,111
Interest Expenses on Re financing loan	2,437,472	4,051,970
	295,254,252	254,034,708
20. Income from Investment in Securities		
Income from Investment in Shares	(19,377,344)	27,750,418
Dividend Income	5,715,529	5,020,908
	(13,661,814)	32,771,326
20.a Income from Investment in Securities (Consolidated)		
BD Finance	(13,661,814)	32,771,326
BD Finance Securities Limited	8,750	791,574
BD Finance Capital Holdings Limited	7,074	-
BD Finance Securities Limited-Adjustment	-	-
BD Finance Capital Holdings Limited.-Adjustment	-	-
	(13,645,990)	33,562,900
20.b Commission, Exchange and Brokerage (Consolidated)		
BD Finance	700,000	200,000
BD Finance Securities Limited	42,460,928	66,614
BD Finance Capital Holdings Limited	-	-
BD Finance Securities Limited-Adjustment	-	-
BD Finance Capital Holdings Limited.-Adjustment	-	-
	43,160,928	266,614

	31-Dec-12 BDT	31-Dec-11 BDT
21. Other Operating Income:		
Penal Interest	67,299,269	20,780,861
Prepayment Interest	2,108,768	473,063
Transfer Price	613,898	370,125
Processing fees	1,073,560	790,640
Legal & Documentation charge	4,034,929	354,001
Office Rent (64 Motijheel)	13,781,231	8,831,400
Other Income (Note-21.1)	522,811	224,200
	89,434,466	31,824,290
21.a Other Operating Income (Consolidated)		
BD Finance	89,434,466	31,824,290
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
BD Finance Securities Limited-Adjustment	(1,765,800)	-
BD Finance Capital Holdings Limited.-Adjustment	-	-
	87,668,666	31,824,290
21.1 Other Income		
Gain/(loss) on sale of fixed assets	-	2,000
Miscellaneous income	522,811	222,200
	522,811	224,200
22. Salary & Allowances		
Basic Salary	10,134,329	9,619,130
Allowances	6,312,652	5,962,897
Bonus	2,009,560	1,518,393
BD Finance's Contribution to Provident fund	285,088	233,419
Wages	673,832	710,175
	19,415,461	18,044,014
22.a Salary & Allowances (Consolidated)		
BD Finance	19,415,461	18,044,014
BD Finance Securities Limited	8,103,979	2,612,443
BD Finance Capital Holdings Limited	388,166	-
	27,907,606	20,656,457
23. Rent, Taxes, Insurance, Electricity etc.		
Rent, Rates & Taxes	7,762,362	6,522,742
Insurance	134,713	131,091
Electricity & Lighting, WASA, Gas etc.	730,851	693,683
	8,627,926	7,347,516
23.a Rent, Taxes, Insurance, Electricity etc.(Consolidated)		
Bangladesh Finance And Investment Co. Limited. (BD Finance)	8,627,926	7,347,516
BD Finance Securities Limited	4,103,139	412,348
BD Finance Capital Holdings Limited	-	-
BD Finance Capital Holdings Limited- Adjustment	(1,765,800)	-
	10,965,265	7,759,864

	31-Dec-12 BDT	31-Dec-11 BDT
24. Legal Expenses		
Legal Fees & Charge	434,077	734,235
Other Legal Expenses	-	-
	434,077	734,235
25. Postage, Stamps, Telecommunication etc.		
Stamp & Court Fees	66,677	115,432
Commission on purchase of stamps	1,600	4,192
Internet expenses	93,631	92,250
Postage & Courier Expenses	25,952	32,582
Telephone & Fax Expenses	69,098	75,581
Mobile Expenses	174,618	150,191
	431,576	470,228
25.a Postage, Stamps, Telecommunication (Consolidated)		
BD Finance	431,576	470,228
BD Finance Securities Limited	512,044	48,519
BD Finance Capital Holdings Limited	2,765	-
	946,385	518,747
26. Stationery, Printing, Advertisements etc.		
Stationery-Toner & Cartridge	140,700	160,900
Stationery Expenses	223,000	197,090
Printing Expenses	1,125,481	641,295
Advertisement and Publicity	602,823	663,255
	2,092,004	1,662,540
26.a Stationery, Printing, Advertisements etc.(Consolidated)		
BD Finance	2,092,004	1,662,540
BD Finance Securities Limited	1,522,037	436,612
BD Finance Capital Holdings Limited	78,184	-
	3,692,225	2,099,152
27. Managing Director's Salary and Allowances		
Basic Salary	3,600,000	2,703,226
Allowances	2,900,000	1,834,234
	6,500,000	4,537,460
28. Directors' Fees & Conveyance		
Director Fees	621,000	753,250
Local Conveyance & Entertainment Exp.	320,477	236,577
	941,477	989,827
Notes: Total 11 no's of Board Meeting and 4 no's of Audit Committee Meeting were held during the period ended on 31 December 2012. 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	941,477	989,827
BD Finance Securities Limited	82,500	167,245
BD Finance Capital Holdings Limited	-	-
	1,023,977	1,157,072

	31-Dec-12 BDT	31-Dec-11 BDT
28.b Audit Fees (Consolidated)		
BD Finance	138,000	104,000
BD Finance Securities Limited	90,000	-
BD Finance Capital Holdings Limited	20,000	-
	248,000	104,000
29. Depreciation and Repair of Assets		
a) Depreciation of Assets		
Building	539,880	539,880
Furniture & Fixtures	385,731	418,722
Office Equipment	556,240	575,187
Motor Vehicles	1,898,897	2,729,463
	3,380,748	4,263,252
b) Amortization Expenses		
System & Software	-	33,646
Office Renovation	871,216	871,213
	871,216	904,859
c) Repair of Assets		
Office Equipment	239,158	188,163
Office Furniture & Fixtures	-	465
Motor Vehicles	634,668	594,086
	873,826	782,714
	5,125,790	5,950,825
29.a Depreciation and Repair of Assets (Consolidated)		
BD Finance	5,125,790	5,950,825
BD Finance Securities Limited	3,351,343	1,113,318
BD Finance Capital Holdings Limited	964,505	-
	9,441,638	7,064,143
30. Other Expenses		
Petrol, Oil, Lubricants, CNG & others	3,661,153	3,309,982
Entertainment	564,249	562,916
Donation and Subscription	448,050	604,759
Donation to BD Finance Foundation	1,773,714	488,023
Document & Processing Fees	718,657	320,799
Traveling and Conveyance	30,024	82,528
Training Expenses	88,400	10,000
Retirement benefits and gratuity	548,760	853,015
Registration & Renewal Expenses	152,771	186,173
Papers & Periodicals	27,464	96,575
Office Maintenance	59,799	141,543
Office Supplies	91,677	97,365
Bank Charges & Excise Duty	402,057	350,405
Business development & Promotion	216,492	178,564
Security Service-Outsourcing	177,447	287,538
AGM & Meeting expenses	2,917,268	4,466,004
Miscellaneous Expenses	15,915	10,530
	11,893,897	12,046,718

