

ANNUAL REPORT 2015



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A top-down view of a lush, green lawn with many blades of grass. The grass is a bright, healthy green color and is densely packed together. The lighting is even, highlighting the texture of the blades.

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**LETTER OF
TRANSMITTAL**

LETTER OF TRANSMITTAL

Date: May 08, 2016

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

Annual Report For The Year Ended December 31, 2015.

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, 2015 and income statements, cash flow statements and changes in equity statements for the year ended December 31, 2015 along with notes thereon of Bangladesh Finance And Investment Company Ltd. (BD Finance) and its subsidiaries (BD Finance Securities Limited & BD Finance Capital Holdings Limited) for your kind information and record.

Thanking you,

Yours sincerely,



Khalid Mohammad Sharif FCS
Company Secretary

A close-up, top-down view of a lush green lawn with individual blades of grass clearly visible. The grass is a vibrant green color and appears to be a well-maintained variety.

**NOTICE OF THE
17TH ANNUAL
GENERAL MEETING**

NOTICE OF THE 17TH ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting (AGM) of Bangladesh Finance And Investment Company Limited will be held on Thursday June 09, 2016, at 10.30 AM at BCIC Auditorium, 30-31, Dilkusha C/A, Dhaka- 1000 to transact the following businesses:

1. To receive consider and adopt the Accounts for the year ended on December 31, 2015 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, 2015 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 approve re-appointment of Independent Director.
5. To appoint Auditors for the year 2016 and fix-up their remuneration.
6. To transact any other business with the permission of the Chair.

By order of the Board



Khaild Mohammad Sharif FCS
Company Secretary

Dated, Dhaka
May 08, 2016

NOTES:

- a) The Record Date: May 15, 2016.
- 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 update their 12 digit e-TIN number and changes of addresses, if any, through their respective Depository Participants before the Record Date.





VISION

VISION

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

MISSION

MISSION

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

A top-down view of a lush green lawn with the text 'STRATEGIC OBJECTIVES' centered in the middle.

**STRATEGIC
OBJECTIVES**

STRATEGIC OBJECTIVES

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

A top-down view of a lush, green lawn with individual blades of grass clearly visible. The grass is a bright, healthy green color. In the center of the image, the words "CORE VALUES" are printed in a bold, white, sans-serif font. The text is centered horizontally and vertically, standing out prominently against the green background.

CORE VALUES

CORE VALUES

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

A close-up, top-down view of a lush green lawn with many blades of grass. The grass is vibrant green and appears to be a well-maintained variety. The lighting is even, highlighting the texture of the blades.

CODE OF CONDUCT AND ETHICS

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 these:

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

BD FINANCE AT A GLANCE

Bangladesh Finance And Investment Company Limited (BD Finance) started its journey in 1999 with the prime objective of developing productive enterprises of the country through the provision of lease financing and subsequently diversified in other allied financial services. The Company obtained permission from Bangladesh Bank to operate as financial institution under the Financial institutions Act 1993 on December 22, 1999 and listed in Dhaka Stock Exchange on September 06, 2007 and Chittagong Stock Exchange on August 28, 2007. The shareholding structure of BD Finance consists of reputed corporate houses, leading industrialists & general public. Over a decade, BD Finance emerged as one of the 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)

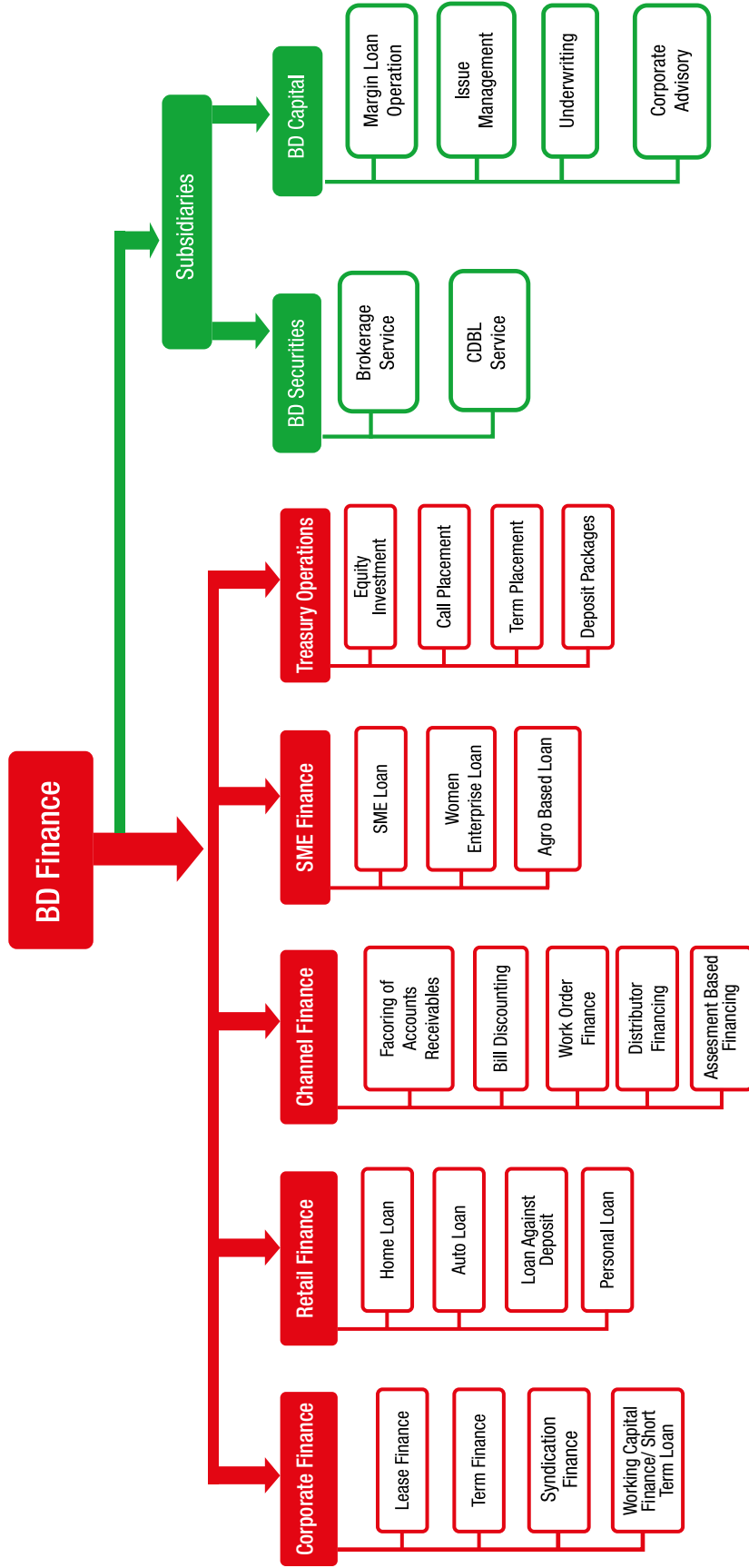
BD Securities, first subsidiary of BD Finance, offers full-fledged international standard brokerage service for retail and institutional clients. It has seats on Dhaka Stock Exchange Limited. It commenced operation in November, 2011. Within a short span of time, BD Securities has emerged as a strong 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 BSEC 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. Despite of being newer in the industry, BD Capital has been achieved substantial growth in the Merchant Banking industry.



BD FINANCE'S PRODUCTS AND SERVICES



A top-down view of a lush, green lawn with a dense carpet of grass blades. The grass is a vibrant green color and appears to be a fine-textured variety. The lighting is even, highlighting the texture of the grass.

KEY MILESTONES

KEY MILESTONES

Incorporation of the Company	:	May 10,1999
License from Bangladesh Bank as financial Institution	:	December 22, 1999
Commencement of Business	:	May 10,1999
Date of Commercial Operation	:	February 15,2000
Date of First Branch opening in Chittagong	:	July 12, 2005
Date of Second Branch opening at Bangshal	:	June 08, 2010
Date of Third Branch opening in Sylhet	:	September 08, 2014
Date of Fourth Branch opening at Uttara	:	September 08, 2014
Date of Initial Public Offering	:	June 10, 2007
Listing on Dhaka Stock Exchange	:	September 06, 2007
Listing on Chittagong Stock Exchange	:	August 28, 2007
Trading on DSE & CSE	:	September 11, 2007
Trading Code	:	BD FINANCE
Equity Participation in BD Finance Securities Limited	:	December 28,2010
Equity Participation in BD Finance Capital Holdings Limited	:	August 10,2011
Launching of BD Finance First Mutual Fund	:	January 17, 2016

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: +88-02-9559146 (Hunting) Fax: +88-02-9566493. E-mail: info@bdfinance.net Website: www.bdfinance.com.bd
Principal Branch	:	Baitul Hossain Building (7th floor) 27, Dilkusha C/A, Dhaka-1000, Bangladesh Phone: +88-02-9559146 (Hunting) Fax: +88-02-9566493. E-mail: info@bdfinance.net Website: www.bdfinance.com.bd
Chittagong Branch	:	Osman Court (2nd floor) 70, Agrabad C/A, Chittagong Phone: +88-031-2510234 Fax: +BB-031-2526564 Hot Line: +88-01618-448922 E-mail: info.ctg@bdfinance.net
Bangshal Branch	:	5, Bangshal Lane, North South Road (Old), 57 Syed Nazrul Islam Sharani (new), Dhaka Phone: +88-02-9513973 Hot Line: +88-01618-448923 E-mail: info@bdfinance.net
Sylhet Branch	:	Firoz Center, (5th Floor), 891/Ka, Chouhatta, Sylhet Sadar-3100 Hot Line: +88-01618-448942 e-mail: info.sylhet@bdfinance.net
Uttara Branch	:	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 CIA (2nd Floor), Dhaka-1000. Tel: +88-02-9511094,9554592 E-mail: info@bdsecurities.net
Head Office of Second Subsidiary	:	BD Finance Capital Holdings Limited 64, Motijheel CIA (2nd Floor), Dhaka-1000. Tel: +88-02-7122165,9553967 Hot Line: +88-01618-448925
Auditors	:	A. Qasem & Co. Gulshan Pink City Suites # 01-03, Level : 7, Plot # 15, Road # 103 Gulshan Avenue Dhaka-1212
Compliance Auditor	:	Itrat Hossain & Associates Chartered Secretaries in Practice 'Crystal Palace' REGUS, 3rd Floor, SE(D) 22, Road 140 South Gulshan Avenue, Gulshan-1, Dhaka-1212
Tax Consultant	:	Khandaker & Associates Room No. 4/3, (4th floor) 73, Kakrail, Dhaka.
Legal Advisor	:	Mr. M. Ziaul Hasan Barrister-at-Law Hasan & Associates Plot No. CES(D), Flat No. A-3 House No. 15, Road No. 124 Gulshan-1, Dhaka-1212 Mr. Md. Nuruzzaman Barrister-at-Law Capital Law Chamber Unit # 22B, City Centre (22nd Floor) 103 Motijheel C/A, 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	:	Mercantile Bank Limited Mutual Trust Bank Ltd. Prime Bank Limited Shahjalal Islami Bank Ltd. Southeast Bank Limited Standard Bank Limited Uttara Bank Limited United Commercial Bank Ltd. NRB Commercial Bank Ltd. Jamuna bank Limited

A high-resolution, top-down photograph of a lush green lawn. The grass blades are short and densely packed, creating a vibrant, textured surface. In the center of the image, the words "BOARD OF DIRECTORS" are printed in a bold, white, sans-serif font. The text is arranged in two lines: "BOARD OF" on the top line and "DIRECTORS" on the bottom line. The white color of the text contrasts sharply with the green background, making it highly legible.

**BOARD OF
DIRECTORS**

BOARD OF DIRECTORS

Chairman

Mr. Hossain Khaled

Nominated by Anwar Jute Spinning Mills Limited

Vice Chairperson

Mrs. Tanuja Mehmood

Nominated by Anwar Steel Mills Limited

Mr. Geasuddin Ahmed

Mr. Mohammad Shahin Alam

Nominated by Hossain Dyeing & Printing Mills Limited

Mrs. Shahnaz Rashid

Nominated by Anwar Steel Mills Limited

Mr. Imtiyaj Yousuf

Mr. Haider Ahmed Khan, FCA

Independent Director

Mr. Syed Tareq Akbar Ally

Nominated by Khaled Iron & Steel Mills Limited

Mr. Yousuf Aman

Nominated by Anwar Silk Mills Limited

Mr. Ihtiaz Yousuf

Nominated by Mehmud Industries (Pvt.) Limited

Mr. Ansar Uddin Ahmed

Independent Director

Mr. A.K.M. Shamsuddin

Independent Director

Mr. Mafizuddin Sarker

Managing Director & CEO

BRIEF PROFILE OF THE DIRECTORS



Mr. Hossain Khaled

Chairman

Nominated by Anwar Jute Spinning Mills Ltd.

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



Mrs. Tanuja Mehmood

Director

Nominated by Anwar Steel Mills Ltd.

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



Mr. Geasuddin Ahmed

Director

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



Mr. Mohammad Shahin Alam

Director

Nominated by Hossain Dyeing & Printing Mills Ltd.

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



Mrs. Shahnaz Rashid

Director

Nominated by Anwar Steel Mills Ltd.

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



Mr. Imtiyaj Yousuf

Director

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



Mr. Haider Ahmed Khan, FCA

Independent Director

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



Mr. Syed Tareq Akbar Ally
Director

Nominated by Khaled Iron & Steels Ltd.

Mr. Syed Tareq Akbar Ally is a commerce graduate and a businessman having interests in several enterprises in the ready made garments and trading sectors. He has traveled many countries 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. Ihtiaz Yousuf
Director

Nominated by Mehmud Industries (Pvt.) Ltd.

Mr. Ihtiaz Yousuf is a young entrepreneur involved in Steel business as his family business. He has completed his BBA with International Diploma from Independent University of Bangladesh (IUB).



Mr. Ansar Uddin Ahmed

Independent Director

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



Mr. A. K. M. Shamsuddin

Independent Director

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



Mr. Mafizuddin Sarker

Managing Director

Mr. Mafizuddin Sarker, Managing Director & CEO, has over 36 years of experience in Financial Market. He started his career in 1976 with Bangladesh Shilpa Rin Shangstha and thereafter he joined IDLC Finance Limited and served there for 13 years in various key positions including General Manager till he joined International Leasing and Financial Services Limited as Managing Director in 1998. He also served Lanka Bangla Finance Limited as Managing Director. He joined Bangladesh Finance And Investment Company Limited (BD Finance) as Managing Director & CEO on October 11, 2011. He is the current 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**

COMMITTEES OF THE BOARD AND MANAGEMENT

BOARD COMMITTEE

EXECUTIVE COMMITTEE

Mr. Hossain Khaled	Chairman
Mr. Syed Tareq Akber Ally	Member
Mr. Ansar Uddin Ahmed	Member
Mrs. Shahnaz Rashid	Member
Mr. Mafizuddin Sarker	Member

AUDIT COMMITTEE

Mr. Haider Ahmed Khan, FCA	Chairman
Ms. Tanuja Mehmood	Member
Mr. A.K.M. Shamsuddin	Member
Mr. Yousuf Aman	Member
Mr. Geasuddin Ahmed	Member

GREEN BANKING & CSR UNIT

Ms. Tanuja Mehmood	Convener
Mr. Asif Rahman, SVP & Manager, Principal Branch	Unit Head & Member
Mr. Md. Sajjadur Rahman Bhuiyan, SAVP & CFO	Member

MANAGEMENT COMMITTEE (MANCOM)

Mafizuddin Sarker Managing Director & CEO	Convener
Khalid Mohammad Sharif FCS FAVP & Company Secretary	Member Secretary
Shah M. Badar Uddin Senior Vice President & Head of Treasury	Member
Asif Rahman Senior Vice President & Manager, Principal Branch	Member
Md. Abdus Salam Chowdhury Vice President & Head of ICC	Member
S.M. Shafique Senior Assistant Vice President & Head of Recovery	Member
Md. Sajjadur Rahman Bhuiyan Senior Assistant Vice President & CFO	Member
Md. Rafiqul Amin AVP & Head of FAD	Member



Buddha Dev Sarker AVP & Head of ICT	Member
Kazi Dilruba Akter AVP & Head of Planning, Research & Branches Control	Member
Md. Nazim Uddin Bhuiyan Assistant Vice President & Head of Legal	Member
Pulak Chaudhuri AVP & Head of Credit Risk Management (CRM)	Member
Jitendra Kairy FAVP & Head of Business (SME & Auto)	Member
Tarek Murshed Khan FAVP & Head of Business (Home)	Member
Md. Safiullah Moni Senior Executive Officer & Head of Business (Channel Financing)	Member
Chowdhury Khaled Saifullah Managing Director, BD Finance Securities Limited	Member
Md. Nazrul Islam Managing Director & CEO (C.C.), BD Finance Capital Holdings Limited	Member

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

Mafizuddin Sarker Managing Director & CEO	Convener
Shah M. Badar Uddin Senior Vice President & Head of Treasury	Member Secretary
Asif Rahman Senior Vice President & Manager, Principal Branch	Member
S.M. Shafique Senior Assistant Vice President & Head of Recovery	Member
Md. Sajjadur Rahman Bhuiyan Senior Assistant Vice President & CFO	Member
Md. Rafiqul Amin Assistant Vice President & Head of FAD	Member
Pulak Chaudhuri Assistant Vice President & Head of CRM	Member

CREDIT COMMITTEE (CC)

Mafizuddin Sarker Managing Director & CEO	Convener
Pulak Chaudhuri Assistant Vice President & Head of CRM	Member Secretary
Jahid Humayun Executive Officer, CRM	Member
Asif Rahman Senior Vice President & Manager, Principal Branch	Member

S.M. Shafique Senior Assistant Vice President & Head of Recovery	Member
Tarek Murshed Khan First Assistant Vice President, Head of Home Loan	Member
Khalid Mohammad Sharif FCS FAVP & Company Secretary	Member
Jitendra Kairy First Assistant Vice President , Head of SME Finance	Member
Safiullah Moni Senior Executive Officer & Head of Channel Financing	Member
Hossan Al Masud FAVP & Branch In Charge, Chittagong Br.	Member
Md. Abdus Samad SEO & Branch In Charge, Bangshal Br.	Member
Md. Ruhul Kuddus SEO & Branch In Charge, Uttara Br.	Member
Md. Jahid Hasan Sohel SEO & Branch In Charge, Sylhet Br.	Member

BASEL IMPLEMENTATION COMMITTEE

Mafizuddin Sarker Managing Director & CEO	Convener
Md. Sajjadur Rahman Bhuiyan Senior Assistant Vice President & CFO	Member Secretary
Md. Abdus Salam Chowdhury Vice President & Head of ICC	Member
Asif Rahman Senior Vice President & Manager, Principal Branch	Member
S.M. Shafique Senior Assistant Vice President & Head of Recovery	Member
Md. Rafiqul Amin Assistant Vice President & Head of FAD	Member
Pulak Chaudhuri Assistant Vice President & Head of CRM	Member

RISK MANAGEMENT FORUM

Pulak Chaudhuri AVP & Head of Credit Risk Management (CRM)	Convener
Md. Jahid Humayun Executive Officer, CRM	Member Secretary
Shah M. Badar Uddin Senior Vice President & Head of Treasury	Member
Md. Abdus Salam Chowdhury Vice President & Head of ICC	Member

Asif Rahman Senior Vice President & Manager, Principal Branch	Member
S.M. Shafique Senior Assistant Vice President & Head of Recovery	Member
Md. Sajjadur Rahman Bhuiyan Senior Assistant Vice President & CFO	Member

RISK ANALYSIS UNIT

Md. Rafiqul Amin Assistant Vice President & Head of FAD	Convener
Md. Mainuddin Executive Officer, FAD	Member Secretary
Buddha Dev Sarker Assistant Vice President & Head of ICT	Member
Ahmed Ali First Assistant Vice President, Treasury	Member
Tarek Murshed Khan First Assistant Vice President, Head of Home Loan	Member
Jitendra Kairy First Assistant Vice President , Head of SME Finance	Member
Kazi Dilruba Akter AVP & Head of Planning, Research & Branches Control	Member
Shohele Rajuana Senior Executive Officer, Recovery	Member

HR COMMITTEE

Mafizuddin Sarker Managing Director & CEO	Convener
Khalid Mohammad Sharif FCS FAVP, Company Secretary and Head of HR & Admin	Member Secretary
Md. Sajjadur Rahman Bhuiyan SAVP & Head of CFO	Member

INTERNAL CONTROL & COMPLIANCE COMMITTEE

Mafizuddin Sarker Managing Director & CEO	Convener
Md. Abdus Salam Chowdhury Vice President & Head of ICC	Member Secretary
Asif Rahman Senior Vice President & Manager, Principal Branch	Member
S.M. Shafique Senior Assistant Vice President & Head of Recovery	Member
Md. Sajjadur Rahman Bhuiyan Senior Assistant Vice President & CFO	Member