	31-Dec-12 BDT	31-Dec-11 BDT
30.a Other Expenses (Consolidated)		
BD Finance	11,893,897	12,046,718
BD Finance Securities Limited-DSE charges	2,646,825	6,591
BD Finance Securities Limited	11,940,118	315,947
BD Finance Capital Holdings Limited	286,331	6,324
	26,767,171	12,375,580
31. Provision against loans, lease finance & Others		
Provision on classified investment {Note-11.1(a)}	17,536,788	27,411,176
Provision on unclassified Loans & Advances {Note-11.1(b)}	6,876,206	(122,686)
Provisions on Investment in Securities (Note - 11.2)	1,169,313	10,088,606
	25,582,307	37,377,096
31.a Provision on Investment in Securities (Consolidated)		
BD Finance	1,169,313	10,088,606
BD Finance Securities Limited	2,593,233	5,578,906
BD Finance Capital Holdings Limited	4,372,620	-
	8,135,166	15,667,512
32. Earning Per Share (EPS)		
Calculation of Earning Per Share (Note - 2.24):		
Net Profit after Tax	37,101,314	19,032,902
Number of Ordinary Shares outstanding (Denominator)	59,103,812	59,103,812
Earning Per Share (Re-stated)	0.63	0.32
32.a . Earning Per Share (EPS) (Consolidated)		
Calculation of Earning Per Share (Note - 2.24):		
Net Profit after Tax	37,558,519	13,735,156
Number of Ordinary Shares outstanding (Denominator)	59,103,812	59,103,812
Earning Per Share (Re-stated)	0.64	0.23
33. Interest received		
Interest received (Note-18)	703,752,596	469,311,700
Add: Opening interest Receivable on TDR	6,837,819	4,865,747
Less: Closing interest receivable on TDR	(12,023,283)	(6,837,819)
Add: Opening Receivable Delinquent & Call	12,667,825	522,222
Less: Closing Receivable Delinquent & Call	(36,085,639)	(12,667,825)
Add: Closing interest suspense account	54,956,462	69,254,814
Less: Opening Interest Suspense Account	(69,254,814)	(45,130,473)
Less: Delinquent adjustment of 2011	(3,176,690)	-
	657,674,276	479,318,366
34. Interest Paid on Deposits & Borrowings		
Interest Paid on Deposits & Borrowings (Note-19)	629,867,899	438,363,691
Add: Opening interest payable on deposit & borrowings	204,018,987	116,651,115
Less: Closing interest payable on deposit & borrowings	(284,149,604)	(204,018,987)
	549,737,281	350,995,819
35. Cash Received from other Operating activities		
Income from investment in shares (Note 20)	(19,377,344)	27,750,418
Other operating income (except gain/(loss) on sales of fixed assets)	89,434,466	31,822,290
	70,057,123	59,572,708

	31-Dec-12 BDT	31-Dec-11 BDT
36. Cash Payments for other Operating activities		
Rent, Taxes, Insurance, Lighting etc.	8,625,146	7,347,516
Legal Expenses	434,077	734,235
Postage, Stamp, Telegram & Telephone	428,930	470,228
Directors' Fee & Expenses	927,461	989,827
Auditors' Fee	138,000	104,000
Repair, Maintenance of NBF's Assets	873,826	782,714
Other Expenses	10,120,183	11,818,195
Prior year adjustments	20,931,832	-
VAT paid (FY 2006)	229,247	-
CDBL Payments for Share Split	-	2,606,161
Donation to BD Finance Foundation - 2011	-	488,023
Donation to BD Finance Foundation - 2010	-	6,135,280
	42,708,702	31,476,180
37. Cash Increase/ Decrease in Other Assets		
Re-imbursable Expenses	4,536,896	2,977,913
Receivable Grace Period Interest	15,262,671	2,187,451
Receivable against Call Loan & Others (Rent from 64)	3,452,567	1,615,000
Receivable Delinquent Charge	-	-
Receivable Excise Duty	1,228,083	1,224,534
Receivable from BD Capital Holdings	8,741,860	1,084,505
Receivable from Brokerage House	-	-
Receivable on sale of shares	3	2
Receivable against lease finance	-	-
Investment In Subsidiaries	699,930,000	699,930,000
Advance against expenditure {Note-8.2(c)}	18,007,290	3,329,377
Deposits {with other organization Note-8.2(d)}	1,471,414	1,471,414
Stock of Stamp	44,435	26,555
	752,675,219	713,846,751
Cash (Increase)/ Decrease in Other Assets	(38,828,468)	(657,996,400)
38. Cash Increase/ (Decrease) in Other Liabilities		
Payable others	12,691,992	8,069,241
Advance Rent (against 64 Motijheel)	23,236,620	15,960,000
Advance Excise Duty	548,900	-
Gratuity Fund	3,593,466	3,044,706
Dividend payable	931,110	911,311
	41,002,088	27,985,257
Cash Increase/ (Decrease) in Other Liabilities	13,016,831	(11,918,481)
39. Cash and Cash Equivalents		
Cash in Hand	55,014	123,067
Balance with Bangladesh Bank & Sonali Bank Limited	73,358,455	36,784,328
Balance with Other Banks & Financial Institutions	211,155,270	120,516,648
	284,568,738	157,424,043

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 53.

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
Mr. S.M Didarul Alam	Director	Member	B.A
Mr. Syed Tareq Akbar Ally	Director	Member	B.Com

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

b) Meeting of Audit Committee

During 1 January to 31 December 2012, 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. Manwar Hossain	Chairman	Anwar Silk Mills Limited. Anwar Integrated Steel Plant Limited. Anwar Landmark Limited. Anwar Galvanizing Limited. Anwar Jute Spinning Mills Limited. Anwar Cement Limited. Anwar Ispat Limited. AG Automobiles Limited. A One Polymer Limited. BD Finance Capital Holdings Limited. BD Finance Securities Limited. Bangladesh Commerce Bank Hossain Dyeing & Printing Mills Limited. Kaba Trading Co. Mehmud Industries (Pvt.) Limited.
Mr. Hossain Khaled	Vice Chairman	Anwar Silk Mills Limited. Anwar Integrated Steel Plant Limited. Anwar Landmark Limited. Anwar Galvanizing Limited. Anwar Jute Spinning Mills Limited. Anwar Cement Limited. Anwar Ispat Limited. AG Automobiles Limited. A One Polymer Limited. BD Finance Capital Holdings Limited. BD Finance Securities Limited. Hossain Dyeing & Printing Mills Limited. Mehmud Industries (Pvt.) Limited. The City Bank Limited.
Mr. Geasuddin Ahmed	Director	BD Finance Securities Limited. Dhaka Complex (Pvt) Limited. Momota Enterprise
Mr. S.M. Didarul Alam	Director	Al-Haj Mostafa Hakim Housing & Real Estate Limited. Al-Haj Mostafa Hakim Cement Industries Limited. Golden Oxygen Limited. Eagle Star Textile Mills Limited. Mutual Jute Spinner Limited.
Mr. Syed Tareq Akbar Ally	Director	Nil
Mr. Yousuf Aman	Director	Nil
Mr. Mohammad Shahin Alam	Director	Al-Haj Mostafa Hakim Housing & Real Estate Limited. Al-Haj Mostafa Hakim Cement Industries Limited. Golden Oxygen Limited.
Mrs. Shahnaz Rashid	Director	Anwar Cement Limited. Anwar Jute Spinning Mills Limited. Anwar Landmark Limited.

Name	Status with BD Finance	"Name of Firms/Companies in which interested as"
		Anwar Galvanizing Limited. BD Finance Securities Limited.
Mr. Md. Imtiyaj	Director	Imtiyaj Steel Precious Steel Corporation
Mr. Haider Ahmed Khan, FCA	Independent Director	Ahmed Khan & Co. Flower Faisons Limited. MM Agro Enterprises Limited. Mifkif Apparel Limited. Seasons Aid Limited. Seasons Dresses Limited.

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 By	Nature of transaction	Amount in Tk.	Status
i)	Geasuddin Ahmed	Director	Short Term Finance	4,158,943 Standard
ii)	A-One Polymer Limited.	Common Director	Short Term Finance	115,963,126 Standard
iii)	City General Insurance Co. Limited.	Common Director	Short Term Finance	20,950,725 Standard
iv)	BD Finance Securities Limited.	Common Director	Short Term Finance	271,520,000 Standard
v)	BD Finance Capital Holdings Limited.	Common Director	Short Term Finance	119,547,465 Standard
			<u>532,140,259</u>	

43 Events after Balance Sheet Date

The Board of Directors of BD Finance has recommended 10% Stock Dividend for the year 2012.