Md. Nazim Uddin Bhuiyan Member
Assistant Vice President & Head of Legal

Ahmed Ali Member
First Assistant Vice President, Treasury

CORPORATE GOVERNANCE COMMITTEE

Mafizuddin Sarker Convener
Managing Director & CEO

Khalid Mohammad Sharif FCS Member Secretary
FAVP & Company Secretary

Md. Abdus Salam Chowdhury Member
Vice President & Head of ICC

Md. Sajjadur Rahman Bhuiyan Member
Senior Assistant Vice President & CFO

IT COMMITTEE

Buddha Dev Sarker Convener
AVP & Head of ICT

Ms. Tanjila Khatun Member Secretary
First Asst. Vice President

Md. Sajjadur Rahman Bhuiyan Member
Senior Assistant Vice President & CFO

Pulak Chaudhuri Member
AVP & Head of Credit Risk Management (CRM)

NATIONAL INTEGRITY COMMITTEE

Khalid Mohammad Sharif FCS Focal Point
Company Secretary & Head of HR & Admin

Ahmed Ali Member Secretary
First Assistant Vice President, Treasury

Md. Sajjadur Rahman Bhuiyan Member
Senior Assistant Vice President & CFO

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

GREEN BANKING & CSR UNIT

Tanuja Mehmud Convener
Vice Chairperson, Board of Directors

Mr. Asif Rahman Unit Head & Member
SVP & Manager & Manager, Principal Branch

Md. Sajjadur Rahman Bhuiyan Member
SAVP & CFO

ANTI MONEY LAUNDERING/COMBAT TERRORIST FINANCING:

CENTRAL COMPLIANCE UNIT (CCU)

1. CAMLCO

Md. Sajjadur Rahman Bhuiyan Senior Assistant Vice President & CFO	CAMLCO
Ahmed Ali First Assistant Vice President, Treasury	DCAMLCO
Buddha Dev Sarker Assistant Vice President & CTO	Member
Pulak Chaudhury Assistant Vice President & Head of CRM	Member
Khalid Mohammad Sharif FAVP & Company Secretary	Member
Mohammad Abu Bakar Siddique Senior Executive Officer	Member

2. BAMLCO

Asif Rahman Senior Vice President & Manager, Principal Branch	BAMLCO
Hossan Al Masud FAVP & Branch In Charge, Chittagong Br.	BAMLCO
Md. Abdus Samad SEO & Branch In Charge, Bangshal Br.	BAMLCO
Md. Ruhul Kuddus SEO & Branch In Charge, Uttara Br.	BAMLCO
Md. Jahid Hasan Sohel SEO & Branch In Charge, Sylhet Br.	BAMLCO
Kazi Dilruba Akter AVP & Head of Planning, Research & Branches Control	BAMLCO

3. REVIEW TEAM

Md. Abdus Salam Chowdhury Vice President & Head of ICC	Coordinator
Md. Sajjadur Rahman Bhuiyan Senior Assistant Vice President & CFO	Member
Md. Abdullah Yousuf Senior Executive Officer	Member

RISK MANAGEMENT FRAMEWORK

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

Credit Risk Management

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

Market Risk Management

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

Operational Risk Management

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

CORPORATE GOVERNANCE

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

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

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

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

CORPORATE GOVERNANCE PRACTICE AT BD FINANCE

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

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

BOARD OF DIRECTORS

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

APPOINTMENT OF DIRECTORS

The members of the Board of Directors of BD Finance are appointed according to the provision of Companies Act 1994, Financial Institution Act 1993, Corporate Governance Guidelines of BSEC, Guidelines of Bangladesh Bank and Articles of Association of the BD Finance.

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



BOARD OF DIRECTORS MEETING

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

SEPARATION OF CHAIRMAN AND MANAGING DIRECTOR ROLES

In compliance with Bangladesh Bank and clause 1.4 of BSEC Corporate Governance Guidelines dated August 7, 2012, we report that the Chairman of the Board has been elected from among the directors and there are clear and defined roles and responsibilities of the Chairman and the Managing Director.

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

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

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

RESPONSIBILITIES OF THE CHAIRMAN OF THE BOARD

The overall responsibilities of the Chairman are to:

- Ensure that the Board sets and implements BD Finance's direction and strategy effectively;
- Act as BD Finance's representative, explaining aims and policies to the shareholders;
- Ensure no participation in or interfere in the administrative or operational and routine affairs of BD Finance. The Specific responsibilities of the Chairman, among others, is to:
- Provide allover leadership to the Board, supplying vision, mission and imagination, working closely with the MD;

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

- Size of the Board
- Interaction, harmony and involvement of the directors
- Set the Board's agenda and plan Board Meeting;
- Chair all Board Meetings, directing debate towards consensus;
- Ensure that the Board receives appropriate, accurate, timely and clear information;
- Chair the AGM and other shareholders' meetings to foster effective dialogue with shareholders;

- Ensure that the views of the shareholders are communicated to the Board as a whole;
- Work with Chairman of Board Committee;

BENEFITS PROVIDED TO DIRECTORS AND MANAGING DIRECTOR

Directors are entitled to fees for attending the Board Executive Committee meetings (Notes to the Financial Statement No. 28) Managing Director is paid salaries and allowances as per approval of the Board and Bangladesh Bank (Notes to the Financial Statement No.27)

BD Finance has fully complied with Bangladesh Bank Circular and Guidelines.

APPOINTMENT OF EXTERNAL AUDITORS

BD Finance in its 16th Annual General Meeting held on June 29, 2015 appointed M/s. A. Qasem & Co., Chartered Accountants as the External auditor for the year 2015.

SERVICES NOT PROVIDED BY EXTERNAL AUDITORS

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

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

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

CENTRAL BANK INSPECTIONS

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

BOARD COMMITTEE AND ITS RESPONSIBILITIES

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

MANAGEMENT COMMITTEES AND THEIR RESPONSIBILITIES

In an effective Corporate Governance Structure, Bd Finance management has a collective mandate under the leadership of Managing Director to carry out daily operations to the best interest of the stakeholders. Several management committees have been formed to handle the banking operation and identify and manage risk. The committees are MANCOM, ALCO, RMU, Investment Committee and Purchase Committee. Managing Director leads the three most important Committees, MANCOM, ALCO and Investment Committee.

MANAGEMENT COMMITTEE (MANCOM)

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

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

RISK MANAGEMENT UNIT

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

ASSETS LIABILITY COMMITTEE (ALCO)

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

INVESTMENT COMMITTEE (IC)

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

PURCHASE COMMITTEE

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

INTERNAL CONTROL: THE WATCHDOG OF TRANSPARENCY AND ACCOUNTABILITY

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

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

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

- (i) Monitoring Unit : The Monitoring Unit monitors the operational performance of various branches & divisions and raises flags in case of deviations detected. They also collect relevant data and analyze those to assess the risk of individual units.
- (ii) Audit & Inspection Unit: Key operational risk areas of the core business lines (Corporate Finance, Retail Finance, Auto Loan, Home Loan, SME Finance' Channel Finance and Treasury & Market Risk) along with the other segments of BD Finance, i.e., operations, risk and support functions are identified and assess through regular audit process carried out by the Audit & Inspection Unit under an approved annual audit plan. In addition, special investigations and review assignments are also undertaken as per the management requirements.
- (iii) Compliance Unit: The Compliance Unit follows up with different divisions and/or branches to ensure that all audit issues as well as regulatory requirements are rectified and complied with within specific deadlines. They also maintains liaison with the regulators/policy makers at all levels and notify the other units regarding regulatory/procedural changes.

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

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

RISK MANAGEMENT

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

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

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

CREDIT RISK

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

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

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

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

Information Technology

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

Communication with shareholders

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

FINANCIAL EXPERT AT YOUR DOORSTEP

Assets Products

Corporate Finance



Lease Finance



Term Finance



Working Capital Finance



Short Term Loan

Retail Finance



Home Loan



Auto Loan



SME Loan



Women Entrepreneurship Loan



Personal Loan



Loan Against TDR



Agriculture Finance

Channel Finance



Receivable Finance



Work Order



Distributor Finance

Liabilities Products



Profit Earners Scheme (PES)



Lakhpoti Pralalpa Scheme (LPS)



Double Money Deposit Scheme (DMDS)



Cumulative Deposit Scheme (CDS)



Monthly Deposit Scheme (MDS)

The background of the entire image is a close-up, top-down view of a lush green lawn. The grass blades are short and densely packed, creating a vibrant, textured green surface. The lighting is even, highlighting the natural sheen and color of the grass.

**REPORT ON
CORPORATE SOCIAL
RESPONSIBILITY**

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

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

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

HUMAN RESOURCES OF BD FINANCE: INSPIRING THE HIDDEN POTENTIALITIES

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

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

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

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

	2014	2015
Beginning of the year	70	83
New recruitment	21	22
Released	(8)	(9)
Closing of the year	83	96



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 2015, 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.

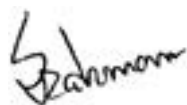
These financial statements have been prepared and presented fairly in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994 and other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



Md. Sajjadur Rahman Bhuiyan
SAVP & Chief Financial Officer



Mafizuddin Sarker
Managing Director & CEO

Date: April 23, 2016

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

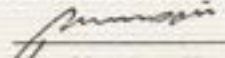
1. We have examined the compliance of conditions of Corporate Governance by **Bangladesh Finance and Investment Company Limited** ("the Company") for the year ended 31 December, 2015 as per the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. SEC/CMRRCD/2006-158/134/Admin 44 dated 7 August 2012.

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

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

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

Itrat Husain & Associates
Chartered Secretaries in Practice


Signed by : Itrat Husain FCMA, FCS
Chief Executive

Dhaka, 19 April, 2016

STATUS REPORT ON COMPLIANCE WITH THE CONDITIONS IMPOSED BY THE BSEC (REPORT UNDER CONDITION NO. 7.00)

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

Condition No.	Title	Compliance Status	Remarks
1.	Board of Directors		
1.1	Board's Size : The number of the Board members of the Company shall not be less than 5(Five) and more than 20(Twenty)	Complied	
1.2	Independent Directors All companies shall encourage effective representation of Independent Directors on their Board of Directors so that the Board, as a group, includes core competencies considered relevant in the context of each company. For this purpose, the company shall comply with the following:-		
1.2(i)	At least one fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors	Complied	
1.2(ii)a)	Independent Director does not hold any share or holds less than 1%(One percent) shares of the total paid-up shares of the company	Complied	
1.2(ii)b)	Independent Director or his family members are not connected with the Company's any sponsor or Director or Shareholder who holds 1% or more shares	Complied	
1.2(ii)c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	Complied	
1.2(ii)d)	Independent Director is not a Member, Director or Officer of any Stock Exchange	Complied	
1.2(ii)e)	Independent Director is not a Shareholder, Director or Officer of any member of Stock Exchange or an intermediary of the capital market	Complied	
1.2(ii)f)	Independent Director is not a partner or an executive or was not partner or an executive during the preceding 3(Three) years of any statutory audit firm	Complied	
1.2(ii)g)	Independent Director shall not be an Independent Director in more than 3(Three) listed companies	Complied	
1.2(ii)h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBF)	Complied	
1.2(ii)i)	Independent Director has not been convicted for a criminal offence involving moral turpitude	Complied	
1.2(iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM	Complied	
1.2(iv)	The post of Independent Director(s) cannot remain vacant for more than 90 (Ninety) days	No vacancy occurred	
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	Complied	
1.2(vi)	The tenure of office of an Independent Director shall be for period of 3(Three) years, which may be extended for 1(One) term only	Complied	

1.3	Qualification of Independent Director (ID)		
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	Complied	
1.3(ii)	Independent Director should be a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountant, Cost & Management Accountants, Chartered Secretaries. The Independent Director must have at least 12(Twelve) years of corporate management / professional experiences	Complied	
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	NA	
1.4	Chairman of the Board and CEO shall be filled by different individuals. Chairman shall be elected from among the Directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	Complied	
1.5	The Directors' Report to shareholders The Directors of the company shall include the following additional statements in the Director's Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994)		
1.5(i)	Industry outlook and possible future developments in the industry	Complied	
1.5(ii)	Segment-wise or product-wise performance	Complied	
1.5(iii)	Risks and concerns	Complied	
1.5(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin.	Complied	
1.5 (v)	Discussion on continuity of any Extra Ordinary gain or loss	No such incidence arose	
1.5(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	Complied	
1.5(vii)	Utilization of proceeds from Public Issues, Rights Issues and/ or through any other instruments	NA	
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public offering (IPO), Repeat Public offering (RPO), Rights Offer, Direct Listing etc.	NA	
1.5(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	NA	
1.5(x)	Remuneration to Directors including Independent Directors	Complied	
1.5(xi)	The Financial Statements prepared by the management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	Complied	
1.5(xii)	Proper books of account of the issuer Company have been maintained	Complied	
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	Complied	

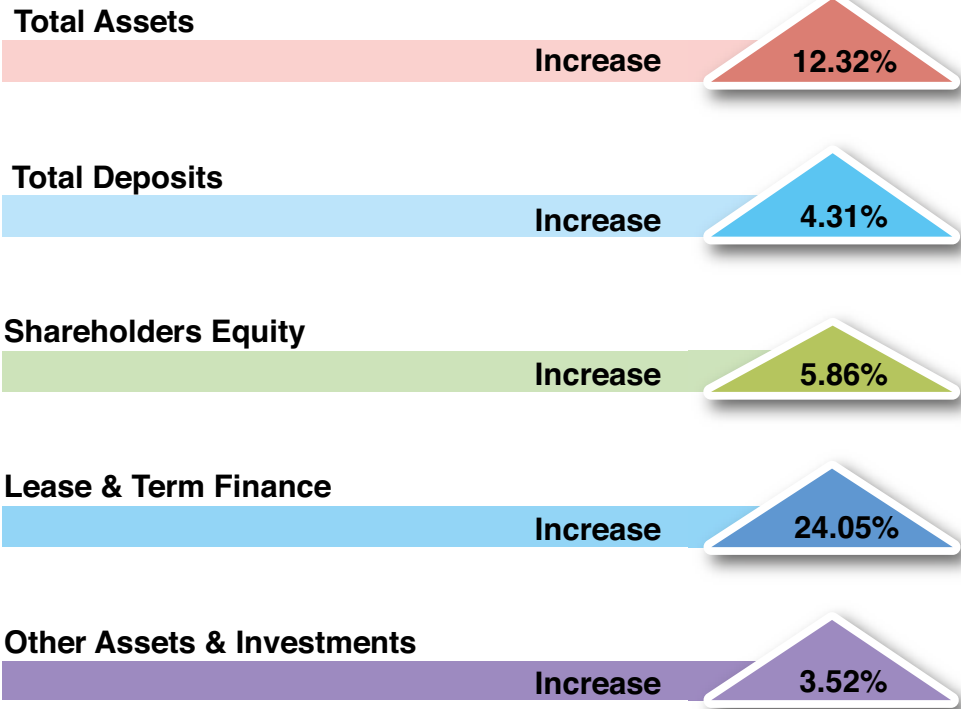
1.5(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the Financial statements and any departure there-from has been adequately disclosed	Complied	
1.5(xv)	The system of Internal Control is sound in design and has been effectively implemented and monitored	Complied	
1.5(xvi)	There are no significant doubts upon the issuer Company's ability to continue as a going concern. If the issuer Company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	Complied	
1.5(xvii)	Significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reason thereof should be explained	NA	
1.5(xviii)	Key operating and financial data of at least preceding 5(Five) years shall be summarized	Complied	
1.5(xix)	Reasons for not declared dividend	NA	
1.5(xx)	The number of board meetings held during the year and attendance by each Director shall be disclosed	Complied	
1.5(xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-		
1.5(xxi)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)		
1.5(xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise detail)	Complied	
1.5(xxi) c)	Executives	Complied	
1.5(xxii)d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name wise detail)	Complied	
1.5(xxii)	In case of the appointment /re-appointment of a director the Company disclose the following information to the shareholders:-		
1.5(xxii)a)	A brief resume of the Director	Complied	
1.5(xxii)b)	Nature of his/her expertise in specific functional areas	Complied	
1.5(xxii)c)	Name of Companies in which the persons also holds the Directorship and the Membership of committees of the Board	Complied	
2	Chief Financial Officer, Head of Internal Audit and Company Secretary		
2.1	The Company shall appoint a Chief Financial Officer (CFO), Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS	Complied	
2.2	Attendances of CFO and CS at the meeting of the Board of Directors.	Complied	
3	Audit Committee		
3(i)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors	Complied	

3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business	Complied	
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of Audit Committee shall be clearly set forth in writing	Complied	
3.1	Constitution of the Audit Committee		
3.1(i)	The Audit Committee shall be composed of at least 3 (Three) members	Complied	
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be Directors of the Company and shall include at least 1(One) Independent Director	Complied	
3.1(iii)	All members of the Audit Committee should be “financially literate” and at least 1(One) member shall have accounting or related financial management experience. The term “financial literate” means the ability to read and understand the financial statements like Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s) he possesses professional qualification or Accounting/ Finance graduate with at least 12(Twelve) years of corporate management/ professional experiences	Complied	
3.1(iv)	Casual Vacancy in Audit Committee shall be filled by the Board	No vacancy occurred	
3.1(v)	The Company Secretary shall act as the Secretary of the Audit Committee	Complied	
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(One) Independent Director	Complied	
3.2	Chairman of the Audit Committee		
3.2(i)	The Board of Directors shall select 1 (One) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director	Complied	
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	Complied	
3.3	Role of the Audit Committee		
3.3(i)	Oversee the financial reporting process	Complied	
3.3(ii)	Monitor choice of accounting policies and principles	Complied	
3.3(iii)	Monitor Internal Control Risk Management process	Complied	
3.3(iv)	Oversee hiring and performance of external auditors	Complied	
3.3(v)	Review along with the management, the annual financial Statements before submission to the Board for approval	Complied	
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	Complied	
3.3(vii)	Review the adequacy of Internal Audit function	Complied	
3.3(viii)	Review statement of significant related party transactions submitted by the management	Complied	
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by Statutory Auditors	Complied	

3.3(x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital etc.) on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	Not Applicable	
3.4	Reporting of the Audit Committee		
3.4.1	Reporting to the Board of Directors		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	Complied	
3.4.1(ii)(a)	Report on conflicts of interests to the Board of Directors	Complied	
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	Complied	
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations	Complied	
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately	Complied	
3.4.2	Reporting to the Authorities If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6(Six) months from the date of first reporting to the Board of Directors, whichever is earlier	None	No such reportable incidence arose
3.5	Reporting to the shareholders and General Investors Report on an activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company	Complied	
4	External /Statutory Auditors The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-		
4(i)	Appraisal or valuation services or Fairness opinions	Complied	
4(ii)	Financial information systems designed implementation	Complied	
4(iii)	Book Keeping or other services	Complied	
4(iv)	Broker- dealer services	Complied	
4(v)	Actuarial services	Complied	
4(vi)	Internal Audit Services	Complied	
4(vii)	Any other services that the Audit Committee determines	Complied	
4(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company	Complied	
4(ix)	Audit/ Certification services on compliance of Corporate Governance as required under clause (i) of condition No. 7	Complied	

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

PERFORMANCE AT A GALANCE



Credit Rating

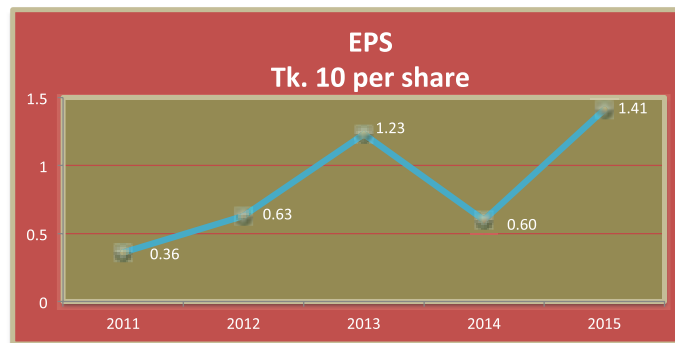
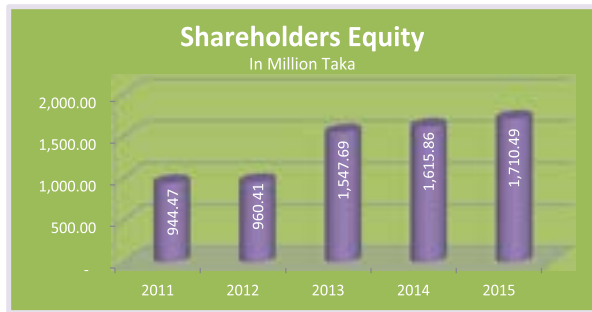
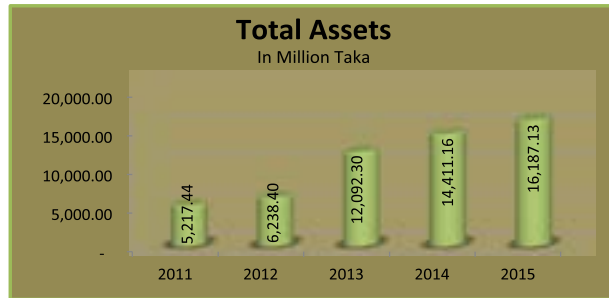
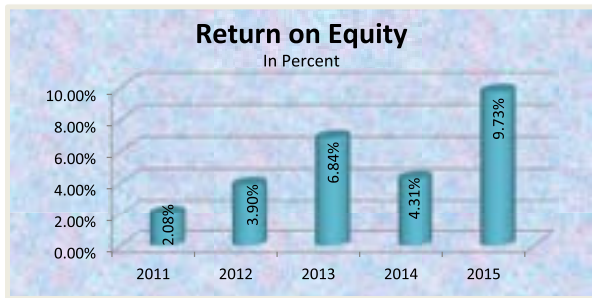
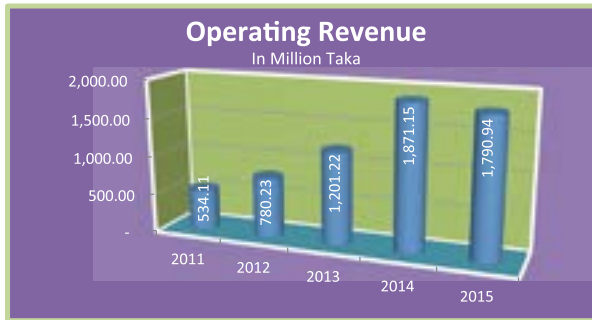
Rating	2015	2014
Long Term	A	A-
Short Term	ST-3	ST-3

FINANCIAL HIGHLIGHTS

Figure in million Taka

	2011	2012	2013	2014	2015
Operational Performance					
Operating Revenue	534.11	780.23	1,201.22	1,871.15	1,790.94
Financial Expenses	438.36	629.87	791.29	1,425.90	1,299.84
Operating Expenses	51.89	55.60	93.33	121.05	145.69
Profit Before Taxation	6.48	69.17	229.21	211.67	292.73
Net Profit After Tax	19.03	37.10	85.74	68.17	161.82
Financial Performance					
Lease & Term Finance	3,290.85	3,754.79	8,327.09	10,707.37	13,282.16
Provision Against Investment	37.38	25.58	87.40	112.52	52.68
Investment in Subsidiary	699.93	699.93	849.93	849.93	849.93
Total Assets	5,217.44	6,238.40	12,092.30	14,411.16	16,187.13
Term Deposits	1,692.82	2,824.10	7,262.38	9,001.96	9,225.49
Financial Ratios					
Return on Equity	2.08%	3.90%	6.84%	4.31%	9.73%
Return on Assets	0.41%	0.65%	0.94%	0.51%	1.06%
Rate of Dividend					
Cash	-	-	-	5%	-
Bonus	10%	10%	10%	0%	10%
EPS (Tk.)	0.36	0.63	1.23	0.60	1.41
Equity Statistics					
Authorized Capital	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Number of Shares	53.73	59.10	104.02	114.42	114.42
Shareholders Equity	944.47	960.41	1,547.69	1,615.86	1,710.49
Net Assent Value Per Share	17.58	16.25	14.88	14.12	14.95

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.



Mr. Hossain Khaled
Chairman, Board of Directors

Date: April 23, 2016

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 BSEC 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
Ms. Tanuja Mehmood Vice Chairperson	Member
Mr. Geasuddin Ahmed Director	Member
Mr. A.K.M. Shamsuddin Independent Director	Member
Mr. Yousuf Aman Director	Member

Meetings of the Audit Committee

The Committee held 4 meetings during the year under review.

Activities of the Audit Committee

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

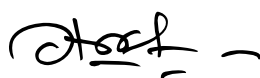
- Regular review of the Internal and External (including Bangladesh Bank) Inspection & Audit Report with a view to implementing the suggestion of Internal and External Auditors in respect of Internal Control structure and techniques.
- Minimize expenditure in all operational activities where possible.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

- 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
- 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.
- 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

Date: April 21, 2016

The background of the image is a close-up, top-down view of a lush green lawn. The grass blades are short and densely packed, creating a textured, uniform green surface. The lighting is even, highlighting the natural sheen and color of the grass.

**MESSAGE OF
THE CHAIRMAN**



MESSAGE OF THE CHAIRMAN

Distinguished Members,

I am delighted to welcome you to the 17th Annual General Meeting of Bangladesh Finance And Investment Company Limited. You are aware that in the year of 2015 Bangladesh Economy faced a number of challenges like inadequate improvements in the supply of power & gas, higher borrowing especially from selling Government Bond/Treasury Bills as well as other Sanchay Patra, slower credit growth, contractionary monetary policy, capital market crisis; consequently the investment climate was cloudy.

During the year 2015, strategic approach was adopted to consolidate the position of BD Finance through strengthening the internal procedure introducing a number of new products and redefining the existing Product & Service guidelines to emerge as a multi-product customer friendly NBF. In the process, the company could create a strong foundation in terms of system process, product & service, technology & resources.

Proper execution of the strategy has paid us the result as during the year 2015 the investment portfolio increased to Tk.13,282.16 million from Tk.10,707.37 million of 2014 indicating a growth of 24.05%. We could attain deposit base of Tk.9,719.87 million in 2015 from Tk.9,318.09 million of 2014 up by 4.31% maintaining the average cost of fund with declining trend.

Our stock brokerage arm, BD Finance Securities Limited, the first subsidiary, started operation in November 2011 & mean time has emerged as a premier brokerage house of the country occupying a market share of 1.69% of DSE in year 2015. The second subsidiary, BD Finance Capital Holdings Limited started its operation in October 2013, today also established itself as a reputed merchant bank of the country. A silver lining has to be taped to generate synergic benefit between BD Finance & its subsidiaries.

In 2015, BD Finance introduced a number of new products & expand its horizon to cover wide range of territory. We have launched a number of new products in 2015.

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

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

May the Almighty Allah bless us all.



Mr. Hossain Khaled
Chairman, Board of Directors

Date: April 23, 2016

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bd finance
Inspiring Wealth



**MANAGING DIRECTOR
& CEO'S**

REVIEW AND BUSINESS PERFORMANCE



MANAGING DIRECTOR & CEO'S

Review and Business Performance

ECONOMY

The global economy is still struggling to gain momentum as the major economies continue to fight with legacies of global financial crisis. In 2015 the global economic growth was lower than anticipated. In the backdrop Bangladesh witnessed 6.55 percent GDP growth in FY 2015 despite inadequate improvement to provide infrastructure in the country.

Export was recorded at USD 31.19 billion in FY 2014-15 against that of USD 30.18 billion of FY 2013-14 indicating a growth of 3.34%. On the other hand, there was strict control on the import of non-essential items even than total import in FY 2014-15 was USD 40.68 billion registering a growth of 9.9% over 2013-14 of USD 36.99 billion.

The capital market is yet to recover from the crash of 2010. although the global capital market observed moderate gain during 2015. The performance of Secondary market was very poor although primary market got some momentum after listing of few IPOs. Bangladesh Securities & Exchange Commission undertook few measures like Master Plan for capital market development e.g. demutualization of stock exchange, installation of surveillance software, revision of margin loan policy, mutual fund regulation etc. to have a sustainable capital market. These measures could not upturn the market but certainly could bring discipline & expected to have long term impact on capital market.

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

Overall money market scenario was relatively stable. Presently, 32 NBFIs doing their business. Out of 32 NBFIs, 3 are Government-owned, 10 are joint venture and the rest 19 are locally private-owned. Two new NBFIs obtained license in 2014 and started their operation in 2015. In the operation of FIs cut throat competition prevailed during the year 2015 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 - 2015

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

- To bring synergy in activities among parent company, BD Finance and its subsidiary companies, BD Finance Securities & BD Finance Capital Holdings: to pave the way to emerge as a full-fledged investment bank.
- To diversify our product range to serve our customers with all financial products under one roof & accordingly a number of services like; Factoring of Accounts Receivables, Distributor Finance, Short Term Loan, Call Placement, Short Term Placement have been added in our product range.
- To put more focus on individual product functional based Departments have been introduced & internal process flow has been streamlined & automation of IT platform has been undertaken through procurement of integrated software named BANKULTIMUS.
- Internal infrastructure has been put in place to extend few retail products namely SME loan. Home loan. Auto loan.
- To increase investment portfolio, we concentrated more on corporate lending with target & research based marketing.
- To reduce our dependency on commercial bank as funding source we concentrated more on deposit mobilization from corporate & individual. This strategy not only opens up an effective source of fund mobilization but also reduce our average cost of fund.
- We believe that human resources are the greatest asset of the company; we aim to recruit right people, develop their capacities, recognize and reward their performance, retain them with competitive packages.

The following table summarizes the financial performance of the Company:

Taka in million

Particulars	Actual-2015	Actual-2014	Growth- %
Interest Income	1,786.51	1,777.83	0.49%
Interest Expenses	1,299.84	1,425.90	-8.84%
Operating Profit	345.41	324.19	6.54%
Profit before Income Tax	292.73	211.67	38.30%
Profit after Income Tax	161.82	68.17	137.38%
Investment Portfolio	13,586.63	11,112.02	22.27%
Bank Borrowing	3,217.34	2,017.15	59.50%
Deposit	9,719.87	9,318.09	4.31%
Equity	1,710.49	1,615.86	5.86%
Earnings Per Share	1.41	0.60	137.38%

FUTURE OUTLOOK

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

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

May Allah bless us all



Mafizuddin Sarker
Managing Director & CEO

Date: April 23, 2016

DIRECTOR'S REPORT

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assaalmu Alaikum Wa Rahmatullah

The Board of Directors of Bangladesh Finance And Investment Company Limited (BD Finance) feels pleasure to welcome you to the 17th 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, 2015, auditors' report thereon along with Company's performance and other relevant information in terms of Companies Act, 1994, Guidelines issued by Bangladesh Securities & Exchange Commission, Bangladesh Bank and Bangladesh Financial Reporting Standards.

Global Economy

Global economic activity remained sluggish in 2015. Growth in emerging market and developing economies declined for the fifth consecutive year. A modest recovery however continued in advanced economies. The gradual slowdown and rebalancing of economic activity in China, lower prices for energy and other commodities, and a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery affected the global economy. Manufacturing activity and trade remain weak globally. In addition, the dramatic decline in imports in a number of emerging market and developing economies is also weighing heavily on global trade.

Oil prices have declined noticeably since September 2015. Lower oil prices strain the fiscal positions of fuel exporting countries and weigh on their growth prospects, while supporting household demand and lowering business energy costs in importing countries, especially in advanced economies, where price declines are fully passed on to end users. Prices of other commodities, especially metals, have fallen as well.

Bangladesh economy

The Bangladesh economy has demonstrated a spectacular upturn in 2015 despite of weak global economy. The economy and the financial sector remained vibrant and stable due to prudent and timely policy interventions from the government and Bangladesh Bank. The inflation has been contained within single digit which is moderate and reasonable for a developing economy. The foreign exchange reserve increased to record high of US 27.3 billion in December 2015.

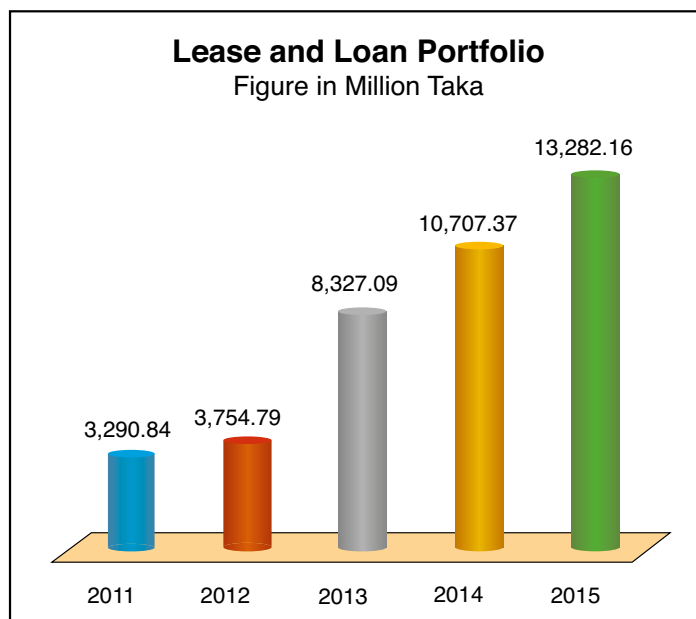
GDP growth picked up to 6.55% in 2015 from 6.1% in FY 2014 despite a short period of political unrest that disrupted transportation and services.

Growth in agriculture moderated to 3.3% from 4.4% a year earlier because harvests of staple and horticultural crops were less favorable. Meanwhile, robust domestic demand pushed industry expansion to 9.7% from 8.2% the previous year, led by manufacturing for the domestic market and construction. Services growth advanced slightly to 5.8% from 5.6%.

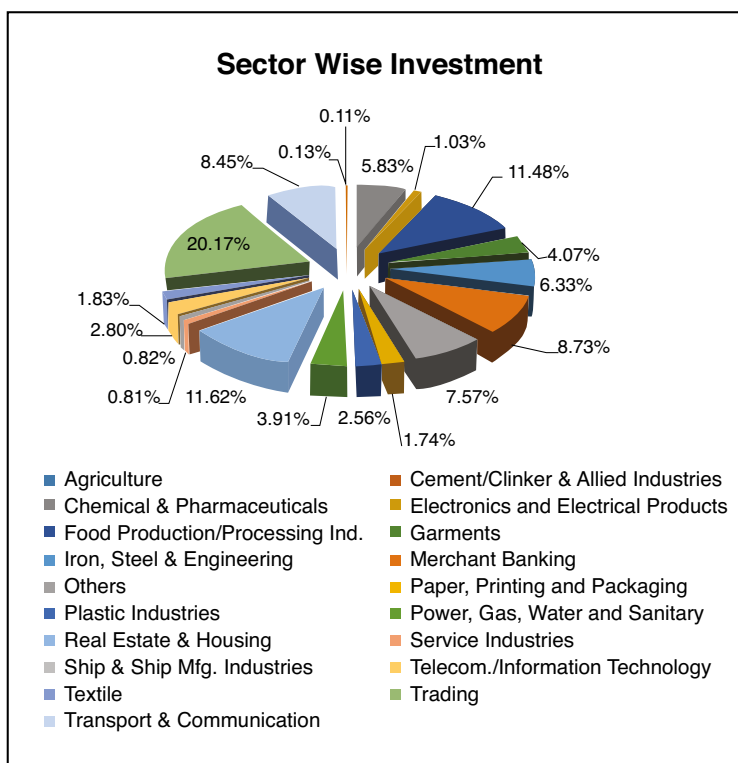
On the demand side, the main contributor to growth was private consumption boosted by higher remittances. Net exports subtracted from growth as exports grew more slowly than imports. Investment rose only marginally to 28.9% of GDP in FY 2015 from 28.6% the previous year, mostly on increased public investment. Private investment remained stagnant owing to investor caution, infrastructure and skill shortages, and a weak business environment. Foreign direct investment remains below 1.0% of GDP and 3.0% of total investment.

Performance in 2015:

The company placed extraordinary importance on regulatory compliance to improve the asset quality and achieve sustainable growth. During the year 2015, the company continued its growth momentum despite challenges in the financial sector, and has been able to achieve growth rates in business volumes and revenue. The investment portfolio in lease and loan finance increased to TK.13,282.16 million in 2015 from TK.10,707.37 million in 2014 registering a growth of 24.05%.



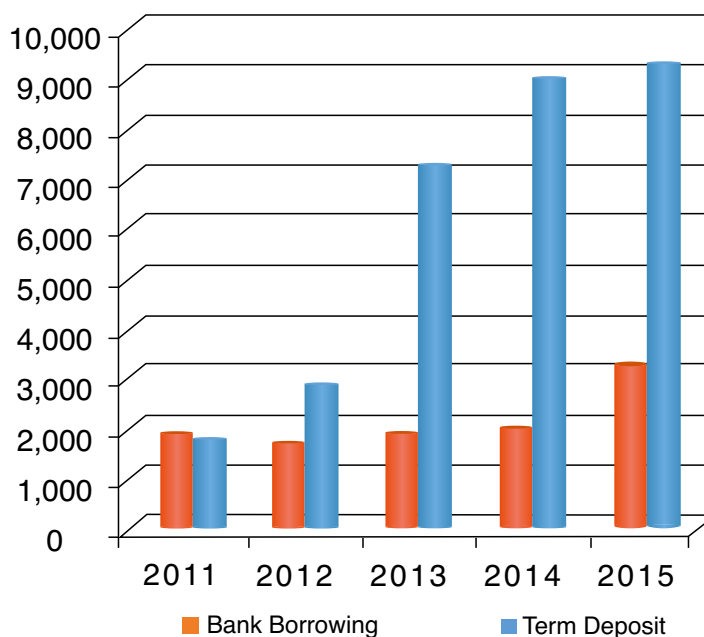
BD finance maintained a well-diversified investment portfolio. The sector wise investment portfolio as on 31 December 2015 is furnished below:



We continued to finance various business units under the SME program and participated the refinancing program of Bangladesh Bank, JAICA and Women Entrepreneur loan. The total amount of loan under SME during 2015 increased to TK 38.63 million against TK.17.93 million in 2014 registering a growth of 86.56%.

The company was successful in mobilizing core deposits during the year 2015. Total deposit of BD finance increased to TK.9,719.87 million in 2015 from TK.9,318.09 million in 2014 registering a growth of 4.31%.

Deposit and Bank Borrowing Figure in Million Taka



The rate of interest on deposits and borrowings has been reduced during the year 2015 which helped us to reduce the average cost of fund to 11.43%. Customer deposit base of BD finance stood at TK.9,225.49 million in 2015 from TK.9,001.96 million in 2014 registering a growth of 2.48%. Operational performance of BD Finance is summarized below:

(Taka in Million)

Particulars	2015	2014	Growth
Interest Income	1,786.51	1,777.83	0.49%
Interest Expenses	1,299.84	1,425.90	-8.84%
Net Interest Income	486.67	351.93	38.29%
Total Operating income	491.10	445.25	10.30%
Profit Before Provision	345.41	324.19	6.54%
Provision for Loan/Investment	52.68	112.52	-53.18%
Profit before Tax	292.73	211.67	38.30%
Provision for Taxation	130.91	143.50	-8.77%
Net Profit After Tax	161.82	68.17	137.38%

The Net Interest Income increased to TK.486.67 million in 2015 from TK.351.93 million in 2014 registering a growth of 38.29% over the previous year. The operating income stood at TK.491.10 million in 2015 from TK.445.25 million in 2014. The net profit after tax increased to TK.161.82 million in 2015 from TK.68.17 million in 2014 registering a growth of 137.38% over the previous year. Provision on investment in 2015 decreased by 53.18% over that of 2014 indicating a substantial improvement in the quality of our investment.

Human Capital

BD Finance maintains a fair and transparent process for recruitment of human resources. We pay competitive packages and incentives to our employees to put their best for the company. Board strongly believes that investment in HR for their packages & training means investment for the quality growth of the Company. The employee strength of the company is presented below:

Particulars	2014	2015
Beginning of the year	70	83
New recruitment	21	22
Released	(8)	(9)
Closing of the year	83	96

Financial Results & Appropriation

The company earned TK 161.82 million as net profit after tax in 2015 which is 137.38% above the figure of TK.68.17 million in 2014. Considering the overall situation of the financial sector of the country, current financial strength of the company and the future potential, the Board is recommending 10% stock dividend to the shareholders for the year 2015 and proposes the following appropriation:

(Taka in million)

1	Net Profit After Tax	161.82
2	Retained Earnings Brought Forward	2.51
3	Profit Available for Distribution	164.33
4	Transfer to Statutory Reserve	(32.36)
5	Amount Available for Distribution of Dividend	131.97
6	Proposed Dividend -10% Stock	(114.42)
7	Retained Earnings Carried Forward	17.54

Subsidiary Operation

BD Finance Securities Limited (BD Securities)

BD Securities is a subsidiary of BD Finance providing brokerage services to its clients with a membership of the Dhaka Stock Exchange Ltd. BD Securities commenced its operation in November 2011 and within a short span of time the company has emerged as one of the leading brokerage houses of the country holding an average of 1.69% market share of DSE trade volume. During the year 2015 the ranking of BD Securities in DSE stood at 25.

BD Finance Capital Holdings Limited (BD Capital)

BD Capital is a 100% subsidiary of BD Finance and is a full-fledged Merchant Banker started its operation in October 2013 with a license from the Bangladesh Securities and Exchange Commission (BSEC).

Future Outlook

GDP growth is expected to increase to 6.7% in FY 2016, underpinned by stronger garment exports and rising private consumption as government employees get wage increases. Despite macroeconomic stability, domestic demand remains restrained by consumer and investor caution. This is reflected in slower private credit growth, a decline in consumer and capital goods imports, and slow tax revenue collection in the first half of FY 2016. Growth is expected to rise to 6.9% in FY 2017, aided by higher remittance and export growth as the United States and the euro area economies strengthen. Domestic political calm is seen to build confidence in consumers and investors and to support growth momentum.