Company Secretary


Managing Director


Director


Director

Annexure-A

Fixed Asset Schedule

For the year ended 31 December 2012

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 2012
	Balance as on 1 January 2012	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the period		Balance at 31 December 2012	Balance as on 1 January 2012	Transfer/ Adjustment during the year	Charge for the year	
Land	185,750,000	-	-	-	-	-	-	-	-	185,750,000
Building	5,398,790	-	-	-	10%	1,079,759	-	539,880	1,619,639	3,779,151
Furniture & Fixture	6,314,976	-	391,485	-	20%	5,218,848	-	385,731	5,604,579	1,101,882
Office Equipment	5,013,650	-	792,984	-	25%	4,060,303	-	556,240	4,616,543	1,190,091
Office Renovation	4,356,089	-	-	-	20%	3,270,307	-	871,216	4,141,523	214,566
Motor Vehicle	14,806,973	-	-	-	20%	10,499,792	-	1,898,897	12,398,689	2,408,285
Other Assets	182,667	-	-	-	20%	182,667	-	-	182,667	-
System and Software	1,420,000	-	-	-	25%	1,420,000	-	-	1,420,000	-
31 December 2012	223,243,145	-	1,184,469	-		25,731,676	-	4,251,964	29,983,640	194,443,974
31 December 2011	222,915,718	138,223,602	412,347	84,920		20,623,984	60,420	5,168,111	25,731,676	197,511,469

Statement of Trading Shares

As on 31 December 2012

Annexure-B

Name of The Company	No. Of share	Cost Price Per Share	Market Price Per Share	Cost Value	Market Value	Gain/ (Loss)
Beximco Ltd.	670,000	69.37	64.40	46,475,592	43,148,000	(3,327,592)
Beximco Pharma	1,627,996	60.21	55.90	98,025,986	91,004,976	(7,021,010)
BSRM Steel	20,000	104.19	67.90	2,083,897	1,358,000	(725,897)
Eastland Insurance	65,000	77.94	56.60	5,065,908	3,679,000	(1,386,908)
Exim Bank	318,623	18.46	20.80	5,880,396	6,627,358	746,962
Grammen Phone Ltd.	795,000	178.17	175.00	141,643,151	139,125,000	(2,518,151)
IDLC	36,000	84.34	106.90	3,036,091	3,848,400	812,309
International Leasing & Financial Services Ltd.	12,000	71.39	20.10	856,660	241,200	(615,460)
Lafarge Surma Cement	833,000	34.51	32.90	28,743,604	27,405,700	(1,337,904)
Meghna Life Insurance	6,400	248.70	112.80	1,591,656	721,920	(869,736)
MJL Bangladesh Ltd.	7,100	167.89	79.70	1,191,986	565,870	(626,116)
National Bank Ltd.	1,026,153	23.65	22.10	24,271,602	22,677,981	(1,593,621)
NCC Bank	35,100	30.75	18.20	1,079,192	638,820	(440,372)
One Bank Limited	1,111,000	24.31	22.80	27,012,990	25,330,800	(1,682,190)
Padma Life Insurance Co. Ltd.	133,500	97.37	65.50	12,998,365	8,744,250	(4,254,115)
Peoples Leasing & Financial Services Ltd.	552,551	37.32	32.40	20,621,408	17,902,652	(2,718,756)
Phoenix Insurance Co.Ltd.	7,000	67.15	58.00	470,072	406,000	(64,072)
Prime Islami Life	20,180	191.75	116.00	3,869,472	2,340,880	(1,528,592)
Rangpur Dairy & Food Products Ltd.	53,600	37.56	25.30	2,013,244	1,356,080	(657,164)
Rupali Bank	3,960	131.30	79.40	519,958	314,424	(205,534)
Singer BD	7,700	437.75	164.10	3,370,708	1,263,570	(2,107,138)
Social Islami Bank Ltd.	48,250	22.35	19.40	1,078,475	936,050	(142,425)
Southeast Bank Ltd.	3,425,340	20.76	20.00	71,103,250	68,506,800	(2,596,450)
Square Pharma	8,644	356.49	168.60	3,081,465	1,457,378	(1,624,086)
Standard Insurance	5,000	45.71	42.90	228,570	214,500	(14,070)
Summit Power	829,738	56.13	53.30	46,569,100	44,225,035	(2,344,065)
The City Bank Ltd.	324,812	31.49	28.90	10,226,719	9,387,067	(839,652)
Titas Gas	710,000	77.10	65.30	54,740,360	46,363,000	(8,377,360)
UCBL	16,000	38.80	27.10	620,773	433,600	(187,173)
United Air	40	20.91	29.90	836	1,196	360
United Leasing	824,220	42.88	36.80	35,343,238	30,331,296	(5,011,942)
				653,814,724	600,556,805	(53,257,919)

Highlights of Performance

(Amount of BDT)

SL #	PARTICULARS	December 2012	December 2011
1	Paid up Capital	591,038,120	537,307,390
2	Total Capital	960,412,170	944,471,935
3	Capital Surplus / (Deficit)	(408,961,880)	(462,692,610)
4	Total Assets	6,238,396,140	5,217,441,715
5	Total Deposit	2,887,709,254	1,787,403,321
6	Total Loans/Lease Finance	3,754,792,183	3,290,848,549
7	Total Contingent Liabilities and Commitment	124,801,330	4,801,330
8	Investment Deposit Ratio (%)	130.03%	184.11%
9	Percentage of Classified Investment against total Investments	8.89%	9.58%
10	Profit after Tax and Provision	37,101,314	19,520,925
11	Amount of Classified Investment	333,985,836	315,196,847
12	Provisions kept against Classified Investment	96,589,863	82,229,765
13	Provisions surplus	231,391	3,368,212
14	Cost of Fund	14.31%	12.09%
15	Interest Earning Assets	5,060,621,590	4,151,225,421
16	Non-Profit Earning Assets	1,177,774,550	1,066,216,293
17	Return on Investment in Securities (ROI)	-0.51%	1.43%
18	Return on Assets (ROA)	0.65%	0.41%
19	Income from Investment in Securities	(13,661,814)	32,771,326
20	Earning Per Share (Re-stated)	0.63	0.32
21	Price Earning Ratio (Times)	49.07	172.86
22	Book value per share (Per 10 Tk.)	16.25	17.58

BD Finance Securities Limited

Directors Report

December 31, 2012

Bismillahir Rahmanir Rahim.

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullah.

BD Finance Securities Limited feels pleasure to welcome you to the 2nd Annual General Meeting of the Company and pleased to place before you the Audited Financial Statements of the Company for the year ended December 31, 2012, auditors' report there on along with Company's performance and other related information in terms of Companies Act 1994, Guidelines issued by Securities and Exchange Commission, Dhaka Stock Exchange Ltd. and Bangladesh Financial Reporting Standards.

Capital Market of Bangladesh

You all know the Capital market was in dire strait in 2012. Between Dec. 2010 and Dec 2012 all Bangladesh Stock Market related indicators have significantly lost their values.

DGEN lost 21%; market capitalization down by 10%; daily trade value reduced 63% comparing 2011 session. P/E ratio remained almost same 12 in 2011 and 12.07 in 2012. The situation was same for the CSE as well.

To make the improvement market participants - brokerage houses, stock dealers, merchant banks, Dhaka Stock Exchange (DSE), and Securities Exchange Commission (SEC) were initiated a number of steps but unfortunately there was no positive impact.

Business Performance

The Company started its operation on November 21, 2011. From the inauguration we are in competitively better position in the market. Although this is our 1st full-fledged operational year, in 2011 we got only 17 (Seventeen) working days.

The Operational performance can be summarized as under:-

	2012	2011	
01. Portfolio Size	270.49	122.92	Crore
02. Number of BO	1319	97	Nos
03. Total Trade Volume	1089.23	1.71	Crore
04. Margin Loan	27.82	0.73	Crore
05. Operational Profit	3.98	.0006	Crore
06. Net Profit / Loss	54.58	(0.998)	Crore

Board of Directors

During the year 6 (Six) meeting of the Board took place.