Contribution to the national economy

BD finance contributes to the national economy mainly through contribution to the National Exchequer, as well as investment in productive enterprises and creating employment thereby. During the year 2015 BD finance deposited TK.235.73 million to the Government Exchequer. Moreover, we have recruited 22 people in various positions during the year 2015.

Risk Management

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

Corporate & Financial Reporting Framework

The Directors in accordance with BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 confirms compliance with the financial reporting framework for the following:

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

Key Operating & Financial Data

Key operating & financial information for the last five years as per requirement of BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 are presented in page No. 56 Highlights of overall operation of the Company as per DFIM Circular No. 11 dated December 23, 2009 are also shown in page No. 83.

Shareholding Pattern

Shareholding pattern of the Company as of December 31, 2015 is shown on page No. 74 in Annexure-I of this report.

Meetings

During the year 2015 a total 6 (six) numbers of Board meetings & 4 (four) numbers of Audit Committee meetings were held and attendance of the Directors are shown on page no. 75 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 114,424,978 Ordinary Shares of Tk. 10/- each for the year ended December 31, 2015.

Directors

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

Ms. Shahnaz Rashid

(Nominated by Anwar Steel Mills Ltd.)

Mr. Mohammad Shahin Alam

(Nominated by Hossain Dyeing And Printing Mills Ltd.)

Mr. Ihtiaz Yousuf

(Nominated by Mehmud Industries (Pvt.) Ltd.)

Brief Resume and other information of the Directors as per clause 1.5 (xxii) of BSEC notification dated August 07, 2012 are depicted in the page no. 26, 27 and 28.

Re-appointment of Independent Director

The Board of Directors of Bangladesh Finance And Investment Company Limited in its 190th meeting held on October 28, 2015, extended the tenure of office of Mr. Haider Ahmed Khan FCA as Independent Director of the Company, for another (last) term of 3 years w.e.f. 07 August 2015. Brief Resume and other information of the above mentioned Directors as per clause 1.5 (xxii) of BSEC notification dated August 07, 2012 are depicted in page no. 27 and 28.

Auditors

In the 16th Annual General Meeting, the Shareholders appointed M/s. A. Qasem & Co., Chartered Accountants, as auditors of the Company for the year 2015. The Auditors are eligible for reappointed as BSEC notification and Bangladesh Bank guidelines. As recommended by the Board in its 193rd meeting M/s. A. Qasem & Co. Chartered Accountants, the matter for their re-appointment for the year 2016 as Auditors of the Company and re-fixation of their remuneration are placed before the shareholders in the AGM subject to approval of Bangladesh Bank.

Status of Compliance on Corporate Governance

Certificate and Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRC/2006-158/134/Admin/44 dated August 07, 2012 is given on page No. 48 and 49.

Acknowledgement

The Board of Directors expresses heart-felt appreciation & gratitude to the valued clients, lenders, depositors, bankers & business associates for their support & cooperation. Board also expresses its gratitude to Bangladesh Bank, Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, National Board of Revenue, Registrar of Joint Stock Companies & Firms and other regulatory bodies for their assistance and guidance. The Board also thanks M/s. A. Qasem & 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 2015 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



Mr. Hossain Khaled
Chairman

Date: April 23, 2016

ANNEXURE: I

Pattern of Shareholdings as on December 31, 2015

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

ANNEXURE: II

Meeting Attended by the Directors during 2015

Name of Directors	Board of Directors Meeting			Audit Committee Meeting		
	The Board Meeting held during directors tenure	Meeting Attended	Attendance as % of total Meeting held	The Audit Committee Meeting held during directors tenure	Meeting Attended	Attendance as % of total Meeting held
Mr. Hossain Khaled	6	6	100	2	2	100
Mrs. Tanuja Mehmood	6	6	100	2	2	100
Mrs. Shahnaz Rashid	6	1	17	2	0	0
Mr. Sayed Tareq Akar Ally	6	4	67	-	-	-
Mr. Yousuf Aman	6	3	50	3	2	67
Mr. Geasuddin Ahmed	6	6	100	4	4	100
Mr. Mohammad Shahin Alam	6	3	50	-	-	-
Mr. Imtiyaz Yousuf	6	5	83	2	2	100
Mr. Ihtiyaz Yousuf	1	1	100	-	-	-
Mr. Haider Ahmed Khan FCA	6	6	100	4	4	100
Mr. A. K. M. Shamsuddin	6	6	100	2	2	100
Mr. Ansar Uddin Ahmed	6	6	100	-	-	-

MANAGEMENT COMMITTEE (MANCOM)





BRANCH-IN-CHARGES



Md. Asif Rahman
SVP & Branch-in-Charge
Principle Branch



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



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



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



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

GALLERY OF EVENTS



16th Annual General Meeting of BD Finance held on Monday, June 29, 2015 at Bangladesh Chemical Industry Corporation (BCIC) Bhaban, Dhaka.



Mr. Mafizuddin Sarker, Chairman of BLFCA & Managing Director of BD Finance congratulated Mr. Fazle Kabir with bouquet on being appointed as the new Governor of Bangladesh Bank along with few other CEOs of Financial Institutions.



A signing ceremony of participation agreement between Bangladesh Bank and Bangladesh Finance And Investment Company Limited (BD Finance) under Refinance Scheme to support the development of the new entrepreneurs in Cottage, Micro and small Enterprise Sector was held on November 08, 2015 at the Head office of Bangladesh Bank. Mr. Swapan Kumar roy, General Manager, SMESPD, Bangladesh Bank & Mr. Mafizuddin Sarker, Managing Director & CEO, BD Finance signed the participation agreement on behalf of their respective organizations.



BD Finance inaugurated new office of its Principal Branch at the 7th floor of Baitul Hossain Building on Saturday, March 28, 2015. Mr. Anwar Hossain, Chairman of Anwar Group, Mr. Hossain Khaled, Chairman, Mr Mafizuddin Sarker, Managing Director & CEO of BD Finance were also present in the occasion.



Bangladesh Finance And Investment Company Limited (BD Finance) organized the Town Hall Meeting-2016 at the auditorium of DCCI in Dhaka on 13.02.2016. Mr. Mafizuddin Sarker, Managing Director & CEO of BD Finance addressed the gathering on the mission, vision and expectation of the management for the year-2016. In the meeting Prominent Consultant Quazi M. Ahmed also conducted a motivational training program .



BD finance signed a Term Loan facility Agreement with Menz Klub on January 14, 2016 under which Menz Klub will receive BDT 250 million aimed to finance for accelerating their business growth and accommodate new products in response to growing demands in the market. Mr. Mofizuddin Sarker, Managing Director & CEO of BD Finance and Mr. Mahmudul Helal, Proprietor, Menz Klub has signed agreement on behalf of their respective companies held at the head office of Menz Klub in Dhaka.



Bangladesh Finance And Investment Company Limited (BD Finance) organized a day long Training on Legal Issues & Documentation and Credit Evaluation Process at its Head Office in Dhaka on 28.11.2015. Mr. Mafizuddin Sarker, Managing Director & CEO of BD Finance inaugurated the Training Session. External Expert Barister Chowdhury Mokimuddin Khan Jahan Ali conducted the Program as main speaker.



A get together was arranged at the head office of BD Finance on 11.12.2015 to honor the Home Loan Department as best performing department in 2015.

HIGHLIGHTS OF PERFORMANCE

(Amount in BDT)

SL #	PARTICULARS	December 2015	December 2014
1	Paid up Capital	1,144,249,780	1,144,249,780
2	Total Shareholders' Equity	1,710,485,143	1,615,861,970
3	Capital Surplus / (Deficit)	144,249,780	144,249,780
4	Total Assets	16,187,132,051	14,411,156,348
5	Total Deposit	9,719,874,974	9,318,092,004
6	Total Loans/Lease Finance	13,282,163,418	10,707,372,858
7	Total Contingent Liabilities and Commitment	104,801,330	104,801,330
8	Investment Deposit Ratio (%)	136.65%	114.91%
9	Percentage of Classified Investment against total Investments	4.51%	5.22%
10	Profit after Tax and Provision	161,822,606	68,169,807
11	Amount of Classified Investment	598,779,445	559,333,584
12	Provisions kept against Classified Investment	214,845,790	200,412,550
13	Provisions surplus	1,064,969	6,690,044
14	Cost of Fund	11.43%	12.47%
15	Interest Earning Assets	13,538,350,733	12,399,373,463
16	Non-Profit Earning Assets	2,648,781,318	2,011,782,885
17	Return on Investment in Securities (ROI)	-21.14%	0.00%
18	Return on Assets (ROA)	1.06%	0.51%
19	Income from Investment in Securities	(74,967,345)	42,604
20	Earning Per Share (Re-stated 2014)	1.41	0.60
21	Price Earning Ratio (Times)	8.23	26.19
22	Book value per share (Per 10 Tk.)	14.95	14.12

A high-resolution, top-down photograph of a lush green lawn. The grass blades are short and densely packed, creating a vibrant, textured surface. The lighting is even, highlighting the natural green color of the grass.

**INDEPENDENT
AUDITORS' REPORT**

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BANGLADESH FINANCE AND INVESTMENT COMPANY LIMITED

We have audited the accompanying consolidated financial statements of Bangladesh Finance And Investment Company Limited and its subsidiaries ("the Group") as well as the financial statements of Bangladesh Finance And Investment Company Limited ("the Company") which comprise the consolidated balance sheet and the separate balance Sheet as at 31 December 2015 and the consolidated and separate profit & loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also the separate financial statements of the Company in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in notes, the Financial Institution Act 1993, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion the consolidated financial statements of the Group and also separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2015, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in notes and comply with the Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- c) The consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Company dealt with by the report are in agreement with the books of account and returns;
- d) The expenditure incurred was for the purposes of the Group and the Company's business;
- e) The consolidated financial statements of the Group and the separate financial statements of the Company have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in notes as well as with related guidance , circulars issued by Bangladesh Bank;
- f) Adequate provisions have been made for loans and advances which are, in our opinion, doubtful of recovery;
- g) The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- h) The information and explanation required by us have been received and found satisfactory;
- i) The Company has complied with relevant laws pertaining to capital and reserves and found satisfactory; and
- j) We have reviewed over 80% of the risk weighted assets of the Group and the Company, and we have spent around 1,700 person hours for the audit.

Dated: Dhaka
23 April 2016



A. Qasem & Co.
Chartered Accountants

CONSOLIDATED BALANCE SHEET

As at 31 December 2015

	Note	31-Dec-15 BDT	31-Dec-14 BDT
PROPERTY AND ASSETS			
Cash			
Cash in hand	3.a	70,589	75,723
Balance with Bangladesh Bank		191,136,804	135,175,131
		191,207,393	135,250,854
Balance with other Banks and			
Financial Institutions	4.a		
Inside Bangladesh		300,102,171	284,762,803
Outside Bangladesh		-	-
		300,102,171	284,762,803
Money at call and short notice			
		-	1,051,524,145
Investment in Securities			
Government	5.a	-	-
Others		610,650,507	762,242,310
		610,650,507	762,242,310
Lease, Loans and Advances			
In Bangladesh	6.a	13,558,886,680	11,038,516,638
Outside Bangladesh		-	-
		13,558,886,680	11,038,516,638
Fixed Assets including Premises, Furniture and Fixtures			
	7.a	353,728,858	346,729,160
Other Assets			
	8.a	1,812,635,926	1,753,472,677
Non Banking Assets			
	9	212,121,062	-
Total Assets		17,039,332,598	15,372,498,588
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from other Banks, Financial Institutions and Agents			
	10.a	3,380,965,845	2,343,602,494
Deposits and other Accounts			
	11.a	9,719,874,974	9,318,092,004
Other Liabilities			
	12.a	1,687,980,566	1,592,693,925
		14,788,821,384	13,254,388,424
Capital/ Shareholders' Equity			
Share Capital	13.2	1,144,249,780	1,144,249,780
Statutory Reserve	14	194,582,857	162,218,336
General Reserve	15	-	-
Capital Reserve	16.1	33,744,750	33,744,750
Revaluation Surplus on Land & Buildings	7.b	239,686,658	249,673,602
Retained earnings	16.a	173,254,720	68,481,325
Total Shareholders' Equity		1,785,518,766	1,658,367,793
Total Liabilities & Shareholders' Equity		16,574,340,150	14,912,756,217
Non Controlling Interest	16.b	464,992,447	459,742,371
Total Liabilities		17,039,332,598	15,372,498,588
Net Asset Value per share (NAV)		15.60	14.49

CONSOLIDATED BALANCE SHEET

As at 31 December 2015

	Note	31-Dec-15 BDT	31-Dec-14 BDT
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	104,801,330	104,801,330
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		104,801,330	104,801,330
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		-	-
Total Off-Balance Sheet items including contingent liabilities		104,801,330	104,801,330

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


Company Secretary


Managing Director


Director


Director

Auditor's Report to the shareholders see annexed report to date

Dated: Dhaka
23 April 2016


A. Qasem & Co.
Chartered Accountants

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2015

	Note	31-Dec-15 BDT	31-Dec-14 BDT
Interest Income	19.a	1,842,731,941	1,804,675,143
Less: Interest paid on Deposits & Borrowings etc.	20.a	1,339,955,404	1,442,921,852
Net Interest Income		502,776,537	361,753,291
Income/(Loss) from Investment in securities	21.a	(3,650,098)	67,835,058
Commission, Exchange and Brokerage	21.b	64,217,810	99,052,580
Other Operating Income	22.a	76,800,410	90,761,724
		137,368,122	257,649,362
Total Operating Income		640,144,660	619,402,653
Salaries and Allowances	23.a	74,453,148	59,637,640
Rent, Taxes, Insurances, Electricity etc.	24.a	19,620,086	14,472,649
Legal & Professional Fees	25.a	3,678,198	5,614,619
Postage, Stamp, Telecommunication etc.	26.a	2,752,140	2,301,097
Stationery, Printing, Advertisements etc.	27.a	12,354,786	15,019,133
Managing Director's Salary and Allowances	28	7,100,000	7,100,000
Directors' Fees and Conveyance	29.a	951,250	1,408,000
Auditor's Fees	29.b	257,472	230,833
Depreciation & Repairs of Assets	30.a	20,760,316	14,455,479
Other Expenses	31.a	68,340,651	71,804,007
Total Operating Expenses		210,268,046	192,043,456
Profit before Provision		429,876,613	427,359,197
Specific Provisions for Classified Loan and Lease	32	13,308,238	67,476,483
General Provisions for Unclassified Loan and Lease	32	28,370,593	39,047,721
Provisions for Other Receivables	32	11,000,000	-
Provisions for Investment in Securities	32.a	31,989,522	36,761,488
Total Provision		84,668,354	143,285,692
Total Profit before Provisions for Taxation		345,208,260	284,073,506
Deferred Tax Expenses/(benefit)		(9,627,441)	123,155
Current Tax Expenses-BD Finance		140,536,369	143,377,428
Current Tax Expenses-BD Securities Ltd.		10,402,997	20,069,677
Current Tax Expenses-BD Capital Holding Ltd.		4,295,853	5,664,486
		145,607,777	169,234,746
Net Profit after Taxation		199,600,483	114,838,760
Attributable to :		199,600,483	114,838,760
Shareholders of the Company		194,350,407	107,872,479
Non-controlling Interest		5,250,076	6,966,280
Net Profit available for distribution		194,350,407	107,872,479

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2015

	Note	31-Dec-15 BDT	31-Dec-14 BDT
Appropriations			
Statutory Reserve	14	32,364,521	13,633,961
General Reserve	15	-	-
Retained Earnings	16	161,985,885	94,238,518
		<u>194,350,407</u>	<u>107,872,479</u>
Earnings Per Share (Re-stated 2014)	33a	1.70	0.94

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


Company Secretary


Managing Director


Director


Director

Auditor's Report to the shareholders see annexed report to date

Dated: Dhaka
23 April 2016


A. Gasem & Co.
Chartered Accountants

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2015

	31-Dec-15 BDT	31-Dec-14 BDT
Cash Flows from Operating Activities		
Interest received	1,881,446,142	1,798,436,757
Interest paid	(1,470,783,293)	(1,334,124,694)
Dividend received	5,154,768	11,504,622
Fees & Commission received	61,225,178	96,064,353
Cash Payments to Employees	(81,553,148)	(66,737,640)
Cash Payments to Suppliers	(12,675,460)	(65,233,060)
Income Tax Paid	(123,652,080)	(166,411,887)
Received from other Operating activities	70,988,176	152,806,947
Payments for other Operating activities	(110,717,148)	(96,630,292)
Operating Profit before changes in Operating Assets & Liabilities	219,433,136	329,675,106
Changes in Operating Assets and Liabilities		
Purchases/Sale of Trading Securities	151,591,803	(66,597,479)
Loans and Lease Finance to Customers	(1,681,447,470)	(2,413,350,068)
Other Assets	25,853,061	(66,088,398)
Deposits	401,782,969	1,708,730,478
Other Liabilities	442,586	1,168,467
Sub Total	(1,101,777,051)	(836,137,000)
A) Net Cash used in Operating Activities	(882,343,915)	(506,461,894)
Cash flows from Investing Activities		
Purchase/sale of non trading securities	-	-
Adjustment of Depreciation	-	-
Proceeds from Sale of fixed assets	754,000	-
Purchases/sale of Property, Plant & Equipment	(22,341,429)	(17,216,157)
B) Net Cash used in Investing Activities	(21,587,429)	(17,216,157)
Cash flows from Financing Activities		
Increase/(decrease) of borrowings	1,032,439,740	158,950,641
Share Capital - Right Issue	-	-
Dividend Paid	(57,212,489)	-
C) Net Cash flows from Financing Activities	975,227,251	158,950,641
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	71,295,907	(364,727,410)
E) Cash & Cash Equivalents at the beginning of the period	420,013,657	784,741,067
F) Cash & Cash Equivalents at the end of the period(D+E)	491,309,565	420,013,657
Net Operating Cash Flow per share (NOCFPS)	(7.71)	(4.43)


Company Secretary


Managing Director


Director


Director





CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2015

Particulars	Share capital	Statutory reserve	General reserve	Capital reserve	Re-valuation Surplus	Retained earnings	Total	Non Controlling Interest	Total Equity
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT

Balance as at 01 January 2015	1,144,249,780	162,218,336	-	33,744,750	249,673,602	68,481,324	1,658,367,792	459,742,370	2,118,110,163
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Changes during the period 2015


Issue of Bonus Share	-	-	-	-	-	-	-	-	-
Cash Dividend	-	-	-	-	-	(57,212,489)	(57,212,489)	-	(57,212,489)
Profit/(Loss) for the period	-	-	-	-	-	194,350,407	194,350,407	5,250,076	199,600,483
Capital Reserve	-	-	-	-	-	-	-	-	-
Deferred Tax adjustment	-	-	-	-	(9,986,944)	-	(9,986,944)	-	(9,986,944)
Transfer to statutory reserve	-	32,364,521	-	-	-	(32,364,521)	-	-	-
	-	32,364,521	-	-	(9,986,944)	104,773,396	127,150,974	5,250,076	132,401,050
Balance as at 31 December 2015	1,144,249,780	194,582,857	-	33,744,750	239,686,658	173,254,720	1,785,518,766	464,992,446	2,250,511,213

Balance as at 1 January 2014	1,040,227,080	148,584,375	30,000,000	-	249,673,602	82,010,256	1,550,495,312	452,776,090	2,003,271,403
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Changes during the period 2014

Issue of Bonus Share	104,022,700	-	(30,000,000)	-	-	(74,022,700)	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	107,872,479	107,872,479	6,966,280	114,838,760
Capital Reserve	-	-	-	33,744,750	-	(33,744,750)	-	-	-
Transfer to statutory reserve	-	13,633,961	-	-	-	(13,633,961)	-	-	-
	104,022,700	13,633,961	(30,000,000)	33,744,750	-	(13,528,932)	107,872,479	6,966,280	114,838,760
Balance as at 31 December 2014	1,144,249,780	162,218,336	-	33,744,750	249,673,602	68,481,324	1,658,367,792	459,742,370	2,118,110,163


Company Secretary


Managing Director


Director


Director

BALANCE SHEET

As at 31 December 2015

	Note	31-Dec-15 BDT	31-Dec-14 BDT
PROPERTY AND ASSETS			
Cash	3		
Cash in hand		37,819	42,857
Balance with Bangladesh Bank		191,136,804	135,175,131
		191,174,623	135,217,988
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		256,187,314	239,390,453
Outside Bangladesh		-	-
		256,187,314	239,390,453
Money at call and short notice		-	1,051,524,145
Investment in Securities	5		
Government		-	-
Others		304,464,251	404,645,464
		304,464,251	404,645,464
Lease, Loans and Advances	6		
In Bangladesh		13,282,163,418	10,707,372,858
Outside Bangladesh		-	-
		13,282,163,418	10,707,372,858
Fixed Assets including Premises, Furniture and Fixtures	7	334,257,034	320,826,262
Other Assets	8	1,606,764,348	1,552,179,179
Non Banking Assets	9	212,121,062	-
Total Assets		16,187,132,051	14,411,156,348
LIABILITIES AND CAPITAL			
Liabilities			
Financing (Borrowings) from other Banks financial Institutions and Agents	10	3,217,341,183	2,017,148,658
Deposits and other Accounts	11	9,719,874,974	9,318,092,004
Term Deposits		9,225,486,873	9,001,958,771
Other Deposits		58,248,031	32,837,331
Advance Rent & Installments		436,140,069	283,295,903
Bills Payable		-	-
Other Liabilities	12	1,539,430,750	1,460,053,715
Total Liabilities		14,476,646,907	12,795,294,377
Capital/ Shareholders' Equity			
Share Capital	13.2	1,144,249,780	1,144,249,780
Statutory Reserve	14	194,582,857	162,218,336
General Reserve	15	-	-
Revaluation Surplus on Land & Building	7.1	239,686,658	249,673,602
Retained earnings	16	131,965,848	59,720,252
Total Shareholders' Equity		1,710,485,143	1,615,861,970
Total Liabilities & Shareholders' Equity		16,187,132,051	14,411,156,348
Net Asset Value per share (NAV)		14.95	14.12