Dividend for the year ended December 31, 2012

The Board of Directors did not propose any dividend for the year ended December 31, 2012.

Prospect of the Company

Although the capital market is expected to remain volatile in the year 2013 as well we have been preparing our ground to ripe the benefit even in this market situation. The positive side for us is that we should bring systematic impact in our operation having full-fledged cooperation from our parent company BD Finance and our associate Company BD Capital. We anticipate our better year of 2013.

Acknowledgement

We thank from the bottom of our heart DSE, BSEC & all our regulators, our stakeholders & patrons, our valued clients and our dedicated employees for being with us all the moment and for supporting us.

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Anwar Hossain', with a long horizontal stroke extending to the right.

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, which comprises the Statement of Financial Position as at 31 December, 2012 and the related Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

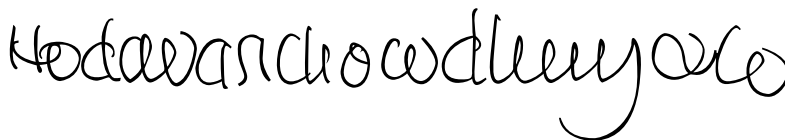
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the Statement of Financial Position as at 31 December, 2012 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

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

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



Dhaka, 21 April 2013

Chartered Accountants

Statement of Financial Position

As on 31 December, 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
SOURCES OF FUNDS			
Shareholders' Equity			
Share Capital	3	1,046,000,000	10,000,000
Share Money Deposit	4	-	1,036,000,000
Retained Earnings		(4,527,906)	(9,985,865)
		1,041,472,094	1,036,014,135
APPLICATION OF FUNDS			
Property, Plant and Equipment	5	18,279,937	17,085,731
Intangible asset	6	247,500	165,000
Preliminary Expenses	7	2,044,377	2,280,267
Investment	8		
In DSE Membership		989,290,000	989,290,000
In Share		17,280,877	14,476,204
		1,006,570,877	1,003,766,204
Total non-current asset		1,027,142,691	1,023,297,202
Current Assets			
Receivable from Clients	9	278,186,126	6,693,484
Advances, Deposits and Prepayments	11	10,473,044	10,200,000
Advance Income Tax	12	5,614,537	152,126
Cash and cash equivalent	13	5,555,222	3,829,130
		299,828,929	20,874,740
Current Liabilities			
Payable to DSE	10	907,303	684,187
Short Term Loan	14	260,000,000	1,500,000
Provision for Unrealized Loss on Investment in Share	15	8,172,139	5,578,906
Payable to Clients	16	9,149,208	-
Provision for Tax	17	5,614,535	152,125
Liabilities for Expenses	18	1,373,195	242,588
Reserve on Business Development Expenses	19	283,146	-
		285,499,526	8,157,806
Net Current Assets		14,329,403	12,716,934
Net Asset Employed		1,041,472,094	1,036,014,135

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


Chartered Accountants

Dhaka, 21 April 2013

Statement Of Financial Performance

For the year ended 31 December, 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
Operating Profit			
Brokerage commission	20	41,925,856	70,288
BO Account Maintainance	21	535,072	(3,674)
		42,460,928	66,614
Less : Operating Expenses	22	(2,646,825)	(6,591)
Gross Profit		39,814,103	60,023
Non Operating Income			
Interest Income	23	29,115,016	20,088
Financial Expenses	24	(25,719,107)	(20,088)
Net Financial Income/(Loss)		3,395,909	-
Income before General & Administrative Expenses		43,210,012	60,023
General and Administrative expenses	25	(29,705,161)	(5,106,432)
Other Comprehensive Income			
Net Gain/Loss on Investment in Share	8.1	(2,593,233)	(4,817,332)
Dividend Income	12.1	8,750	30,000
Profit before tax		10,920,369	(9,833,741)
Income tax Expense	17.1	5,462,410	152,125
Profit/(loss) after tax		5,457,959	(9,985,865)

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



Company Secretary

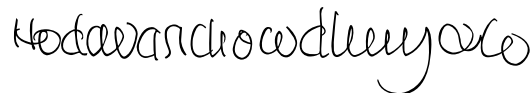


Director



Managing Director & CEO

Auditors' Report to the shareholders see annexed report to date



Chartered Accountants

Dhaka, 21 April 2013

Statement of Cash Flow

For the year ended 31 December 2012

	31-Dec-12 BDT	31-Dec-11 BDT
A. Cash Flows From Operating Activities:		
Net Income/Loss	5,457,959	(9,985,865)
Depreciation & Amortization	3,351,343	1,113,317
Capital Gain on Investment in Share	-	(761,574)
Receivable from Clients	(271,492,643)	(6,693,484)
Advanced Deposit & Prepayments	-	(10,200,000)
Advanced Income Tax	(5,462,410)	(152,125)
Payable To DSE	223,116	684,187
Short Term Loan	258,500,000	1,500,000
Payable To Clients	9,149,208	-
Provision for Tax	5,462,410	152,125
Unrealised Loss on Investment in Shares	2,593,233	5,578,906
Reserve on Business Development Expenses	283,146	-
Liability for Expenses	1,130,607	242,588
	3,738,010	(8,536,060)
Net Cash Used by Operating Activities	9,195,968	(18,521,925)
B. Cash Flows From Investing Activities:		
Purchase of Assets	(4,665,203)	(20,644,316)
Acquisition of DSE Membership	-	(989,290,000)
Investment in Share	(2,804,673)	(33,818,994)
Sale of Investment in Share	-	20,104,365
Net Cash Used by Investing Activities	(7,469,876)	(1,023,648,945)
C. Cash Flows From Financing Activities:		
Paid up Capital	-	1,046,000,000
Net Cash Provide by Financing Activities	-	1,046,000,000
D. Net cash inflow from total activities (A+B+C)	1,726,092	3,829,130
E. Opening Cash and Cash Equivalents	3,829,130	-
F. Closing Cash and Cash Equivalents (D+E)	5,555,222	3,829,130



Company Secretary



Director



Managing Director & CEO

Statement of Changes in Equity

For the year ended 31 December, 2012

Particulars	Share Capital BDT	Share Money Deposit BDT	Retained Earnings BDT	Total BDT
As at 01st Jan, 2012	10,000,000	1,036,000,000	(9,985,865)	1,036,014,135
Changes during the period 2012				
Transferred from Share money deposit	1,036,000,000	(1,036,000,000)	-	-
Net Profit/Loss for the period	-		5,457,959	5,457,959
Balance at December 31, 2012	1,046,000,000	-	(4,527,906)	1,041,472,094



Company Secretary



Director



Managing Director & CEO

BD Finance Securities Limited

Notes to the Financial Statements For the year ended 31 December 2012

1 Company & Its Activities

1.1.1 Legal form of the Company

The Company was incorporated in Bangladesh as a public limited company on 28 December 2010 vides Registration No. C-89204/10 under The Companies Act 1994. The Company has purchased Dhaka Stock Exchange Membership, whose Registration Number is 30.

1.1.2 Nature of business

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

1.2 Significant accounting policies

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

1.2.1 Basis of preparation of Financial Statement

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

1.2.3 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.

1.2.4 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.

1.2.5 Cash and cash equivalent

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

1.2.6 Currency

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

1.2.7 Reporting Period

Financial Statements of the company consistently cover from 1st January 2012 to 31 December 2012.

2.1 Recognition and Measurement

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses ,if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

2.2 Subsequently costs

The costs of replacing part of an item of property plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embedded within the part will flow to the company and its cost can be measured reliably. The cost of the day to day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

2.3 Recognition of Property, Plant and Equipment and Depreciation

2.3.1 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.

2.3.2 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 Securities Ltd followed the (Straight-line method) of depreciation and annual rates are as under:

Office Equipment	10%
Electronic Equipment	15%
Furniture & Fixture	10%
Computer Peripheral	25%
Vehicles	20%
Office Renovation and Furnishing	10%

2.3.3 On disposal of fixed assets, 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.

2.4 Intangible Assets

a. Components

The main item included in intangible asset is software, TWS Installation and Preliminary Expenses.

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 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 embedded 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% and preliminary expenses @10%.

2.5 Cost of Services

Cost of services includes the charges of stock exchanges booked on daily basis as per trading after receiving the trading note from Dhaka Stock Exchange Limited and Central Depository Bangladesh Ltd. (CDBL). Charge booked on monthly basis, after receiving the bill from CDBL.

2.6 Receivable

Receivables at the balance sheet date are stated at amount which are considered receivable less impairment charges.

2.7 Cash Flow Statement

Cash Flow from operating activities have been prepared and presented under the Indirect Method in accordance with the requirements of BAS 7: Cash flow statement.

2.8 Financial Income and Expenses

Financial Income represents interest income on fixed deposit and margin lending accounted for on accrual basis. Financial expenses comprise of bank charges and commission.

2.9 Bad Debt

2.9.1 Provision for Bad Debts

The company creates provision for doubtful debts on regular basis considering the outstanding receivable balance collection during the year and balance of shares held.

2.9.2 Recovery of Bad Debts

Any recovery is adjusted with the provision for bad debts in the period of recovery.

2.9.3 Bad debts written off

This is at discretion of management.

2.10 Taxation

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 37.5% 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.

	31-Dec-12 BDT	31-Dec-11 BDT
3 Share Capital		
3.1 Authorized 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

10,46,00,000 fully paid ordinary shares of Tk.10/- each subscribed and paid by the sponsor Shareholders.

Name of Shareholder	Number of Share	Shareholding %	Amount 2012	Amount 2011
BFIC	60,000,000	57.4%	600,000,000	5,454,000
Anwar Landmark Ltd.	18,500,000	18%	185,000,000	2,000,000
City General Insurance Co.	9,100,000	9%	91,000,000	1,000,000
Mr. Manwar Hossain	3,000,000	3%	30,000,000	273,000
Mr. Hossain Mehmud	3,000,000	3%	30,000,000	273,000
Mr. Hossain Khaled	3,000,000	3%	30,000,000	273,000
Mr. M. Abu Taher	3,000,000	3%	30,000,000	273,000
Mr. Md. Yousuf	3,000,000	3%	30,000,000	273,000
Mr. Geasuddin Ahmed	2,000,000	2%	20,000,000	181,000
	104,600,000	100%	1,046,000,000	10,000,000

Note : According to the decision of the board after obtaining approval from SEC we have transferred our Share Money Deposit of Tk.103,60,00,000.00 to paid up capital.

4 Share Money Deposit

Bangladesh Finance & Investment Co. Limited	-	594,546,000
Anwar Landmark Ltd.	-	183,000,000
City General Insurance Co. Ltd.	-	90,000,000
Mr. Manwar Hossain	-	29,727,000
Mr. Hossain Mehmud	-	29,727,000
Mr. Hossain Khaled	-	29,727,000
Mr. M. Abu Taher	-	29,727,000
Mr. Md. Yousuf	-	29,727,000
Mr. Geasuddin Ahmed	-	19,819,000
	-	1,036,000,000

	31-Dec-12 BDT	31-Dec-11 BDT
5 Property, Plant and Equipment		
A. Cost :		
Opening Balance	18,120,419	18,120,419
Addition during the year	4,062,159	-
Closing Balance	<u>22,182,578</u>	<u>18,120,419</u>
B. Depreciation:		
Opening Balance	1,034,688	-
Charge during the year	2,867,953	1,034,688
Closing Balance	<u>3,902,641</u>	<u>1,034,688</u>
Carrying amount/ Written Down Value (See Annexure - I)	<u>18,279,937</u>	<u>17,085,731</u>
6 Intangible Assets		
A. Cost :		
Opening Balance	165,000	-
Addition during the year	330,000	165,000
Closing Balance	<u>495,000</u>	<u>165,000</u>
B. Amortization:		
Opening Balance	-	-
Charge during the year	247,500	-
Closing Balance	<u>247,500</u>	<u>-</u>
Carrying amount/ Written Down Value (See Annexure- II)	<u>247,500</u>	<u>165,000</u>
7 Preliminary Expensest		
Amortization of Preliminary expenses @10% PA.		
A. Cost :		
Opening Balance	2,358,897	-
Addition during the year	-	2,358,897
Closing Balance	<u>2,358,897</u>	<u>2,358,897</u>
B. Amortization:		
Opening Balance	78,630	-
Charge during the year	235,890	78,630
Closing Balance	<u>314,520</u>	<u>78,630</u>
Carrying amount/ Written Down Value	<u>2,044,377</u>	<u>2,280,267</u>

	31-Dec-12 BDT	31-Dec-11 BDT
8 Investments		
Investment In Membership of DSE (30)	989,290,000	989,290,000
Investment In Shares	17,280,877	14,476,204
	1,006,570,877	1,003,766,204
8.1 Capital Gain On Investment In Share		
Unrealized Loss on Investment in Share	-	761,574
Investment In Shares	2,593,233	5,578,906
Net Gain Loss on Investment In Share	(2,593,233)	(4,817,332)
9 Receivable from Clients		
Net Receivable from various clients	278,186,126	6,693,484
	278,186,126	6,693,484
10 Receivable/Payable from DSE		
Payable to Dhaka Stock Exchange Ltd.	1,040,952	684,187
Receivable from Dhaka Stock Exchange Ltd.	133,649	-
Net Payable to DSE	907,303	684,187
11 Advances, Deposits and Prepayments		
Security Deposit with CDBL	200,000	200,000
Security Deposit with DSE	10,000,000	10,000,000
Advance For Generator Installation Work	273,044	-
	10,473,044	10,200,000
12 Advance Income Tax		
Opening Balance	152,126	-
AIT on Cash Dividend	1,750	6,000
AIT on Bank Interest	14,488	137,554
Addition During the Year	5,446,173	8,572
	5,614,537	152,126
12.1 Cash Dividend		
Tax Payable	8,750	30,000
Tax Rate	20%	20%
	1,750	6,000
12.2 Interest income on Bank Deposit		
Tax Payable	144,877	1,375,540
Tax Rate	10%	10%
	14,488	137,554

	31-Dec-12 BDT	31-Dec-11 BDT
13 Cash and Cash Equivalent		
Cash in hand	4,597	12,813
Cash at banks		
Mutual Trust Bank Limited(Principal Branch)	702,080	2,206,355
City Bank Limited (Principal Branch)	489	301,350
City Bank Limited. (Foreign Exchange Branch)	304,601	-
One Bank Limited(Principal Branch)	4,526,110	1,289,767
Jamuna Bank Limited(Foreign Exchange Branch)	2,345	3,845
Rupali Bank Limited(Corporate Branch)	15,000	15,000
	5,550,625	3,816,317
Total Cash & Cash Equivalent	5,555,222	3,829,130
14 Short Term Loans		
Loan from BD Finance	260,000,000	1,500,000
	260,000,000	1,500,000
15 Provision for Unrealized Loss on Investment in Share		
Opening Balance	5,578,906	-
Provision During the Period	2,593,233	5,578,906
	8,172,139	5,578,906
16 Payable to Clients	9,149,208	-
17 Provision for Tax		
Opening Balance	152,125	-
Current Year income Tax Expenses	5,462,410	152,125
Net Provision For Tax	5,614,535	152,125
17.1 Income Tax Expenses		
Net Profit before Tax	10,920,369	-
Add:		
Inadmissible Expenses	3,115,453	-
Unrealized Loss on Investment In Share	2,593,233	-
	16,629,055	-
Less:		
Allowable Expenses	(3,610,756)	-
Taxable Income	13,018,299	-
Tax @ 37.5%	4,881,862	-
AIT under Section 82C *	5,462,410	152,125