BALANCE SHEET

As at 31 December 2015

	Note	31-Dec-15 BDT	31-Dec-14 BDT
OFF BALANCE SHEET EXPOSURES			
CONTINGENT LIABILITIES			
Acceptances and Endorsements		-	-
Letters of Guarantee	17	104,801,330	104,801,330
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Total		104,801,330	104,801,330
OTHER COMMITMENTS			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the Bank not acknowledged as debts		-	-
Total		-	-
Total Off-Balance Sheet items including contingent liabilities		104,801,330	104,801,330

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


Company Secretary


Managing Director


Director


Director

Auditor's Report to the shareholders see annexed report to date

Dated: Dhaka
23 April 2016


A. Qasem & Co.
Chartered Accountants

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2015

	Note	31-Dec-15 BDT	31-Dec-14 BDT
Interest Income	19	1,786,509,733	1,777,832,490
Less: Interest paid on Deposits & Borrowings etc.	20	1,299,836,543	1,425,902,995
Net Interest Income		486,673,189	351,929,496
Income/(Loss) from Investment in securities	21	(74,967,345)	42,604
Commission, Exchange and Brokerage		1,000,000	1,000,000
Other Operating Income	22	78,393,946	92,274,990
		4,426,602	93,317,593
Total Operating Income		491,099,791	445,247,089
Salaries and Allowances	23	51,053,075	38,444,513
Rent, Taxes, Insurances, Electricity etc.	24	17,358,496	12,175,223
Legal & Professional Fees	25	2,814,685	4,828,324
Postage, Stamp, Telecommunication etc.	26	1,901,070	1,359,524
Stationery, Printing, Advertisements etc.	27	11,637,020	14,252,347
Managing Director's Salary and Allowances	28	7,100,000	7,100,000
Directors' Fees and Conveyance	29	580,000	958,000
Auditor's Fees		136,722	155,556
Depreciation & Repairs of NBFIs' Assets	30	13,114,748	6,950,120
Other Expenses	31	39,993,610	34,828,889
Total Operating Expenses		145,689,426	121,052,495
Profit before Provision		345,410,365	324,194,593
Specific Provisions for Classified Loans		13,308,238	67,476,483
General Provisions for Unclassified Loans		28,370,593	39,047,721
Provisions for Other Receivables		11,000,000	-
Provisions for Investment in Securities		-	6,000,000
Total Provision	32	52,678,831	112,524,203
Total Profit before Provisions for Taxation		292,731,534	211,670,390
Deferred Tax Expenses/(benefit)		(9,627,441)	123,155
Current Tax Expenses		140,536,369	143,377,428
		130,908,928	143,500,583
Net Profit after Taxation		161,822,606	68,169,807
Appropriations			
Statutory Reserve	14	32,364,521	13,633,961
General Reserve	15	-	-
Retained Earnings	16	129,458,084	54,535,846
		161,822,606	68,169,807
Earning Per Share (Re-stated 2014)	33	1.41	0.60

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


Company Secretary


Managing Director


Director


Director

Auditor's Report to the shareholders see annexed report to date

Dated: Dhaka
23 April 2016


A. Qasem & Co.
Chartered Accountants



CASH FLOW STATEMENT

For the year ended 31 December 2015

	Note	31-Dec-15 BDT	31-Dec-14 BDT
Cash Flows from Operating Activities			
Interest received	34	1,825,268,759	1,811,601,294
Interest paid	35	(1,435,421,377)	(1,334,124,694)
Dividend received		4,229,818	8,825,682
Fees & Commission received		1,000,000	1,000,000
Cash Payments to Employees		(58,153,075)	(45,544,513)
Cash Payments to Suppliers		(12,332,850)	(14,252,347)
Income Tax Paid		(107,984,350)	(150,096,894)
Received /(Payments) from other Operating activities	36	(803,217)	83,491,911
Payments for other Operating activities	37	(64,376,577)	(56,261,982)
Operating Profit before changes in Operating Assets & Liabilities		151,427,132	304,638,457
Changes in Operating Assets and Liabilities			
Purchases/Sale of Trading Securities		100,181,212	51,619,245
Loans and Lease Finance to Customers		(1,735,387,477)	(2,487,189,058)
Other Assets	38	29,950,630	(71,841,840)
Deposits		401,738,144	1,708,730,478
Other Liabilities	39	6,076,690	9,419,931
Sub Total		(1,197,440,801)	(789,261,244)
A) Net Cash used in Operating Activities		(1,046,013,669)	(484,622,787)
Cash flows from Investing Activities			
Purchase/sale of non trading securities		-	-
Proceeds from Sale of fixed assets		754,000	-
Purchases/sale of Property, Plant & Equipments		(24,966,871)	(13,494,960)
B) Net Cash used in Investing Activities		(24,212,871)	(13,494,960)
Cash flows from Financing Activities			
Increase/(decrease) of borrowings		1,200,192,526	158,950,641
Dividend Paid		(57,212,489)	-
C) Net Cash flows from Financing Activities		1,142,980,037	158,950,641
D) Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		72,753,496	(339,167,106)
E) Cash and cash equivalents at the beginning of the period		374,608,441	713,775,547
F) Cash and cash equivalents at the end of the period (D+E)	40	447,361,938	374,608,441
Net Operating Cash Flow per share		(9.14)	(4.24)


Company Secretary


Managing Director


Director


Director

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2015

Particular	Share capital	Statutory reserve	General reserve	Re-valuation Surplus	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT	BDT

Balance as at 1 January 2015	1,144,249,780	162,218,336	-	249,673,602	59,720,253	1,615,861,971
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Changes during the period 2015

Issue of Bonus Share	-	-	-	-	-	-
Cash Dividend	-	-	-	-	(57,212,489)	(57,212,489)
Profit/(Loss) for the period	-	-	-	-	161,822,606	161,822,606
Transfer to statutory reserve	-	32,364,521	-	-	(32,364,521)	-
Deferred Tax adjustment	-	-	-	(9,986,944)	-	(9,986,944)
Revaluation of Land	-	-	-	-	-	-
Balance as at 31 December 2015	1,144,249,780	194,582,857	-	239,686,658	131,965,848	1,710,485,143

Balance as at 1 January 2014	1,040,227,080	148,584,375	30,000,000	249,673,602	79,207,107	1,547,692,163
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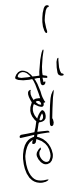
Changes during the period 2014

Issue of Bonus Share	104,022,700	-	(30,000,000)	-	(74,022,700)	-
Profit/(Loss) for the period	-	-	-	-	68,169,807	68,169,807
Transfer to statutory reserve	-	13,633,961	-	-	(13,633,961)	-
Revaluation of Land	-	-	-	-	-	-
Balance as at 31 December 2014	1,144,249,780	162,218,336	-	249,673,602	59,720,252	1,615,861,970


Company Secretary


Managing Director


Director


Director

LIQUIDITY STATEMENT ASSETS AND LIABILITIES MATURITIES ANALYSIS


As at 31 December 2015

Particulars	Up to 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Assets						
Cash in hand	37,819	-	-	-	-	37,819
Balance with Bangladesh Bank	191,136,804	-	-	-	-	191,136,804
Balance with other banks and financial institutions	751,408	21,394,041	234,041,866	-	-	256,187,314
Money at Call and Short Notice	-	-	-	-	-	-
Investment in securities	266,206,921	-	-	38,257,330	-	304,464,251
Investment (Loans and Advances)	825,312,629	1,393,598,679	1,603,355,447	8,367,762,954	1,092,133,710	13,282,163,418
Fixed Assets including premises, furniture and fixtures etc.	-	-	-	144,457,943	189,799,091	334,257,034
Other Assets	114,315,470	162,270,775	243,406,163	29,297,841	1,057,474,099	1,606,764,348
Non-banking Assets	-	-	-	212,121,062	-	212,121,062
Total Assets (i)	1,397,761,051	1,577,263,495	2,080,803,475	8,791,897,129	2,339,406,899	16,187,132,051
Liabilities						
Financing (Borrowing) from other banks, financial institutions and agents	985,788,904	557,366,713	559,452,140	1,114,733,426	-	3,217,341,183
Deposits and other accounts	312,668,450	859,220,865	1,240,157,885	7,125,556,912	182,270,862	9,719,874,974
Provision and other liabilities	93,761,404	128,730,050	178,306,734	534,920,202	603,712,361	1,539,430,750
Total Liabilities (ii)	1,392,218,757	1,545,317,628	1,977,916,759	8,775,210,539	785,983,223	14,476,646,907
Net Liquidity Gap (i-ii)	5,542,294	31,945,867	102,886,716	16,686,590	1,553,423,676	1,710,485,143

Accompanying notes from 1 to 44 form an integral part of these financial statements


 Company Secretary


 Managing Director


 Director


 Director

FIXED ASSET SCHEDULE

For the year ended 31 December 2015

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 2015
	Balance as on 1 January 2015	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the period		Balance at 31 December 2015	Charge for the year	Transfer/ Adjust. during the year	Balance at 31 December 2015	
Land	297,200,000	-	-	-	-	-	-	-	-	297,200,000
Building	5,398,790	-	-	-	10%	5,398,790	-	-	3,239,279	2,159,511
Furniture & Fixture	13,976,860	-	8,513,004	-	20%	22,489,864	-	-	12,645,484	9,844,380
Office Equipment	10,910,984	-	6,365,867	44,608	25%	17,232,243	44,608	31,262	10,284,503	6,947,740
Office Renovation	5,390,693	-	-	-	20%	5,390,693	-	-	4,927,344	463,349
Motor Vehicle	27,134,973	-	10,088,000	3,678,287	20%	33,544,686	3,678,287	3,678,287	16,111,796	17,432,890
Other Assets	182,667	-	-	-	20%	182,667	-	-	182,667	-
System and Software	1,820,000	-	-	-	25%	1,820,000	-	-	1,610,836	209,164
31 December 2015	362,014,967	-	24,966,871	3,722,895		383,258,943	3,709,549	11,522,754	49,001,909	334,257,034
31 December 2014	348,520,006	-	13,494,961	-		362,014,967	1,363,696	6,357,351	41,188,705	320,826,262

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. Legal status and nature of the company

1.1 Domicile, legal form and country of incorporation

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

1.2 Principal activities and nature of operation

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

1.3 Subsidiary companies

1.3.1 BD Finance Securities Limited

BD Finance Securities Limited, a 57.36% owned subsidiary company of Bangladesh Finance And Investment Company Limited was incorporated on 28 December 2010 as a public limited company under Companies Act 1994 with authorized share capital of Tk. 500 crore. The main objective of the Company is to act as a member of stock exchanges, operate the Central Depository System (CDS) and to carry on the business of brokers, jobbers or dealers in stocks, shares, securities, commodities, commercial papers, bonds, obligations, debentures etc.

1.3.2 BD Finance Capital Holdings Limited

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

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

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

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

2.1.1 Basis of consolidation of operations of subsidiary

The financial statements of the Company and its subsidiary, as mentioned in note no. 1.3, have been consolidated in accordance with Bangladesh Accounting Standard 27 "Consolidated and Separate Financial Statements". The

consolidation of the financial statement has been made after eliminating all material inter company balances, income and expenses arising from inter company transactions.

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

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

2.2 Basis of measurement

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

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

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

Bangladesh Bank has issued templates for financial statements which shall strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to be included in the Single Comprehensive Income (SCI) Statement. As such the company does not prepare the other comprehensive income statement.

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

2.4 Use of estimates and judgments

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

2.5 Comparative Information

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

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

2.6 Reporting period

These financial statements cover from 1 January 2015 to 31 December 2015

2.7 Functional and presentation currency

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

2.8 Cash flow statements

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



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

2.9 Statement of Changes in Equity

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

2.10 Accounting for leases

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

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

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

2.11 Accounting for term finance & other finances

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

2.12 Recognition of Property, Plant and Equipment and Depreciation

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

ii) Subsequent expenditure on fixed assets

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

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

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

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

2.13 Intangible Assets

i) Components

The main item included in intangible asset is software.

ii) Basis of recognition

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

iii) Subsequent expenditure

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

iv) Amortization

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

2.14 Cash & Cash Equivalents

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

2.15 Investments in Securities

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

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

a. Investment in quoted securities:

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

b. Investment in un-quoted securities:

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

2.16 Statutory reserve

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

2.17 General Reserve

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

2.18 Retirement Benefit

(a) Provident Fund

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

(b) Gratuity

Gratuity fund benefit are given to the staff of BD Finance in accordance with the company's service rules. The gratuity is calculated on the basis of sum equal to 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.

2.19 Provision for investments and advances

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

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

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

2.20 Income Tax

2.20.1 Current tax

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

2.20.2 Deferred tax

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

2.21 Accrued expenses and other payables

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

2.22 Revenue recognition

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

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

2.22.1 Lease income

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

2.22.2 Income from Term Finance

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

2.22.3 Fees base income, etc.

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

2.22.4 Dividend income

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

2.22.5 Gain on Sale of Securities

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

2.23 Borrowing Costs

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

2.24 Interest Suspense Account

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

2.25 Litigation

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

2.26 Proposed dividend

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

2.27 Earnings Per Share (EPS)

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

Basic Earnings

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

Weighted average number of Ordinary Shares outstanding during the period

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

Basic earnings per share

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

Diluted Earnings Per Share

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

2.28 Contingent liabilities and contingent assets

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

2.29 Risk and uncertainty for use of estimates (Provisions)

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

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

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

2.30 BASEL II & its implementation

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

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

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



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

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

N/A= Not Applicable

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

		31-Dec-15 BDT	31-Dec-14 BDT
3	Cash		
	Cash in hand (Notes :3.1)	37,819	42,857
	Balance with Bangladesh Bank (Notes :3.2)	191,136,804	135,175,131
		191,174,623	135,217,988
3.a	Cash in Hand (Consolidated)		
	BD Finance	37,819	42,857
	BD Finance Securities Limited	19,652	18,669
	BD Finance Capital Holdings Limited	13,118	14,197
		70,589	75,723
3.1	Cash In hand (including foreign currencies)		
	In local currency	37,819	42,857
	In foreign currency	-	-
		37,819	42,857
3.2	Balance with Bangladesh Bank (including foreign currencies)		
	In local currency	191,136,804	135,175,131
	In foreign currency	-	-
		191,136,804	135,175,131
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	174,702,069	135,007,633
	Actual Reserve held with Bangladesh Bank (local currency)	191,136,804	135,175,131
	Surplus	16,434,735	167,498
3.5	Statutory Liquidity Ratio (SLR): 5% (including 2.5% CRR) of Average Demand and Time Liabilities		
	Required Reserve	430,015,743	295,298,154
	Actual Reserve held (Note- 3.6)	447,361,938	374,608,441
	Surplus	17,346,195	79,310,287
3.6	Held for Statutory Liquidity Ratio		
	Cash in hand	37,819	42,857
	Balance with Bangladesh Bank	191,136,804	135,175,131
	Balance with other bank and Financial Institutions	256,187,314	239,390,453
		447,361,938	374,608,441
4	Balance with other Banks and Financial Institutions		
	Inside Bangladesh (Note - 4.1)	256,187,314	239,390,453
	Outside Bangladesh (Note - 4.2)	-	-
		256,187,314	239,390,453
4.a	Balance with other Banks and Financial Institutions (Consolidated)		
	BD Finance	256,187,314	239,390,453
	BD Finance Securities Limited	34,311,354	41,498,822
	BD Finance Capital Holdings Limited.	9,603,503	3,873,529
		300,102,171	284,762,803
4.1	Inside Bangladesh		
	Current Account		
	Dhaka Bank Limited	288,334	44,497
	Dutch Bangla Bank Limited	3,718	3,718
	Islami Bank Bangladesh Limited	-	615
	NCC Bank Limited	1,000	-
	Premier Bank Ltd.	-	59
	Prime Bank Limited	30,051	33,791
	Shahjalal Bank Limited	3,614	5,294
	Social Islami Bank Limited	424,691	117,426
	The City Bank Limited	-	2,305
		751,408	207,704

	31-Dec-15 BDT	31-Dec-14 BDT
STD Account		
Bank Asia Limited	3,742,193	118,160
BRAC Bank Limited	39,356	289,827
Dutch Bangla Bank Limited	844,604	858,047
Jamuna Bank Ltd.	4	6
Modhumoti Bank Ltd.	8,123	8,971
Mutual Trust Bank Limited	1,186,193	976,484
NRB Commercial Bank Ltd.	5,337	5,337
Southeast Bank Limited	9,103,848	61,917,525
The City Bank Limited	6,464,317	2,477,077
United Commercial Bank	66	1,802
	21,394,041	66,653,236
FDR with Basic Bank Limited.	100,000,000	86,614,813
FDR with Mutual Trust Bank Ltd.	20,000,000	-
FDR with NRB Commercial Bank Ltd.	114,041,866	85,914,700
Cash at Bank	256,187,314	239,390,453
4.2 Outside Bangladesh		
Cash at Foreign Bank	-	-
Total Cash at Bank (Bangladesh & Foreign)	256,187,314	239,390,453
4.3 Maturity-wise groupings of balance with other banks and FI's		
On Demand	751,408	207,704
Not more than 3 months	21,394,041	66,653,236
More than 3 months but less than 1 year	234,041,866	172,529,513
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
	256,187,314	239,390,453
5 Investment in Securities		
i) Government	-	-
ii) Others	304,464,251	404,645,464
	304,464,251	404,645,464
5.a Investment in Securities (Consolidated)		
BD Finance	304,464,251	404,645,464
BD Finance Securities Limited	96,509,849	106,653,401
BD Finance Capital Holdings Limited	209,676,407	250,943,445
	610,650,507	762,242,310
5.ii. Investment in Securities-Others		
Investment in shares (in quoted companies) (Note 5.1)	266,206,921	366,388,134
Investment in shares (in un-quoted companies) (Note 5.2)	38,257,330	38,257,330
	304,464,251	404,645,464
5.iii Maturity-wise Grouping of Investment in Securities:		
On demand	266,206,921	103,368,582
Not more than 3 months	-	40,464,546
More than 3 months but less than 1 year	-	222,555,005
More than 1 year but less than 5 years	38,257,330	38,257,330
More than 5 years	-	-
	304,464,251	404,645,464

5.1

Name of the Institution	Cost Price 2015	Market Price 2015	Cost Price 2014
AIMS1STMF	1,418,599	1,424,099	1,418,599
Beximco Ltd.	10,590,326	7,604,109	10,590,326
Beximco Pharma Ltd.	28,252,516	28,831,592	28,278,586
City General Insurance Co. Ltd.	12,979,096	6,087,159	12,979,096
DBH1STMF	-	-	1,026,895
Delta Life Insurance Co. Ltd.	-	-	106,087
Eastland Insurance Co. Ltd.	3,541,909	4,090,705	6,018,909
Exim Bank Ltd.	3,198,893	1,814,143	3,198,893
GRAMEENS2	1,412,137	1,099,997	1,412,137
International Leasing & Financial Services Ltd.	1,051,145	515,603	1,051,145
Mutual Trust Bank Ltd.	-	-	20,395
National Bank Ltd.	-	-	16,455,827
NCC Bank Ltd.	-	-	625,629
Nitol Insurance Co. Ltd.	-	-	9,852,370
Northern General Insurance Co. Ltd.	71,574,764	32,826,649	-
One Bank Limited	27,012,990	24,682,589	27,012,990
Padma Life Insurance Co. Ltd.	-	-	99,163,107
Peoples Leasing & Financial Services Ltd.	20,621,408	14,621,212	20,621,408
Prime Islami Life Insurance Co. Ltd.	4,438,391	2,293,220	4,438,391
Rangpur Dairy & Food Products Ltd.	-	-	2,013,244
Rupali Bank Ltd.	-	-	519,958
Rupali General Insurance Co. Ltd.	4,539,914	2,619,852	-
Social Investment Bank Ltd.	-	-	1,990,400
Southeast Bank Ltd.	21,085,411	23,292,446	61,250,950
Summit Power Ltd.	19,146,185	21,687,453	19,148,545
The City Bank Ltd.	-	-	1,055
Trust Bank Ltd.	-	-	1,531,820
United Commercial Bank Ltd.	-	-	318,133
United Finance Ltd.	35,343,238	35,138,116	35,343,238
	266,206,921	208,628,943	366,388,134

5.2 Unquoted

Name of the Institution	Cost Price 2015	Market Price 2015	Cost Price 2014
Bangladesh Commerce Bank Limited	28,257,330	28,257,330	28,257,330
GMG Airlines Limited	10,000,000	-	10,000,000
	38,257,330	28,257,330	38,257,330
	304,464,251	236,886,273	404,645,464

	31-Dec-15 BDT	31-Dec-14 BDT
6 Lease, Loans and Advances		
a) Inside Bangladesh		
i) Lease Finance		
Gross lease rental receivable	2,436,151,186	2,341,875,853
Less: Unearned interest income	482,923,294	511,941,261
Net Investment in lease Finance	1,953,227,892	1,829,934,592
ii) Term Finance	9,993,997,769	8,727,307,257
iii) Housing Finance	1,334,937,757	150,131,009
Total Loans and Lease inside Bangladesh (i+ii+iii)	13,282,163,418	10,707,372,858
b) Outside Bangladesh	-	-
Total Loans and Lease Finance (a+b)	13,282,163,418	10,707,372,858
6.a Lease, Loans and Advances (Consolidated)		
BD Finance	13,282,163,418	10,707,372,858
BD Finance Securities Limited	366,957,409	754,075,071
BD Finance Capital Holdings Limited.	109,689,464	174,974,105
Loan to BD Finance Securities Limited	(199,923,611)	(533,905,395)
Loan to BD Finance Capital Holdings Limited.	-	(64,000,000)
	13,558,886,680	11,038,516,638
6.1 Maturity wise Classification of Investments:		
With a residual maturity of		
Receivable on Demand	825,312,629	439,228,002
Not more than 3 months	1,393,598,679	482,444,755
Over 3 months but not more than 1 year	1,603,355,447	1,947,334,265
Over 1 year but not more than 5 years	8,367,762,954	7,219,116,078
Over 5 years	1,092,133,710	619,249,758
	13,282,163,418	10,707,372,858
6.2 Investments on the basis of significant concentration:		
Investments to allied concern of Directors (Note: 43.5)	251,259,954	692,801,333
Investments to Executives/Officers	858,699	439,635
Investments to Customer Groups	6,497,042,672	5,492,457,000
Industrial Investment	5,527,027,028	4,015,621,287
Others	1,005,975,065	506,053,603
	13,282,163,418	10,707,372,858
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 2015		As at 31 December 2014	
	Amount	Composition	Amount	Composition
Agriculture	16,908,090	0.13%	-	0.00%
Cement/Clinker & Allied Industries	15,051,954	0.11%	446,879	0.00%
Chemical & Pharmaceuticals	774,765,618	5.83%	759,857,353	7.10%
Electronics and Electrical Products	137,019,980	1.03%	629,179,616	5.88%
Financial Institutions	-	0.00%	-	0.00%
Food Production/Processing Ind.	1,524,605,604	11.48%	689,585,880	6.44%
Garments	540,427,409	4.07%	565,283,340	5.28%
Glass & Ceramic Industries	-	0.00%	32,867,708	0.31%
Iron, Steel & Engineering	841,196,741	6.33%	1,304,775,873	12.19%
Jute & Jute Allied Industries	-	0.00%	10,170,341	0.09%
Merchant Banking	1,158,930,512	8.73%	720,458,233	6.73%
Others	1,005,975,065	7.57%	726,399,081	6.78%
Paper, Printing and Packaging	230,787,895	1.74%	350,134,482	3.27%
Plastic Industries	340,043,116	2.56%	11,985,547	0.11%
Power, Gas, Water and Sanitary	518,912,979	3.91%	524,300,220	4.90%
Real Estate & Housing	1,543,915,819	11.62%	324,018,201	3.03%
Service Industries	107,308,203	0.81%	-	0.00%
Ship & Ship Mfg. Industries	108,960,451	0.82%	-	0.00%
SME	-	0.00%	-	0.00%
Telecom./Information Technology	372,359,591	2.80%	369,091,768	3.45%
Textile	243,007,580	1.83%	116,348,147	1.09%
Trading	2,679,226,150	20.17%	1,774,362,519	16.57%
Transport & Communication	1,122,760,661	8.45%	1,798,107,672	16.79%
	13,282,163,418	100.00%	10,707,372,858	100.00%

6.5 Geographical Location-wise loans and lease Finance:

Location	As at 31 December 2015		As at 31 December 2014	
	Amount	Composition	Amount	Composition
Dhaka	10,393,695,140	78.25%	8,185,212,885	76.44%
Chittagong	2,846,810,281	21.43%	2,519,766,943	23.53%
Sylhet	41,657,997	0.31%	2,393,030	0.02%
	13,282,163,418	100.00%	10,707,372,858	100.00%

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

	As at 31 December 2015		As at 31 December 2014	
	Amount	Composition	Amount	Composition
Unclassified				
Standard	12,228,047,250	92.06%	9,908,529,146	92.54%
Special Mention Account (SMA)	455,336,723	3.43%	239,510,128	2.24%
	12,683,383,973		10,148,039,274	
Classified				
Substandard	141,784,632	1.07%	146,503,711	1.37%
Doubtful	197,421,582	1.49%	945,490	0.01%
Bad or loss	259,573,231	1.95%	411,884,383	3.85%
	598,779,445		559,333,584	
	13,282,163,418	100.00%	10,707,372,858	100.00%

6.7 Particulars of provision for Loans and lease Finance

Status	Rate	Basis for Provision	Amount	Amount
			2015	2014
General Provision (for Unclassified portion)				
Unclassified	1%	12,228,047,250	122,280,473	99,085,291
Special Mention Account	5%	428,533,887	21,426,694	11,182,127
			143,707,167	110,267,418
Specific Provision (for Classified Portion)				
Substandard	20%	106,882,307	21,376,461	21,672,528
Doubtful	50%	140,542,210	70,271,105	-
Bad or loss	100%	110,589,690	110,589,690	166,590,571
			202,237,256	188,263,099
Required provision for Loans & Lease Finance			345,944,423	298,530,517
Required provision for Other Receivables			10,890,000	-
Total provision required for Loans, Lease and Other Receivables			356,834,423	298,530,517
Total provision maintained {note # 12.1(a), (b) & (C)}			357,899,393	305,220,561
Surplus Provision			1,064,969	6,690,044

BD Finance has maintained provision on unclassified investment amounting to Tk. 144,360,731 (note # 12.1.b) and for classified Loan & Lease Finance Tk. 202,538,661 (note # 12.1.a) totaling Tk. 357,899,393. Surplus provision against unclassified loan/lease is Tk. 653,564.

	31-Dec-15 BDT	31-Dec-14 BDT
6.8 Particulars of Investments:		
(i) Debts considered good in respect of which the NBF1 is fully secured	4,538,515,240	4,331,239,805
(ii) Debts considered good for which the NBF1 holds no other security other than the debtor's personal guarantee	7,626,618,235	6,376,133,053
(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	97,455,541	156,070,269
(v) Debts due by directors or officers of the NBF1 or any of them either severally or jointly with any other person	858,699	2,939,635
(vi) Debts due by companies or firms in which the directors of the NBF1 are interested as directors, partners or managing agents or, in the case of private companies as members (Note 43.5).	251,259,954	692,801,333
(vii) Maximum total amount of investments, including temporary investments made at any time during the period to directors or managers or officers of the NBF1's or any of them either severally or jointly with any other persons.	2,300,000	3,342,480

	31-Dec-15 BDT	31-Dec-14 BDT
(viii) Maximum total amount of advances including temporary advances granted during the period to the companies or Firms in which the directors of the NBFIs are interested as directors, partners or managing agents or in the case of private companies as members	384,000,000	1,202,000,000
(ix) Receivable from other NBFIs	-	-
(x) Total amount of advance on which Profit is not credited:	1,054,116,168	798,843,712
A. Increase/decrease of provision (specific)		
Amount of debts written off	-	-
Amount realized against the debts previously written off	-	-
B. Provision kept against the debt classified as bad/loss at the date of balance sheet	110,589,690	166,590,571
C. Amount of interest creditable to the interest suspense account		
(xi) Cumulative amount of written off Investments	11,494,317	11,494,317
7 Fixed Assets including Premises, Furniture & Fixtures		
A. Cost:		
Opening balance	362,014,967	348,520,006
Addition during the year	24,966,871	13,494,961
Add: Revaluation During the year	-	-
Less: Disposal during the year	(3,722,895)	-
Closing balance at cost	383,258,943	362,014,967
B. Depreciation:		
Opening balance	41,188,705	36,195,051
Less: Adjustment during the year	-	(1,363,696)
Addition during the year	11,522,753	6,357,351
Less: Adjustment on disposal during the year	(3,709,549)	-
Accumulated Depreciation	49,001,909	41,188,705
Carrying value	334,257,034	320,826,262
*Details are given in Annexure-A		
7.a Fixed Assets including Premises, Furniture and Fixtures (Consolidated)		
BD Finance	334,257,034	320,826,262
BD Finance Securities Limited - PPE	11,570,321	14,438,749
BD Finance Securities Limited - Intangible Assets	-	2,708
BD Finance Capital Holdings Limited.	7,901,503	11,461,440
	353,728,858	346,729,160

	31-Dec-15 BDT	31-Dec-14 BDT
7.1 Revaluation Surplus on Land And Building		
Revalued Amount	302,598,790	302,598,790
Less: Acquisition Value	52,925,188	52,925,188
Less: Deferred Tax adjustment	9,986,944	-
Revaluation Surplus	239,686,658	249,673,602
Note: The Land and building situated at 64 Motijheel, Dhaka valued Tk. 52,925,188 was acquired in the end of the year 2009. This Land and Building of BD Finance was revalued on December 31, 2013 by a prominent independent valuer, Axis Resources Limited, Property Heights (1st Floor) 12, R.K. Mission Road, Dhaka-1203 and the valuation was also counter certified by Malek Siddiqui Wali, Chartered Accounts, 9-G, Motijheel C/A, Dhaka-1000. The acquisition value of the asset was Tk. 52,925,188, the Revalued (Carrying) Amount is Tk. 302,598,790 and the Revaluation Surplus is Tk. 249,673,602. The present market value of land is Tk. 80,000,000 per Katha. BD Finance is 50% owner of the said building.		
7.b Revaluation Reserve (Consolidated)		
BD Finance	239,686,658	249,673,602
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
	239,686,658	249,673,602
8 Other Assets		
Investment in Subsidiaries (Note: 8.1)	849,930,000	849,930,000
Investment in BD Finance Vanguard Mutual Fund One	200,000,000	200,000,000
Receivables, Advances & Deposits (Note 8.2)	556,834,348	502,249,179
	1,606,764,348	1,552,179,179
8.a Other Assets (Consolidated)		
BD Finance	756,834,348	702,249,179
BD Finance Securities Limited	1,039,317,619	1,037,255,768
BD Finance Capital Holdings Limited	16,483,960	13,967,730
	1,812,635,926	1,753,472,677
8.1 Investment In Subsidiaries		
Investment In paid up capital (BD Finance Capital Holdings Limited.)	249,930,000	249,930,000
Investment In paid up capital (BD Finance Securities Limited.)	600,000,000	600,000,000
	849,930,000	849,930,000
8.2 Receivables, Advances & Deposits		
a) Other receivables		
Interest on investment in FDR	12,435,896	10,942,452
Re-imbursable expenses	7,907,640	8,479,728
Receivable Grace Period Interest	8,752	2,196,202
Receivable Delinquent Charge	27,875,919	62,445,355
Receivable Excise Duty	2,638,010	1,961,810
Receivable-Others	63,379,969	47,049,116
Stock of Stamp	69,288	29,710
	114,315,470	133,104,372
b) Advance Income Tax		
Opening Balance	297,692,588	147,595,694
Add: Addition during the year	107,984,350	150,096,894
	405,676,938	297,692,588
Less: Adjustment during the year	-	-
Closing balance	405,676,938	297,692,588

	31-Dec-15 BDT	31-Dec-14 BDT
Break-up of Advance Tax		
Advance Tax u/s 64 and 74 of ITO 1984		
Assessment Year 2010-2011	4,853,000	4,853,000
Assessment Year 2011-2012	48,800,405	48,800,405
Assessment Year 2012-2013	8,500,000	8,500,000
Assessment Year 2013-2014	-	-
Assessment Year 2014-2015	145,450,872	145,450,872
Assessment Year 2015-2016	103,446,000	-
	311,050,277	207,604,277
Tax Deduction at Source		
Assessment Year 2008-2009	19,521,061	19,521,061
Assessment Year 2009-2010	10,730,354	10,730,354
Assessment Year 2010-2011	10,535,623	10,535,623
Assessment Year 2011-2012	4,004,590	4,004,590
Assessment Year 2012-2013	2,187,932	2,187,932
Assessment Year 2013-2014	38,462,728	38,462,728
Assessment Year 2014-2015	4,646,023	4,646,023
Assessment Year 2015-2016	4,538,350	-
	94,626,661	90,088,311
	405,676,938	297,692,588
c) Deferred Tax Asset		
Balance at the beginning of the period	(3,559,456)	(3,436,301)
Adjustment during the period	9,627,441	(123,155)
Balance at the end of the period	6,067,985	(3,559,456)
d) Advance, deposits and prepayments		
Advance Office Rent - Chittagong Br.	660,426	1,037,826
Advance Office rent-Uttara	344,000	536,000
Advance Office rent-Sylhet	962,640	1,443,960
Advance against Fixed Assets	-	283,833
Accounts with Bangshal Branch	-	24,402
Advance others	27,233,475	70,083,640
Advance against 64 Motijheel	97,300	97,300
	29,297,841	73,506,961
e) Deposits with others		
Deposits with BTTB & Mobile	60,600	89,200
Deposits with Baitul Hossain Building	203,814	203,814
Deposit with Land Lord Bangshal Branch	804,700	804,700
Deposit with CDBL	400,000	400,000
Deposit with Sadharan Bima	7,000	7,000
	1,476,114	1,504,714
Other Assets (a+b+c+d+e)	556,834,348	502,249,179

	31-Dec-15 BDT	31-Dec-14 BDT
8.3 Maturity wise classification of other assets		
Receivable on Demand	114,315,470	111,720,383
Not more than 3 months	162,270,775	-
Over 3 months but not more than 1 year	243,406,163	303,275,762
Over 1 year but not more than 5 years	29,297,841	89,307,776
Over 5 years	1,057,474,099	1,047,875,258
	1,606,764,348	1,552,179,179
9. Non-Banking Assets		
Income Generating	-	-
Non-Income Generating	212,121,062	-
	212,121,062	-
BD Finance has been awarded absolute ownership on seven mortgage property (Land) in the year of 2015 through verdict of honourable court under section 33 (7) of Artha Rin Adalat Ain, 2003. These have been recorded at Taka 212,121,062 as non-banking assets.		
10. Borrowing from other banks, Financial Institutions and agents		
Secured	232,331,697	104,670,819
Un secured	2,985,009,486	1,912,477,839
	3,217,341,183	2,017,148,658
In Bangladesh	3,217,341,183	2,017,148,658
Outside Bangladesh	-	-
	3,217,341,183	2,017,148,658
10.a Borrowing from other banks, Financial Institutions and agents		
BD Finance	3,217,341,183	2,017,148,658
BD Finance Securities Limited	134,471,441	231,055,191
BD Finance Capital Holdings Limited	29,153,221	95,398,646
	3,380,965,845	2,343,602,494
10.1 In Bangladesh		
Refinance against SME loan from Bangladesh Bank	412,500	3,220,221
Refinance against Housing loan from Bangladesh Bank	1,692,849	1,935,708
Refinance against SME loan from JICA	36,528,731	12,769,780
Term Loan from other Banks (Note - 10.2)	1,819,254,963	1,247,907,611
Short term loan from other banks (Note - 10.3)	559,452,140	301,315,338
Call Loan	800,000,000	450,000,000
	3,217,341,183	2,017,148,658
10.2 Term loan from Other Banks		
Bank Asia Ltd.	77,558,843	43,936,724
BRAC Bank Ltd.	-	12,012,709
Jamuna Bank Ltd	290,548,650	136,002,539
Mutual Trust Bank Ltd.	408,871,415	262,058,130
NCC Bank Ltd.	200,039,225	-
Premier Bank Ltd.	-	81,487,692
Prime Bank Ltd.	126,377,163	100,000,000
Shahjalal Islami Bank Ltd.	200,000,000	-
Social Islami Bank Ltd.	1,495,398	78,213,163
Southeast Bank Ltd.	91,033,372	-
Standard Bank Ltd.	123,336,375	150,010,575
The UAE Bangladesh Investment Co. Ltd.	30,000,000	-
United Commercial Bank Ltd.	86,152,566	19,528,563
Uttara Bank Ltd.	183,841,956	364,657,515
	1,819,254,963	1,247,907,611

	31-Dec-15 BDT	31-Dec-14 BDT
10.3 Short Term Loan from Other Banks		
Basic Bank Ltd.	78,784,101	20,623,504
Jamuna Bank Ltd.	47,572,118	-
Mercantile Bank Ltd.	23,533,966	49,157,362
Mutual Trust Bank Ltd.	138,959,748	36,390,411
NRB Commercial Bank Ltd.	14,587,848	84,047,315
Premier Bank Ltd.	45,698,297	-
Rupali Bank Ltd.	13,948	255,445
Southeast Bank Ltd.	65,540,000	-
United Commercial Bank Ltd.	69,052,667	49,968,155
Uttara Bank Ltd.	75,709,447	60,873,146
	559,452,140	301,315,338
10.4 Maturity wise classification of loan		
Repayable on demand	800,000,000	450,000,000
Within 1 month	185,788,904	21,064,960
Over 1 months but not more than 3 months	557,366,713	84,204,591
Over 3 months but not more than 1 year	559,452,140	490,955,230
Over 1 year but not more than 5 years	1,114,733,426	968,988,169
Over 5 years	-	1,935,708
	3,217,341,183	2,017,148,658

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.