31-Dec-12
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* **Note:** Tax Expenses (According to ITO, as AIT under section 82C is higher than normal Tax, So AIT is the final Tax Expenses).
This year total Tax liability Tk. 5,462,410.00

Income Tax Expenses **	<u>5,462,410</u>	<u>152,125</u>
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** **Notes:** For the year end 31st December 2011 we have paid tax under section 82C where AIT is final discharge of Income Tax Liability. Last year total AIT was Tk. 1,52,125.00

18 Liabilities for expenses

Provision for BO Ac Opening Fee	-	38,800
Provision for Utility Bill	42,444	28,641
Provision for Interest on BFIC Loan	-	12,500
Business Development Expenses Payable	682,368	-
Liability to ANF Management.	10,586	10,586
Network Connectivity Charges Payable	7,000	-
Mobile Bill Payable	7,209	-
Fuel Bill Payable	18,000	-
Audit Fees Payable	90,000	-
Liability for CDBL Expenses(Share Maintenance)	515,588	152,061
	<u>1,373,195</u>	<u>242,588</u>

19 Reserve

Reserve on Business Development Expenses	<u>283,146</u>	<u>-</u>
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20 Income from Brokerage Commission

Brokerage commission	41,928,757	70,288
Less: Discount on Brokerage Commission	(2,901)	-
	<u>41,925,856</u>	<u>70,288</u>

21 Income from BO Account Maintenance

BO account maintenance fee/Opening Fee	783,000	93,500
BO account Renewal Fees	282,500	-
BO account Closing Fees	31,500	-
CDBL Settlement Transfer income	1,896,273	1,534
CDBL Bulk A/C Transfer Income	424,868	208,018
CDBL Transfer/Transmission Income	203,631	-
CDBL Pledge Income	54,716	-
CDBL Unpledged Income	3,395	-
CDBL Corporate Action Income	134,277	-
CDBL Demate of New Securities (IPO) Income	59	-
CDBL Demate of Existing Securities Income	8,805	78
	<u>3,823,024</u>	<u>303,130</u>

	31-Dec-12 BDT	31-Dec-11 BDT
Less:		
Discount on BO A/C Opening Fee	79,500	21,500
Expenses For BO A/C Maintenance	-	33,900
CDBL Settlement Transfer Charge	1,895,799	2,008
CDBL Bulk A/C Transfer Income	335,382	208,018
CDBL Transfer/Transmission Charge	109,038	2,500
CDBL Corporate Action Charge	67,365	-
CDBL Demate of New Securities (IPO) Charge	30	-
CDBL Demate of Existing Securities Charge	4,402	78
CDBL Pledge Charge	32,538	-
CDBL Unpledged Charge	1,698	-
CDBL BO A/C Opening charge	530,400	38,800
CDBL BO A/C Renewal charge	224,800	-
CDBL Other Charges	7,000	-
	3,287,952	306,804
Net Income	535,072	(3,674)
22 Operating Expenses		
DSE charges (Note:22.1)	2,646,825	6,591
	2,646,825	6,591
22.1 DSE charges		
Howla Charge	454,632	1,126
Laga charge	2,178,469	3,429
DSE Other Charges	8,632	-
DSE Authorization Fee	5,092	2,036
	2,646,825	6,591
23 Interest Income		
Interest on Margin Loan	28,952,639	42,519
Interest income on Bank Deposit	144,877	1,375,540
Cheque Dishonored Charge	17,500	-
Less: Expenses on Interest Income		(1,397,971)
	29,115,016	20,088
24 Financial Expenses		
Interest Expenses on BD Finance Loan	25,457,333	12,500
Bank Charges	29,340	7,588
Bank Guarantee Fees	205,000	-
Interest Refund	27,434	-
	25,719,107	20,088

	31-Dec-12 BDT	31-Dec-11 BDT
25 General and Administrative Expenses		
Salary, Wages and Benefits	8,103,979	2,612,443
Directors Remuneration	82,500	167,245
Office Rent	3,531,600	300,000
Conveyance	7,920	5,899
Printing & Stationery	807,722	125,688
Mobile Bill	75,604	8,259
Telephone ,Postage & Telegram	26,296	207
Network Connectivity Charge	398,924	35,250
Entertainment	154,457	40,097
Advertisement	714,315	310,924
Fuel, Oil and Lubricants	259,866	127,126
Audit Fees	90,000	-
Govt. Taxes, Stamps Duty & License Fees	11,220	4,803
Utility Bill	571,539	112,348
Newspaper & Periodicals	7,376	496
Miscellaneous Expenses	7,150	33,249
Office Cleaning Expenses	11,749	2,766
Office Maintenance Expenses	45,631	-
Business Development Expenses	11,028,609	-
SEC DP Registration Renewal Fee	20,000	10,000
SEC Other Expenses	247,200	-
Insurance Premium Expenses	33,140	65,409
Repair & Maintenance	16,145	-
Training Expenses	7,000	-
RJSC Expenses	65,666	25,200
Fees & Renewals	28,210	5,705
Amortization of Intangible Asset	247,500	-
Amortization of Preliminary Expenses	235,890	78,630
Depreciation	2,867,953	1,034,688
	29,705,161	5,106,432

25.1 Previous year's figures have been rearranged where necessary to conform to current year's presentation.

25.2 Figures have rounded off to the nearest taka.



Company Secretary



Director



Managing Director & CEO

Schedule of Fixed Assets

For the period ended 31 December 2012

Figures in BDT

Particulars	Cost				Rate	Depreciation				Written down value at 31-Dec-12
	Balance as on 01-Jan-12	Addition During the Period	Disposal/ Adj. during the period	Balance as at 31-Dec-12		As on 1-Jan-12	Disposal/ Adj. during the period	Charge during the period	Balance as at 31-Dec-12	
Office Equipment	87,737	575,919	-	663,656	10%	2,925	-	29,093	32,018	631,638
Electrical Equipment	6,094	-	-	6,094	15%	203	-	914	1,117	4,977
Furniture and Fixture	761,788	-	-	761,788	10%	25,393	-	76,179	101,572	660,216
Computer & Peripheral	848,800	3,486,240	-	4,335,040	25%	35,367	-	765,567	800,934	3,534,106
Vehicles	3,546,000	-	-	3,546,000	20%	327,300	-	709,200	1,036,500	2,509,500
Office Renovation/Furnishing	12,870,000	-	-	12,870,000	10%	643,500	-	1,287,000	1,930,500	10,939,500
Total	18,120,419	4,062,159	-	22,182,578		1,034,688	-	2,867,953	3,902,641	18,279,937

Annexure- II

Schedule of Intangible Assets

For the period ended 31 December 2012

Figures in BDT

Particulars	Cost				Rate	Amortization				Written down value at 31-Dec-12
	Balance as on 01-Jan-12	Addition During the Period	Disposal/ Adj. during the period	Balance as at 31-Dec-12		As on 1-Jan-12	Disposal/ Adj. during the period	Charge during the period	Balance as at 31-Dec-12	
Software	150,000	300,000	-	450,000	50%	-	-	225,000	225,000	225,000
TWS Installation	15,000	30,000	-	45,000	50%	-	-	22,500	22,500	22,500
Total	165,000	330,000	-	495,000	-	-	-	247,500	247,500	247,500

BD Finance Capital Holdings Limited

Directors' Report for the financial year 2012

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 2012 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 5th meeting held on 21 April, 2013. The Directors' Report has been prepared in compliance with Section 184 of the Companies Act 1994.

WORLD ECONOMY

The world economy is still struggling to recover the wounds of the global economic crisis. The US economy weakened notably during 2012, and growth prospects for 2013 and 2014 remain sluggish. Japan's GDP is forecasted to grow at 0.6 percent in 2013 and 0.8 percent in 2014, down from 1.5 percent in 2012. Economic growth in Japan in 2012 was up from a year ago, mainly driven by the reconstruction and recovery from the earthquake-related disasters of 2011. Additional measures have been taken by the government to stimulate private consumption. Exports faced strong headwinds from the slowdown of the global demand and appreciation of the Japanese yen.