11. Deposits and Other Accounts:

Term Deposits (Note - 11.1)	9,043,216,011	8,819,687,909
Scheme Deposits (Double Benefit Scheme) (Note - 11.2)	182,270,862	182,270,862
Other Deposits (Note - 11.3)	58,248,031	32,837,331
Advance Rent and Installments (Note - 11.6)	436,140,069	283,295,903
	9,719,874,974	9,318,092,004
11.a Deposits and Other Accounts (Consolidated)		
BD Finance	9,719,874,974	9,318,092,004
BD Finance Securities Limited	-	-
BD Finance Capital Holdings Limited	-	-
	9,719,874,974	9,318,092,004
11.1 Term Deposits		
General Deposits	6,243,216,011	5,269,687,909
Deposit from Other Banks and FI's (Note - 11.4)	2,800,000,000	3,550,000,000
	9,043,216,011	8,819,687,909
11.2 Scheme Deposits		
General Deposits	182,270,862	182,270,862
Deposit from Other Banks and FI's	-	-
	182,270,862	182,270,862
11.3 Other Deposits		
Lease deposits	13,616,686	18,650,036
Security deposits	244,170	244,170
Sundry Creditors	44,387,175	13,943,125
	58,248,031	32,837,331

	31-Dec-15	31-Dec-14
	BDT	BDT
11.4 Term Deposits from other bank and FI's		
Agrani Bank Limited	300,000,000	400,000,000
Bangladesh Commerce Bank Ltd.	450,000,000	550,000,000
Bangladesh Development Bank Limited	-	100,000,000
BRAC Bank Limited	250,000,000	150,000,000
Modhumoti Bank Limited	300,000,000	400,000,000
Mutual Trust Bank Ltd.	100,000,000	-
NRB Bank Limited	100,000,000	50,000,000
NRB Commercial Bank Limited	-	300,000,000
Rupali Bank Ltd.	800,000,000	1,000,000,000
Shahjalal Islami Bank Ltd.	200,000,000	-
Sonali Bank Ltd.	300,000,000	300,000,000
Standard Bank Limited	-	100,000,000
The Farmers Bank Limited	-	200,000,000
	2,800,000,000	3,550,000,000
11.5 Term and Other Deposits		
General Deposits	6,483,734,905	5,484,796,101
Deposit from Other Banks and Financial Institutions	2,800,000,000	3,550,000,000
	9,283,734,905	9,034,796,101
11.6 Advance Rent and Installments		
Advance Lease Rent	39,369,351	36,880,296
Advance Term Installments	396,770,718	246,415,607
	436,140,069	283,295,903
11.7 Maturity wise classification of Deposits		
Repayable on demand	-	-
Within 1 month	312,668,450	250,253,518
Over 1 months but not more than 3 months	859,220,865	1,090,797,745
Over 3 months but not more than 1 year	1,240,157,885	1,955,367,104
Over 1 year but not more than 5 years	7,125,556,912	5,276,416,998
Over 5 year to 10 years	182,270,862	745,256,638
Over 10 years	-	-
	9,719,874,974	9,318,092,004
12. Other Liabilities		
Provision for Loans and Lease Finance (Note 12.1)	357,899,393	305,220,561
Provisions for Investment in Securities (Note 12.2)	68,067,968	68,067,968
Interest Suspense (Note 12.3)	117,845,541	112,162,507
Provision for Taxation (Note 12.4)	593,725,417	453,189,048
Deferred Tax (Note 12.5)	9,986,944	-
Interest payable on Borrowing and Deposits (Note 12.6)	328,283,083	463,867,917
Payable & Provision against expenditure (Note 12.7)	49,184,720	38,807,905
Advance Rent Received	3,232,500	10,816,620
Advance Excise Duty Received	5,587,750	2,959,600
Gratuity Fund	4,686,324	4,030,479
Dividend payable	931,110	931,110
	1,539,430,750	1,460,053,715

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12.a Other Liabilities (Consolidated)		
BD Finance	1,539,430,750	1,460,053,715
BD Finance Securities Limited	123,945,664	110,932,943
BD Finance Capital Holdings Limited	24,604,151	21,707,267
BD Finance Capital Holdings Limited - Adjusted		
	1,687,980,566	1,592,693,925
12.1 Provision for Loan, Lease & Other Receivables:		
(a) Provision on Classified Loan and Lease:		
Provision held at the beginning of the period	189,230,423	131,805,126
Net charge to Profit & Loss Account (Note - 32)	13,308,238	57,425,297
Provision held at the end of the period	202,538,661	189,230,423
(b) General Provision on Unclassified Loan and Lease:		
Provision held at the beginning of the period	115,990,138	76,942,417
Net charge to Profit & Loss Account (Note - 32)	28,370,593	39,047,721
Balance at the end of the period	144,360,731	115,990,138
(c) Provision on Other Receivables:		
Provision held at the beginning of the period	-	-
Net charge to Profit & Loss Account (Note - 32)	11,000,000	-
Balance at the end of the period	11,000,000	-
Total Provision for Loan, Lease & Other Receivables	357,899,393	305,220,561
12.2 Provision for Investment in Securities:		
Provision held at the beginning of the period	68,067,968	62,067,968
Addition/(Adjustment) during the year (note-32)	-	6,000,000
Balance at the end of the period	68,067,968	68,067,968
12.3 Interest Suspense Account:		
Balance at the beginning of the period	112,162,507	82,821,062
Amount transferred to suspense account during the period	5,683,034	29,341,445
Amount recovered from suspense account during the period	-	-
Balance at the end of the period	117,845,541	112,162,507
12.4 Provision for Taxation		
Balance at the beginning of the period	453,189,048	309,811,620
Provision made during the period	140,536,369	143,377,428
Adjustment during the period	-	-
Balance at the end of the period	593,725,417	453,189,048
12.5 Deferred Tax		
Balance at the beginning of the period	-	-
Adjustment during the period	9,986,944	-
Balance at the end of the period	9,986,944	-

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12.6 Interest payable on Borrowing and Deposits		
Interest payable on TDR and other deposits	293,488,210	434,619,176
Interest payable on term loan	34,377,657	28,580,164
Interest payable on Refinancing loan from BB (SME)	94,360	120,721
Interest payable on Refinancing loan from BB (Housing)	6,351	10,399
Interest payable on Refinancing loan from JICA	152,968	62,808
Interest Payable on Call loan	95,347	406,458
Interest payable on Security Deposit	68,190	68,190
Balance at the end of the period	328,283,083	463,867,917
12.7 Payable & Provision against expenditure		
Advance transfer price	3,001	4,001
Payable others	11,462,436	9,752,353
Payable to BD Finance Foundation	18,810,462	11,304,525
Withholding Excise Duty	6,957,279	9,440,475
Withholding tax	11,128,394	7,441,192
Withholding VAT	823,148	865,360
Balance at the end of the period	49,184,720	38,807,905
12.7 Maturity wise classification of other liabilities		
Repayable on demand	49,184,720	13,714,648
Within 1 month	44,576,683	39,936,088
Over 1 months but not more than 3 months	128,730,050	107,945,487
Over 3 months but not more than 1 year	178,306,734	159,744,353
Over 1 year but not more than 5 years	534,920,202	479,233,058
Over 5 years	603,712,361	659,480,082
Balance at the end of the period	1,539,430,750	1,460,053,715
13. Capital		
13.1 Authorized Capital:		
200,000,000 ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
13.2 Issued, Subscribed and Paid up Capital:		
114,424,978 fully paid ordinary shares of Tk. 10 each subscribed and paid up by the sponsor Shareholders & General Shareholders	1,144,249,780	1,144,249,780
Sponsor Shareholders Group	555,160,340	555,160,340
General Shareholders Group	589,089,440	589,089,440
	1,144,249,780	1,144,249,780
General Shareholders Group:		
General Public	442,188,300	451,275,820
Financial Institutions	146,137,030	136,996,080
Unit fund	-	-
Investors Account	764,110	817,540
Mutual Fund	-	-
	589,089,440	589,089,440

Classification of Shareholders by holding:	No. of Shareholders	No. of Shares	Percentage of Share Holding
Less than 500 shares	10,066	1,333,504	1.17%
501 to 5,000 shares	6,995	11,482,280	10.03%
5,001 to 10,000 shares	852	6,186,882	5.41%
10,001 to 20,000 shares	448	6,458,211	5.64%
20,001 to 30,000 shares	149	3,708,281	3.24%
30,001 to 40,000 shares	65	2,265,270	1.98%
40,001 to 50,000 shares	38	1,741,324	1.52%
50,001 to 1,00,000 shares	86	6,215,825	5.43%
1,00,001 to 10,00,000 shares	73	23,246,148	20.32%
10,00,001 to 99,99,999 shares	21	51,787,253	45.26%
Total	18,793	114,424,978	100.00%

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

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13.3 Capital under Capital Adequacy and Market Discipline (CAMD)		
a) Core Capital (Tier -I):		
i) Paid-up Capital	1,144,249,780	1,144,249,780
ii) Statutory Reserve (Note # 14)	194,582,857	162,218,336
iii) General Reserve (Note # 15)	-	-
iv) Retained Earnings (Note # 16)	131,965,848	59,720,252
v) Minority interest (Note # 16.b)	464,992,447	459,742,371
	1,935,790,932	1,825,930,740
b) Supplementary Capital (Tier-II):		
i) Revaluation Surplus on Land & Building	119,843,329	124,836,801
ii) General Provision {Note 12.1(b)}	144,360,731	104,808,011
	264,204,060	229,644,812
c) Total (a +b)	2,199,994,992	2,055,575,552

13.4 Capital Surplus/(Deficit)

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

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

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

Paid up Capital	1,144,249,780	1,144,249,780
Required minimum capital	1,000,000,000	1,000,000,000
Excess (Shortfall) of Paid up Capital over minimum capital	144,249,780	144,249,780
14. Statutory Reserve		
Opening balance	162,218,336	148,584,375
Add: Addition during the period	32,364,521	13,633,961
	194,582,857	162,218,336
15. General Reserve		
Opening balance	-	30,000,000
Add: Transfer from Retained Earning	-	-
Less: Distribution During the period (Bonus Dividend)	-	(30,000,000)
	-	-
16. Retained Earnings		
Opening balance	59,720,252	79,207,107
Add: Profit After Tax during the period	161,822,606	68,169,807
Less: Transfer to General Reserve	-	-
Less: Transfer to Statutory Reserve	(32,364,521)	(13,633,961)
Less: Cash Dividend Paid	(57,212,489)	-
Less: Issue of Bonus shares	-	(74,022,700)
	131,965,848	59,720,252

	31-Dec-15 BDT	31-Dec-14 BDT
16.a Retained Earnings (Consolidated)		
Bangladesh Finance And Investment Co. Ltd.	131,965,848	59,720,252
BD Finance Securities Limited	18,195,488	5,899,660
BD Finance Capital Holdings Limited	30,860,582	5,378,534
Adjustment for Minority Interest	(7,767,197)	(2,517,121)
	173,254,720	68,481,325
16.b Non Controlling Interest (Consolidated)		
BD Finance Securities Limited		
Paid up Capital	457,150,000	457,150,000
Retained Profit/(Loss)	7,758,556	2,515,615
	464,908,556	459,665,615
BD Finance Capital Holdings Limited.		
Paid up Capital	75,250	75,250
Retained Profit/(Loss)	8,641	1,506
	83,891	76,756
	464,992,447	459,742,371
16.1 Capital Reserve		
Stock Dividend from BD Finance Securities Ltd.	15,000,000	15,000,000
Stock Dividend from Capital Holdings Ltd.	18,744,750	18,744,750
	33,744,750	33,744,750

Capital reserve created for interim Stock Dividend received from the Subsidiary companies in the year 2014. The approval of interim and final stock dividend @2.50 of BD Finance Securities Limited for the year ended 31st December 2014 is under process of Bangladesh Securities & Exchange Commission (BSEC).

17. Letters of Guarantee		
Letters of guarantee	104,801,330	104,801,330
Less: Margin	-	-
	104,801,330	104,801,330
18. Profit and Loss Account		
Income		
Interest, discount and similar income (Note-19)	1,786,509,733	1,777,832,490
Dividend income {Note-21}	4,229,818	8,825,682
Commission, Exchange and Brokerage	1,000,000	1,000,000
Gains less losses arising from investment securities {Note-21}	(79,197,163)	(8,783,078)
Other operating income (Note-22)	78,393,946	92,274,990
	1,790,936,334	1,871,150,084
Expenses:		
Interest paid on Deposits & Borrowing (Note-20)	1,299,836,543	1,425,902,995
Administrative expenses	94,036,340	81,074,397
Other operating expenses (Note-31)	39,993,610	34,828,889
Depreciation on Fixed assets {Note-30(a)+30(b)}	11,522,754	4,993,653
	1,445,389,247	1,546,799,934
Income over expenditure	345,547,087	324,350,150
19. Interest income		
Interest income on Loans & Lease Finance (Note-19.1)	1,765,536,698	1,757,870,644
Interest on placement with other Banks & FIS (Note-19.2)	20,973,034	19,961,847
	1,786,509,733	1,777,832,490

	31-Dec-15 BDT	31-Dec-14 BDT
19.a Interest Income (Consolidated)		
BD Finance	1,786,509,733	1,777,832,490
BD Finance Securities Limited	87,421,684	137,037,274
BD Finance Capital Holdings Limited	24,869,811	36,730,666
BD Finance Securities Limited-Adjustment	(49,586,786)	(112,922,728)
BD Finance Capital Holdings Limited.-Adjustment	(6,482,500)	(34,002,559)
	1,842,731,941	1,804,675,143
19.1 Interest on Loans & Lease Finance		
Interest income on lease finance	266,844,425	267,569,233
Interest income on term finance	1,420,585,878	1,463,892,506
Interest on housing finance	78,106,394	26,408,905
	1,765,536,698	1,757,870,644
19.2 Interest on placement with other banks & FIS		
Interest on TDR	19,668,183	16,736,584
Interest on STD accounts	1,304,852	3,225,263
Interest on fund placements	-	-
	20,973,034	19,961,847
20. Interest paid on deposits & borrowing		
Interest paid on deposits	1,088,830,970	1,178,629,316
Interest paid on borrowings (Note-20.1)	211,005,573	247,273,679
	1,299,836,543	1,425,902,995
20.a Interest Expenses (Consolidated)		
BD Finance	1,299,836,543	1,425,902,995
BD Finance Securities Limited	27,059,243	8,464,949
BD Finance Capital Holdings Limited	13,059,618	8,698,178
BD Finance Capital Holdings Limited.-Adjustment	-	(144,270)
	1,339,955,404	1,442,921,852
20.1 Interest paid on borrowing		
Interest Expenses on Term Loan	160,991,428	166,591,233
Interest Expenses on SOD Loan	13,133,611	18,210,040
Interest Expenses on Call Loan	36,183,015	61,179,597
Interest Expenses on Re financing loan	697,519	1,292,808
	211,005,573	247,273,679
21. Income /(Loss) from Investment in Securities		
Income from Investment in Shares	(79,197,163)	(8,783,078)
Dividend Income	4,229,818	8,825,682
	(74,967,345)	42,604
21.a Income from Investment in Securities (Consolidated)		
BD Finance	(74,967,345)	42,604
BD Finance Securities Limited	33,205,712	13,888,531
BD Finance Capital Holdings Limited	38,111,535	53,903,923
	(3,650,098)	67,835,058
21.b Commission, Exchange and Brokerage (Consolidated)		
BD Finance	1,000,000	1,000,000
BD Finance Securities Limited	61,225,178	95,064,353
BD Finance Capital Holdings Limited	2,992,632	3,988,227
BD Finance Securities Limited-Adjustment	(1,000,000)	(1,000,000)
	64,217,810	99,052,580

	31-Dec-15 BDT	31-Dec-14 BDT
22. Other Operating Income:		
Penal Interest	44,320,617	57,876,393
Prepayment Interest	7,230,775	10,008,749
Contact point verification (CPV)	4,172,207	1,920,600
Ledger management (LM)	461,726	101,000
Transfer Price	570,749	527,500
Processing fees	6,372,118	4,503,852
Legal & Documentation charge	1,957,635	2,239,790
Transfer of leased assets	-	5,000
Office Rent (64 Motijheel)	12,451,020	14,970,240
Other Income (Note-22.1)	857,099	121,866
	78,393,946	92,274,990
22.a Other Operating Income (Consolidated)		
BD Finance	78,393,946	92,274,990
BD Finance Securities Limited	23	4,750
BD Finance Capital Holdings Limited	133,001	208,545
BD Finance Securities Limited-Adjustment	(1,216,440)	(1,216,440)
BD Finance Capital Holdings Limited.-Adjustment	(510,120)	(510,120)
	76,800,410	90,761,724
22.1 Other Income		
Gain/(loss) on sale of fixed assets	740,654	-
Miscellaneous income	116,445	121,866
	857,099	121,866
23. Salary & Allowances		
Basic Salary	24,110,574	18,346,480
Allowances	20,779,782	14,348,517
Bonus	3,449,293	2,840,483
BD Finance's Contribution to Provident fund	861,426	657,688
Wages	1,852,000	2,251,345
	51,053,075	38,444,513
23.a Salary & Allowances (Consolidated)		
BD Finance	51,053,075	38,444,513
BD Finance Securities Limited	14,980,519	12,178,795
BD Finance Capital Holdings Limited	8,419,554	9,014,332
	74,453,148	59,637,640
24. Rent, Taxes, Insurance, Electricity etc.		
Rent, Rates & Taxes	15,488,865	11,015,054
Insurance	263,637	124,163
Electricity & Lighting, WASA, Gas etc.	1,605,994	1,036,006
	17,358,496	12,175,223
24.a Rent, Taxes, Insurance, Electricity etc.(Consolidated)		
BD Finance	17,358,496	12,175,223
BD Finance Securities Limited	2,780,010	2,806,936
BD Finance Capital Holdings Limited	1,208,140	1,217,050
BD Finance Securities Limited-Adjustment	(1,216,440)	(1,216,440)
BD Finance Capital Holdings Limited-Adjusted	(510,120)	(510,120)
	19,620,086	14,472,649

	31-Dec-15 BDT	31-Dec-14 BDT
25. Legal & Professional Fees		
Legal Fees & Charge	2,814,685	4,828,324
Other Legal Expenses	-	-
	2,814,685	4,828,324
25.a Legal & Professional Fees (Consolidated)		
BD Finance	2,814,685	4,828,324
BD Finance Securities Limited	357,513	300,295
BD Finance Capital Holdings Limited	506,000	486,000
	3,678,198	5,614,619
26. Postage, Stamp, Telecommunication etc.		
Stamp & Court Fees	645,060	345,971
Commission on purchase of stamps	39,995	8,150
Internet expenses	234,769	159,886
Postage & Courier Expenses	102,353	377,441
Telephone & Fax Expenses	170,140	139,350
Mobile Expenses	708,753	328,726
	1,901,070	1,359,524
26.a Postage, Stamp, Telecommunication (Consolidated)		
BD Finance	1,901,070	1,359,524
BD Finance Securities Limited	602,758	650,700
BD Finance Capital Holdings Limited	248,312	290,873
	2,752,140	2,301,097
27. Stationery, Printing, Advertisements etc.		
Stationery-Toner & Cartridge	149,152	167,160
Stationery Expenses	455,078	358,511
Printing Expenses	852,129	1,419,066
Advertisement and Publicity	10,180,661	12,307,610
	11,637,020	14,252,347
27.a Stationery, Printing, Advertisements etc.(Consolidated)		
BD Finance	11,637,020	14,252,347
BD Finance Securities Limited	342,610	611,018
BD Finance Capital Holdings Limited	375,156	155,768
	12,354,786	15,019,133
28. Managing Director's Salary and Allowances		
Basic Salary	3,600,000	3,600,000
Allowances	2,900,000	2,900,000
Bonus	600,000	600,000
	7,100,000	7,100,000
29. Directors' Fees & Conveyance		
Director Fees	580,000	958,000
	580,000	958,000
Total 14 nos of Board Meeting and 4 nos of Audit Committee Meeting were held during the period ended on 31 December 2015. Each Director was paid Tk. 5,000 for attending in the meeting as per Bangladesh Bank Circular.		
29.a Directors' Fees & Conveyance (Consolidated)		
BD Finance	580,000	958,000
BD Finance Securities Limited	243,000	280,000
BD Finance Capital Holdings Limited	128,250	170,000
	951,250	1,408,000

	31-Dec-15 BDT	31-Dec-14 BDT
29.b Audit Fees (Consolidated)		
BD Finance	136,722	155,556
BD Finance Securities Limited	86,250	62,500
BD Finance Capital Holdings Limited	34,500	12,777
	257,472	230,833
30. Depreciation and Repair of Assets		
a) Depreciation of Assets		
Building	539,880	539,880
Furniture & Fixtures	3,352,571	1,368,750
Office Equipment	2,706,217	1,528,953
Motor Vehicles	4,634,407	714,973
	11,233,075	4,152,556
b) Amortization Expenses		
System & Software	100,006	54,167
Office Renovation	189,673	786,930
	289,679	841,097
c) Repair of Assets		
Office Equipment	442,481	328,287
Office Furniture & Fixtures	16,500	1,400
Motor Vehicles	1,133,013	1,626,780
	1,591,994	1,956,467
	13,114,748	6,950,120
30.a Depreciation and Repair of Assets (Consolidated)		
BD Finance	13,114,748	6,950,120
BD Finance Securities Limited	3,805,631	3,817,707
BD Finance Capital Holdings Limited	3,839,937	3,687,653
	20,760,316	14,455,479
31. Other Expenses		
Petrol, Oil, Lubricants, CNG & others	2,241,002	4,297,629
Entertainment	2,977,285	1,983,409
Donation and Subscription	544,175	2,834,312
Donation to BD Finance Foundation	7,505,937	5,427,446
Document & Processing Fees	367,265	198,754
Traveling and Conveyance	466,932	710,273
Training Expenses	312,079	113,093
Retirement benefits and gratuity	655,845	-
Registration & Renewal Expenses	356,119	104,984
Papers & Periodicals	41,150	41,935
Office Maintenance	313,291	214,903
Office Supplies	197,746	155,370
Uniform & Liveries	105,190	-
Bank Charges & Excise Duty	856,434	1,607,865
Business development & Promotion	21,931,667	16,075,423
Security Service-Outsourcing	681,390	480,137
AGM & Meeting expenses	420,944	559,503
Miscellaneous Expenses	19,160	23,853
	39,993,610	34,828,889

	31-Dec-15 BDT	31-Dec-14 BDT
31.a Other Expenses (Consolidated)		
BD Finance	39,993,610	34,828,889
BD Finance Securities Limited-DSE charges	4,499,217	6,566,405
BD Finance Securities Limited	22,772,185	29,189,505
BD Finance Capital Holdings Limited	1,075,639	1,219,208
	68,340,651	71,804,007
32. Provision against loans, lease finance & Others		
Provision on classified loans {Note-12.1(a)}	13,308,238	57,425,297
Loan/Lease written off during the year	-	10,051,186
Provision on unclassified Loans & Advances {Note-12.1(b)}	28,370,593	39,047,721
Provision on other receivables {Note-12.1(c)}	11,000,000	-
Provisions on Investment in Securities (Note - 12.2)	-	6,000,000
	52,678,831	112,524,203
32.a Provision on Investment in Securities (Consolidated)		
BD Finance	-	6,000,000
BD Finance Securities Limited	31,038,050	30,761,488
BD Finance Capital Holdings Limited	951,472	-
	31,989,522	36,761,488
33. Earning Per Share (EPS)		
Calculation of Earning Per Share (Note - 2.27):		
Net Profit after Tax	161,822,606	68,169,807
Number of Ordinary Shares outstanding (Denominator)	114,424,978	114,424,978
Earning Per Share (Re-stated 2014)	1.41	0.60
33.a Earning Per Share (EPS) (Consolidated)		
Calculation of Earning Per Share (Note - 2.27):		
Net Profit after Tax	194,350,407	107,872,479
Number of Ordinary Shares outstanding (Denominator)	114,424,978	114,424,978
Earning Per Share (Re-stated 2014)	1.70	0.94
34. Interest received		
Interest received (Note-19)	1,786,509,733	1,777,832,490
Add: Opening interest Receivable on TDR	10,942,452	19,266,438
Less: Closing interest receivable on TDR	(12,435,896)	(10,942,452)
Add: Opening Receivable Delinquent & Call	62,445,355	58,548,728
Less: Closing Receivable Delinquent & Call	(27,875,919)	(62,445,355)
Add: Closing interest suspense account	117,845,541	112,162,507
Less: Opening Interest Suspense Account	(112,162,507)	(82,821,062)
	1,825,268,759	1,811,601,294
35. Interest Paid on Deposits & Borrowings		
Interest Paid on Deposits & Borrowings (Note-20)	1,299,836,543	1,425,902,995
Add: Opening interest payable on deposit & borrowings	463,867,917	372,089,616
Less: Closing interest payable on deposit & borrowings	(328,283,083)	(463,867,917)
	1,435,421,377	1,334,124,694