Economies in developing Asia have weakened considerably during 2012, the UN report states, as the region's growth engines, China and India, have witnessed lower growth. While a significant decline in exports has been a key factor behind the slowdown, both economies also face a number of structural challenges that hamper growth. Given persistent inflationary pressures and large fiscal deficits, the scope for policy stimulus in India and other South Asian countries is limited. China and many East Asian economies, in contrast, possess much greater space for countercyclical policy.

BANGLADESH ECONOMY

The uncertainties and volatilities in the global economy are likely to have significant impact on the economy of Bangladesh in terms of trade, remittances, foreign aid and financial flows. Bangladeshis working overseas, mainly in the Middle East, are the major source of foreign exchange earnings through remittance. Exports of garments and textiles are the other main sources of foreign exchange earnings. Ship building has become a major force of growth. Sound financial management and regulations has also contributed to the growth of GDP. The foreign direct investment increased significantly during 2012. Bangladesh has made remarkable improvement in its human development index.

Agricultural growth has slowed from 5.1 percent in FY11 to 2.5 percent in FY12. The slower agricultural growth was driven by a decline in crop sector growth from 5.7 percent in FY2011 to 0.9 percent in FY2012. Growth in animal farming was also very sluggish at 3.4 percent in FY2012, compared with 3.5 percent in FY2011.

Manufacturing growth picked up slightly from 9.5 percent in FY2011 to 9.8 percent in FY2012. The growth was entirely contributed by small scale manufacturing which posted 7.2 percent growth in FY12 from 5.8 percent in FY2011. Fiscal incentives given to the SMEs in the FY2012 budget together with credit support under the Equity and Entrepreneurship Fund implemented by Bangladesh Bank appears to have helped growth in small scale manufacturing. Growth in large scale manufacturing declined from 10.9 percent in FY2011 to 10.8 percent in FY2012.

Public investment increased from 5.6 percent of GDP in FY11 to 6.3 percent in FY12. The government's Annual Development Program is the single largest source of public investment. Private investment growth slowed down during 2012. Private investment to GDP ratio declined from 19.5 percent in FY2011 to 19.1 percent in FY2012. The national savings rate has declined from 26 percent of GDP in FY2011 to 25.2 percent in FY2012 which reflected a decline in both private and public saving rates. Private savings rate declined from 22.6 percent of GDP in FY2011 to 22.1 percent in FY2012 while public savings declined from 3.4 percent of GDP in FY 2011 to 3.1 percent in FY 2012. Private savings may have been hit by slower growth in real disposable income and the stock market crash which hurt small investors generally.

CAPITAL MARKET SCENARIO

The capital market of Bangladesh witnessed one of the worst scenarios during the last two years which have exposed the vulnerability of the merchant banks and brokerage houses to the various business risks associated with capital market operations. The market started to fall in the beginning of 2011 which remained bearish during the whole period. The general index had a bumpy ride with a generally declining trend through 2012, with a recovery apparent since later part of 2012. The market reached its lowest level on February 6, 2012 when the benchmark index closed at 3,616, representing a 60 percent decline from the December 2010 peak of 8,919.

Raising financial resources from the equity market faced a number of challenges in 2012. The bubble created in the capital market in 2009 and 2010 came to an end in December, 2010. After the collapse of the market, a number of reform measures were undertaken to raise the confidence of the investors. A number of IPOs were floated in 2012. In view of allegations about market manipulation, to ensure transparency, operations of the concerned companies should be properly audited.

AUDITOR

M/S Hoda Vasi Chowdhury & Co. Chartered Accountants are appointed as auditor for the year 2013

On behalf of the Board,



(Md. Anwar Hossain)

Chairman

Board of Directors

BD Finance Capital Holdings Limited

Auditors' Report

TO THE SHAREHOLDERS

OF

BD FINANCE CAPITAL HOLDINGS LTD.

We have audited the accompanying financial statements of BD Finance Capital Holdings Limited, which comprises the financial position as at 31 December, 2012 and the related statement of financial performance, statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

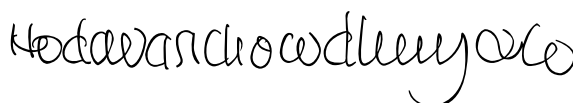
Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2012 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

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

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

Dhaka, 17 January 2013



Chartered Accountants

Statement of Financial Position

As on 31 December, 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
ASSETS			
Non Current Assets		7,500,000	964,505
Preliminary Expenses	3	-	964,505
Advance for Fixed Asset	4	7,500,000	-
Current Assets		224,213,677	100,798,606
Advance Income Tax	5	756,563	75,493
Investment	6	222,762,263	-
Cash & Cash Equivalent	7	694,851	100,723,113
Total Assets		231,713,677	101,763,111
EQUITY AND LIABILITIES			
Shareholders' Equity		97,755,096	100,430,449
Share Capital	8	100,000,000	100,000,000
Retained Earnings		(2,244,904)	430,449
Current Liabilities:		133,958,582	1,332,662
Inter Company Balance	9	8,671,860	1,014,505
Loan from BD Finance	10	119,547,465	-
Other Liabilities	11	30,119	-
Provision for Loss of Value of Share	6.1	4,372,620	-
Provision for Tax	16	1,336,517	318,157
Total Equity & Liabilities		231,713,677	101,763,111

These Financial Statements should be read in conjunction with the annexed notes 1 to 19


Company Secretary


Director


Managing Director & CEO (CC)

Auditors' Report to the shareholders see annexed report to date

Dhaka, 17 January 2013


Chartered Accountants

Statement of Financial Performance

For the year ended 31 December, 2012

	Note	31-Dec-12 BDT	31-Dec-11 BDT
Operating Profit			
Commission		-	-
Interest Income	12	14,634,327	754,928
		14,634,327	754,928
Less : Operating Expenses	13	11,925,774	6,323
Gross Profit / (Loss)		2,708,553	748,606
Other Income			
Net Gain/(Loss) on investment in Shares	14	7,074	-
Dividend Income		-	-
Non Operating Expense		-	-
Net Non Operating Income		7,074	-
Profit before provision & tax		2,715,627	748,606
Provision for Loss of Value of Share	6.1	4,372,620	
Profit before tax		(1,656,993)	748,606
Provision for Tax	16	1,018,360	318,157
Profit/(Loss) after tax		(2,675,353)	430,449

These Financial Statements should be read in conjunction with the annexed notes 1 to 19


Company Secretary


Director


Managing Director & CEO (CC)

Auditors' Report to the shareholders see annexed report to date

Dhaka, 17 January 2013


Chartered Accountants

Statement of Cash Flows

For the year ended 31 December, 2012

	31-Dec-12 BDT	31-Dec-11 BDT
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Interest Received	14,634,327	754,928
Salary Payment	(388,166)	-
Administrative Expenses	(366,475)	-
Interest Paid	(10,185,823)	-
Bank Charge Paid	(20,805)	(6,323)
Withhold Tax Paid	681,071	(75,493)
Increase in Other Liabilities	30,119	-
	3,022,106	673,113
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Gain on Sale of Share	7,074	-
Advance for Fixed Assets	(7,500,000)	-
Investment	(222,762,263)	-
	(230,255,189)	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Loan received from BD Finance	127,204,820	-
Share Capital Received	-	100,000,000
Amount received from BD Finance to opening Bank Account	-	50,000
	127,204,820	100,050,000
D. Net Cash Inflow / (Outflow) for the period (A+B+C)	(100,028,263)	100,723,113
E. Opening Cash & Bank Balances	100,723,113	-
F. Closing Cash & Bank Balances (D+E)	694,851	100,723,113



Company Secretary



Director



Managing Director & CEO (CC)


Statement of Changes in Equity

For the year ended 31 December, 2012

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01-01-2012	100,000,000	430,449	100,430,449
Net Profit/(Loss) for the period	-	(2,675,353)	(2,675,353)
Balance as on 31-12-2012	100,000,000	(2,244,904)	97,755,096
Balance as on 31-12-2011	100,000,000	430,449	100,430,449



Company Secretary



Director



Managing Director & CEO (CC)

Notes to the Financial Statements

For the year ended 31 December 2012

1. Company & Its Activities

1.1 Legal form of the Company

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

1.2 Nature of business

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

2. Significant accounting policies

2.1 Basis of preparation of Financial Statement

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

2.2 Revenue Recognition

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

2.3 Provision for Expenses

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

2.4 Cash and Cash Equivalent

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

2.5 Comparative Information

Comparative figures of 2011 was only for five months because the Company commenced its operation in August 2011.

2.6 Currency

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

2.7 Reporting Period

Financial Statements prepared on dated 31 December 2012.

	31-Dec-12 BDT	31-Dec-11 BDT
3 Preliminary Expenses		
Registration fees	925,565	925,565
Miscellaneous Expense (RJSC)	10,000	10,000
Trade License	14,300	14,300
Online Charge for Registration Purpose	2,200	2,200
Non Judicial Stamps for Affidavit of the Directors	1,240	1,240
Deposit to Brac Bank for Certified Copy	3,800	3,800
Certified Copy of MOA, AOA & Form 12	4,000	4,000
SEC Application Fees & Pay Order Charge	1,230	1,230
Notary Public Fee	1,670	1,670
Name Clearance for Merchant Banking	500	500
	964,505	964,505
Written off as per BAS 38 Para 69	964,505	-
	-	-
4 Advance for Fixed Asset		
Advance for Interior	7,500,000	-
	7,500,000	-
5 Advance Income Tax		
Balance at the beginning of the period	75,493	75,493
Tax Deducted at Source	681,071	-
	756,563	75,493
6 Investment		
Investment in Share (at Cost) (Note 6.1)	108,855,642	-
Investment in TDR with BD Finance	113,906,621	-
	222,762,263	-
6.1 Investment in Share		

Name of Company	No. of Shares	Cost price Per Share	Market Price Per Share	Cost price (Taka)	Market Price at the end of the period (Taka)	Unrealized gain/ (loss)
IDLC	946600	115	92	108,855,642	86,992,540	(21,863,102)
Unrealized Loss on Investment in Share @20%						4,372,620

Note: All investments in marketable securities are valued of cost value. Provision maintained @ 20% Unrealized Loss on Investment in Share (As per Press release of SEC Ref: SEC/Mukhopatra/2011/662 dated on 29/01/2013). Provision for diminution in value of investments BDT 4,372,620 on reporting date.

	31-Dec-12 BDT	31-Dec-11 BDT
7 Cash and Cash Equivalent		
The City Bank Ltd.	694,851	100,723,113
	694,851	100,723,113
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		
10,000,000 ordinary shares of Taka 10 each fully paid	100,000,000	100,000,000
	100,000,000	100,000,000

Shareholders	December 31, 2012			December 31, 2011
	% of Total Shareholding	Number of Share	Amount	
Bangladesh Finance And Investment Co. Ltd.	99.93%	9,993,000	99,930,000	99,930,000
Mr. Manwar Hossain	0.01%	1,000	10,000	10,000
Mr. Hossain Khaled	0.01%	1,000	10,000	10,000
Mr. Hossain Mehmud	0.01%	1,000	10,000	10,000
Mr. Md. Rafiqul Islam Khan	0.01%	1,000	10,000	10,000
Mrs. Rokeya Anowara Begum	0.01%	1,000	10,000	10,000
Mrs. Rashida Youshuf	0.01%	1,000	10,000	10,000
Mr. M. Maniruzzaman Khandaker	0.01%	1,000	10,000	10,000
Total	100.00%	10,000,000	100,000,000	100,000,000

9 Inter Company Balance

Bangladesh Finance And Investment Co. Ltd. (BD Finance)	8,671,860	1,014,505
BD Finance Securities Ltd.	-	-
	8,671,860	1,014,505

10 Loan From BD Finance

	119,547,465	-
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Note: The Short Term Loan was sanctioned by BD Finance Ltd for one year and is issued date 03.01.2011 maturity 03.07.2012. The interest rate is 17.5%.

11 Other Liabilities

Payable for Audit Fees	20,000	-
Witholding VAT	10,036	-
Witholding Tax	83	-
	30,119	-

12 Interest Income

Interest received from TDR with BD Finance	14,593,621	-
Interest received from Bank	40,706	754,928
	14,634,327	754,928

	31-Dec-12 BDT	31-Dec-11 BDT
13 Operating Expenses		
Salary	388,166	-
Fuel, CNG & Car Maintenance	8,016	-
Audit Fees	20,000	-
Annual Fees, SEC	150,000	-
Postage & Stamps	155	-
Printing & Stationery	1,090	-
Telephone bill	2,610	-
Entertainment Expenses	10,700	-
Advertisement Expenses	77,094	-
Business Promotion	83,300	-
Registration & Renewal	13,510	-
Financial Expenses (Interest on Loan from BD Finance)	10,185,823	-
Bank Charges & Excise Duty	20,805	6,323
Written off preliminary expenses	964,505	-
	11,925,774	6,323
14 Net Gain/(Loss) on investment in Shares		
Gain/(Loss) from Sale of Share	8,360	-
Less : Commission on Sale of Share	1,286	-
	7,074	-
16 Provision for Tax		
Opening Balance	318,157	-
Add: Provision during the year	1,018,360	318,157
	1,336,517	318,157

17 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 3.

18 Related Party Disclosures:

Name of the Party	Related By	Nature of transaction	Amount in Tk.	Status
BD Finance	Parent Company	Loan	119,547,465	Regularly paid
BD Finance	Parent Company	TDR	113,906,621	6 months renewable
BD Finance	Parent Company	Inter Company Balance	8,671,860	

18 Director Remuneration

No remuneration paid during the period.

19 General

19.01 Previous year's figures have been rearranged where necessary to confirm to current year's presentation.

19.02 Figures have rounded off to the nearest taka.



Company Secretary



Director

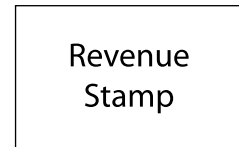


Managing Director & CEO (CC)

PROXY FORM

I/We.....
of..... being a member of Bangladesh
Finance and Investment Company Ltd. and entitled to vote, hereby appoint Mr. / Mrs./ Miss
..... of
.....
as my/our to attend and vote form/us and on my/ our behalf at the 14th Annual General Metting of the Company to be held
on Monday, June -24, 2013 at 10.00 A.M. at Institution of Diploma Engineers, Kakrail, Dhaka or at any adjournment thereof
or at any ballot to be taken in consequence hereof.

Signed this Signature of proxy.....
day of 2013



Signature of Shareholder

BO ID:

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No. of Shares

Note:

- 1.This form of proxy, duly completed and signed must be deposited at lest 48 hours before themeeeting at the Company's registered office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholder must be in accordance with Specimen Signature recorded with the Company.

ATTENDANCE SLIP

I hereby record attendance at the 14th Annual General Meeting of the Company being held on Monday, June 24, 2013 at 10.00 A.M. at institution of Diploma Engineers, Kakrail, Dhaka.

Name of the Member / Proxy

BO ID:

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Signature _____
Date _____

N.B. Shareholder attendance Meeting in person or by Proxy are requested to complete the attendance Slip and deposit same at the entrance of the meeting.



Bangladesh Finance and Investment Company Limited

Baitul Hossain Building (2nd Floor), 27 Dilkusha C/A Dhaka-1000, Bangladesh
PABX: (+88 02) 7114489, 7114493, 9559146, Fax: (+88 02) 9566493
e-mail: info@bdfinance.net, www.bdfinance.net