	31-Dec-15 BDT	31-Dec-14 BDT
36. Cash Received from other Operating activities		
Income from investment in shares (Note 21)	(79,197,163)	(8,783,078)
Other operating income (except gain/(loss) on sales of fixed assets)	78,393,946	92,274,990
	(803,217)	83,491,911
37. Cash Payments for other Operating activities		
Rent, Taxes, Insurance, Lighting etc.	17,358,496	12,175,223
Legal Expenses	2,814,685	4,828,324
Postage, Stamp, Telegram & Telephone	1,901,070	1,359,524
Directors' Fee & Expenses	580,000	958,000
Auditors' Fee	136,722	155,556
Repair, Maintenance of NBF's Assets	1,591,994	1,956,467
Other Expenses	39,993,610	34,828,889
	64,376,577	56,261,982
38. Cash Increase/ Decrease in Other Assets		
Re-imbursable Expenses	7,907,640	8,479,728
Receivable Grace Period Interest	8,752	2,196,202
Receivable against Call Loan & Others (Rent from 64)	63,379,969	47,049,116
Receivable Excise Duty	2,638,010	1,961,810
Receivable on sale of shares	(3)	-
Investment In Subsidiaries	849,930,000	849,930,000
Investment In Vanguard AML BD Finance Mututal Fund One	200,000,000	200,000,000
Advance against expenditure {Note-8.2(d)}	29,297,841	73,506,961
Deposits {with other organization Note-8.2(e)}	1,476,114	1,504,714
Stock of Stamp	69,288	29,710
	1,154,707,610	1,184,658,240
Cash (Increase)/ Decrease in Other Assets	29,950,630	(71,841,840)
39. Cash Increase/ (Decrease) in Other Liabilities		
Payable others	49,184,720	38,807,905
Advance Rent (against 64 Motijheel)	3,232,500	10,816,620
Advance Excise Duty	5,587,750	2,959,600
Gratuity Fund	4,686,324	4,030,479
Dividend payable	931,110	931,110
	63,622,405	57,545,715
Cash Increase/ (Decrease) in Other Liabilities	6,076,690	9,419,931
40. Cash and Cash Equivalents		
Cash in Hand	37,819	42,857
Balance with Bangladesh Bank & Sonali Bank Limited	191,136,804	135,175,131
Balance with Other Banks & Financial Institutions	256,187,314	239,390,453
	447,361,938	374,608,441

41. Number of Employees

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 or above were 97 (In the year 2014 it was 87).

42. Audit Committee

a) Particulars of Audit Committee

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

Name	Status with BD Finance	Status with the Committee	Educational Qualification
Mr. Haider Ahmed Khan FCA	Independent Director	Chairman	M.Com
Mrs. Tanuja Mehmood	Vice Chairman	Member	MBA
Mr. Geasuddin Ahmed	Director	Member	B.Sc
Mr. Yousuf Aman	Director	Member	B.A (Hons.)
Mr. A. K. M. Shamsuddin	Director	Member	B.Sc Engr.

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 2015, 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.

43. Related Party Disclosures:

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

Name	Status with BD Finance	"Name of Firms/Companies in which interested as"
Mr. Hossain Khaled	Chairman	Anwar Silk Mills Ltd. Anwar Integrated Steel Plant Ltd. Anwar Landmark Ltd. Anwar Galvanizing Ltd. Anwar Jute Spinning Mills Ltd. Anwar Cement Ltd. Anwar Ispat Ltd. AG Automobiles Ltd. A One Polymer Ltd. BD Finance Capital Holdings Ltd. BD Finance Securities Ltd. Hossain Dyeing & Printing Mills Ltd. Mehmud Industries (Pvt.) Ltd. The City Bank Ltd.
Mrs. Tanuja Mehmood	Director	Nil
Mr. Geasuddin Ahmed	Director	BD Finance Securities Ltd. Dhaka Complex (Pvt) Ltd. Momota Enterprise
Mr. Mohammad Shahin Alam	Director	Al-Haj Mostafa Hakim Housing & Real Estate Ltd. Al-Haj Mostafa Hakim Cement Industries Ltd. Golden Oxygen Ltd.
Mrs. Shahnaz Rashid	Director	Anwar Cement Ltd. Anwar Landmark Ltd. Anwar Galvanizing Ltd.
Mr. Imtiyaj Yousuf	Director	BD Finance Securities Ltd. Imtiyaj Steel Precious Steel Corporation
Mr. Haider Ahmed Khan, FCA	Independent Director	Ahmed Khan & Co (Chartered Accountants) Flower Faisons Ltd. MM Agro Enterprises Ltd. Mifkif Apparel Ltd. Seasons Aid Ltd. Seasons Dresses Ltd.
Mr. Syed Tareq Akbar Ally	Director	Nil
Mr. Yousuf Aman	Director	Nil
Mr. Ihtiaz Yousuf	Director	Nil
Mr. Ansar Uddin Ahmed	Director	Nil
Mr. A.K.M. Shamsuddin	Independent Director	Nil

43.2 Significant Contracts where BD Finance is a party and wherein Directors have interest: Nil

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

43.4 Lending Policies to related parties:

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

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

	Related By	Nature of transaction	Amount in Tk.	Status
i) City General Insurance Co. Ltd.	Common Director	Short Term Finance	51,336,343	Standard
ii) BD Finance Securities Limited.	Common Director	Short Term Finance	199,923,611	Standard
iii) BD Finance Capital Holdings Limited.	Common Director	Short Term Finance	-	Standard
			<u>251,259,954</u>	

44. Events after Balance Sheet Date

The Board of Directors of BD Finance has recommended 10% Stock Dividend for the year 2015.


Company Secretary


Managing Director


Director


Director

BD FINANCE SECURITIES LIMITED

DIRECTORS REPORT

April 23, 2016

Bismillahir Rahmanir Rahim,

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullah,

We have the pleasure to welcome you to the 5th Annual General Meeting of the company for the year ended December 31, 2015, auditors report thereon along with the Company's performance and other related information in terms of Companies Act 1994, Guidelines issued by Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd and Bangladesh Financial Reporting Standards.

Capital Market of Bangladesh

During the year 2015 Capital Market witnessed an squeeze trend due to various adjustments in the monetary and fiscal policies and the market lost its usual pace due to lack of confidence of the institutional and individual investors. The turnover declined to Tk.1,00,734 crore in 2015 from Tk.1,18,852 in 2014. The index and market capitalization decreased significantly during the same period. DSEX decreased to 4629.64 in December 2015 from 4864.96 in December 2014. The market P/E ratio also decreased to 15.24 times in 2015 from 17.77 times in 2014.

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

Business Performance

The company faced a number of challenges during the year 2015. The rising proportion of negative equity in margin loan portfolio with persistent fall of index and the accumulation of interest became an existential threat for the company during the second quarter of the year. We have been able to respond immediately with a time tested policy on supervision and monitoring the margin loan portfolio. The loan portfolio has been brought down to Tk.39.19 crore in December 2015 from Tk.75.40 crore in December 2014. The mark to market monitoring system helped us recover the margin loan on vulnerable codes in falling market. All these actions for improvement of the internal governance towards achieving sustainable growth and development of the company took place during the middle of the year. In spite of a slowdown in the operation during the transition period, we have been able achieve annual turnover of Tk.1,698 crore with a daily average turnover of TK 6.96 crore and hold an average 1.69% market share of DSE turnover in 2015. The last 4(four) year's operational performance of the company is summarized below:

(Figure in Crore Taka)

Sl.	Particulars	2015	2014	2013	2012
1.	Portfolio Size	349.97	616.78	583.58	270.49
2.	Trade Volume	1620	2829	1750.69	1089.23
3.	Margin Loan	39.19	75.40	68.20	27.52
4.	Operating Profit	5.37	6.71	6.60	3.98
5.	Net Profit (After Tax)	1.23	1.63	2.03	0.55

The portfolio size decreased to Tk.349.97 crore in 2015 from Tk.616.78 crore in 2014 registering a decline of 43.26%. The total number of BO account increased to 3849 in 2015 from 3662 in 2014. The trade volume decreased to TK 1620 crore In 2015 from Tk.2,829 crore in 2014 registering a decline of 42.74%. The operating profit also decreased to Tk.5.37 crore in 2015 Tk.6.71 crore in 2014 registering 19.97% decline. The Net Profit decreased to Tk.1.23 crore in

2015 from Tk.1.63 crore in 2014 due to additional provision of Tk.310 lac on negative equity on margin loan and decline of the market value of securities in dealer account..

Board of Directors

During the year 2015 total 4 (Four) meetings of the Board of Directors took place.

Dividend for the Year Ended December 31, 2015

The Board of Directors recommended no dividend for the year 2015.

Prospect of the Company

Although the capital market of Bangladesh is expected to remain volatile in the year 2016, we have established appropriate business policy to take advantage of the market situation.

Acknowledgement

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

For and on behalf of the Board of Directors



Anwar Hossain
Chairman

AUDITOR'S REPORT TO THE SHAREHOLDERS OF BD FINANCE SECURITIES LIMITED

We have audited the accompanying financial statements of BD Finance Securities Limited (the "Company"), which comprise the Statement of Financial Position as at 31 December 2015 and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

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

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

the Company's Statement of financial position and Statement of comprehensive income dealt with by the report are in agreement with the books of accounts; and

The expenditure incurred was for the purposes of the Company's business.

Dated: Dhaka
23 April 2016


A. Qasem & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As on 31 December 2015

	Note	2015 BDT	2014 BDT
ASSETS			
Non-Current Assets			
Property, plant and equipments	4	11,570,321	14,438,749
Intangible assets	5	-	2,708
Investment	6	1,085,799,849	1,095,943,401
Total non-current asset		1,097,370,170	1,110,384,859
Current assets			
Receivable from DSE	7	2,111,817	16,198,210
Receivable from clients	8	367,442,544	754,079,694
Advances, deposits and prepayments	9	1,050,024	1,050,024
Advance income tax	10	46,380,643	30,712,912
Cash and cash equivalents	11	34,331,006	41,517,491
Total Current assets		451,316,034	843,558,331
TOTAL ASSETS		1,548,686,204	1,953,943,189
EQUITY AND LIABILITIES			
Shareholder's Equity			
Share Capital	3	1,072,150,000	1,072,150,000
Retained earnings		18,195,488	5,899,660
Total Equity		1,090,345,488	1,078,049,660
Current liabilities			
Payable to DSE	12	12,015,923	305,507
Payable to clients	13	9,696,395	22,991,694
Borrowings from Banks/NBFIs	14	329,471,441	764,960,586
Provision for diminution in value of investment & Margin Loans	15	49,512,722	43,452,667
Provision for tax	16	47,491,813	37,088,816
Liabilities for expenses	17	10,152,423	7,094,260
Total Current Liabilities		458,340,716	875,893,529
TOTAL EQUITY AND LIABILITIES		1,548,686,204	1,953,943,189

These Financial Statements should be read in conjunction with the annexed notes 1 to 34.



Company Secretary



Director



Managing Director & CEO

Auditor's Report to the shareholders see annexed report to date

Dated: Dhaka
23 April 2016



A. Qasem & Co.
Chartered Accountants



STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Note	2015 BDT	2014 BDT
Operating revenue		61,225,178	95,064,353
Brokerage commission	18	60,455,981	94,458,070
BO account maintainance	19	769,197	606,283
Less : Operating expenses	20	4,499,217	6,566,405
Net operating revenue		56,725,961	88,497,948
Non-operating revenue		10,775,678	15,654,347
Interest income	22	87,421,684	137,037,274
Financial expenses	23	(76,646,029)	(121,387,677)
Other non-operating revenue	24	23	4,750
Total revenue		67,501,639	104,152,295
General & administrative expenses		46,970,476	50,897,456
Salaries & allowances	25	14,980,519	12,178,795
Rent, taxes, insurance, electricity, etc	26	2,780,010	2,806,936
Legal expenses	27	357,513	300,295
Postage, stamp, telecommunication, etc	28	602,758	650,700
Stationeries, printing, advertisements, etc	29	342,610	611,018
Directors' fees	30	243,000	280,000
Auditor's fees	31	86,250	62,500
Depreciation and Amortization	32	3,805,631	3,817,707
Other expenses	33	23,772,185	30,189,505
Profit before income from investment in shares		20,531,163	53,254,839
Income from investment in shares		33,205,712	13,888,531
Capital gain from sale of securities	21	32,280,762	11,209,591
Dividend income	24	924,950	2,678,940
Profit before provision		53,736,875	67,143,371
Provision for diminution in value of investments and margin loans	34	(31,038,050)	(30,761,489)
Profit before provision for income tax		22,698,825	36,381,882
Provision for income tax	16.1	10,402,997	20,069,677
Net profit after tax		12,295,828	16,312,205
Earning Per Share		0.11	0.15

These Financial Statements should be read in conjunction with the annexed notes 1 to 34.



Company Secretary



Director



Managing Director & CEO

Auditor's Report to the shareholders see annexed report to date



A. Qasem & Co.
Chartered Accountants

Dated: Dhaka
23 April 2016

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	2015 BDT	2014 BDT
A. Cash flows from operating activities		
Net profit for the year	12,295,828	16,312,205
Add: Amount considered as non cash items:		
Depreciation & amortization charged	3,805,631	3,817,707
Provision for diminution in value of investment & Margin Loan	31,038,050	30,761,488
Written off of Provision	(24,977,995)	-
Sub total of non cash items	9,865,686	34,579,195
Changes in workings capital components		
(Increase)/decrease Receivable from DSE	14,086,393	(14,543,660)
(Increase)/decrease Receivable from Clients	386,637,150	(72,067,199)
(Increase)/decrease Advanced Deposit & Prepayments	-	5,000,000
(Increase)/decrease Advanced Income Tax	(15,667,731)	(16,314,993)
Increase/(decrease) Payable to DSE	11,710,416	(6,461,192)
Increase/(decrease) Payable to Clients	(13,295,299)	(28,321,575)
Increase/(decrease) Borrowings from Banks/NBFIs	(435,489,145)	154,960,586
Increase/(decrease) Provision for Tax	10,402,997	20,069,677
Increase/(decrease) Liability for Expenses	3,058,163	(21,305,242)
	(38,557,057)	21,016,402
Net cash used in operating activities	(16,395,542)	71,907,802
B. Cash flows from investing activities		
Fixed assets acquisition	(934,495)	(236,387)
Acquisition of DSE Membership	-	-
Investment in shares	10,143,552	(89,372,524)
Net cash flows from investing activities	9,209,057	(89,608,911)
C. Cash flows from financing activities		
Dividend paid	-	-
Net cash used in financing activities	-	-
D. Net cash increase/ (decrease) (A+B+C)	(7,186,485)	(17,701,109)
E. Cash and cash equivalents at the beginning	41,517,491	59,218,599
F. Cash and cash equivalents at the year end (D+E)	34,331,006	41,517,491
Closing balance represents		
Cash in hand	19,652	18,669
Cash at bank	34,311,354	41,498,822
	34,331,006	41,517,491



Company Secretary



Director



Managing Director & CEO

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Share Capital	Share Money Deposit	Retained Earnings	Total
	BDT	BDT	BDT	BDT
Balance at 01 January 2015	1,072,150,000	-	5,899,660	1,078,049,660
Changes during the year				
Transferred from share money deposit	-	-	-	-
Net profit for the year	-	-	12,295,828	12,295,828
Balance at 31 December 2015	<u>1,072,150,000</u>	<u>-</u>	<u>18,195,488</u>	<u>1,090,345,488</u>
Balance at 31 December 2014	1,072,150,000	-	5,899,660	1,078,049,660



Company Secretary



Director



Managing Director & CEO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1 Company and its activities

1.1 Legal form of the Company

BD Finance Securities Limited (BD Securities) was incorporated in Bangladesh as a public limited Company on 28 December, 2010 vide Registration No. C-89204/10 under The Companies Act 1994. The Company has purchased Dhaka Stock Exchange TREC, whose Registration Number is 30.

1.2 Nature of business

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

2 Significant accounting policies

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

2.1 Basis of preparation of financial statements

The Financial Statements of BD Finance Securities Limited includes the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements. These Financial Statements have been prepared under the historical cost convention on a going concern basis and in accordance with Bangladesh Accounting Standards (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh, and the Companies Act, 1994, Bangladesh Securities and Exchange Rules, 1987.

2.2 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with BAS 7 “Statement of Cash Flows” and the cash flows from operating activities have been presented under the indirect method.

2.3 Fixed assets and depreciation

Fixed Assets are stated at cost less accumulated depreciation.

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

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

2.4 Intangible assets and amortization

a. Components

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

b. Basis of recognition

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

c. Subsequent expenditure

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

d. Amortization

Intangible asset is amortized on straight line basis for software and TWS installation @ 50%.

2.5 Recognition and measurement of financial assets

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

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

2.6 Revenue recognition

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

a. Brokerage commission

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

b. Interest income from margin loan

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

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

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

2.7 Provision for Tax

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

2.8 Provision for Expenses

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

2.9 Cash and Cash Equivalents

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

2.10 Related party disclosure

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

2.11 Events after the reporting date

Events after the reporting date that provides additional information about company’s financial position at the Financial Position date are reflected in the financial statements.

2.12 Reporting period

Financial statements of the company consistently cover from January 01, 2015 to December 31, 2015.

2.13 Functional and presentation currency

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

2.14 General

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

		2015 BDT	2014 BDT
3	Share Capital		
3.1	Authorised Capital		
	50,00,00,000 ordinary shares of taka 10 each	5,000,000,000	5,000,000,000

3.2 Issued, subscribed and paid up capital

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

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

The Board of Directors of BD Finance Securities Limited has approved an interim and final stock dividend @2.50% for the year ended 31st December 2014 and submitted to the Bangladesh Securities Exchanges Commission (BSEC) for raising the paid up capital which is under process.

		2015 BDT	2014 BDT
4	Property, Plant and Equipments		
	A. Cost :		
	Opening Balance	25,672,022	25,435,635
	Addition during the year	934,495	236,387
	Less:Disposal during the year	-	-
	Closing Balance	26,606,517	25,672,022
	B. Depreciation:		
	Opening Balance	11,233,273	7,528,066
	Add :Charge during the year	3,802,923	3,705,207
	Less:Adjustment during the year	-	-
	Closing Balance	15,036,196	11,233,273
	Carrying amount/ Written down value (See Annexure - I)	11,570,321	14,438,749

	2015 BDT	2014 BDT
5 Intangible Assets		
A. Cost :		
Opening Balance	675,000	675,000
Addition during the year	-	-
Less:Disposal during the year	-	-
Closing Balance	675,000	675,000
B. Amortization:		
Opening Balance	672,292	559,792
Charge during the year	2,708	112,500
Less:Adjustment during the year	-	-
Closing Balance	675,000	672,292
Carrying amount/ Written down value (See Annexure - II)	0	2,708
6 Investments		
Investment In TREC of DSE (30)	989,290,000	989,290,000
Investment In Shares:	96,509,849	106,653,401
Investment in shares (6.1)	88,509,849	56,653,401
Apply for the placement shares of C & A Textile Ltd.	-	50,000,000
Apply for the placement shares of Fortune Shoes Ltd.	5,000,000	-
Apply for the placement shares of Asia Sea Food Ltd.	3,000,000	-
	1,085,799,849	1,095,943,401

6.1 Investment in shares

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

Name of the Companies	No. of Shares	Cost price (Taka)	Market Price at the end of the period (Taka)	Unrealized gain/ (loss) (Taka)
Bangladesh Export Import Company Ltd	106,940	3,619,919	3,101,260	(518,659)
Eastland Insurance Company Ltd	565,894	20,128,850	10,978,344	(9,150,506)
Lafarge surma Cement Ltd	627,264	64,761,080	46,793,894	(17,967,186)
		88,509,849	60,873,498	(27,636,351)

	2015 BDT	2014 BDT
7 Receivable from DSE		
This balance has been resulted from sale of shares through Dhaka Stock Exchange Ltd.		
Total Sales for Broker	2,111,817	16,198,210
	2,111,817	16,198,210
8 Receivable from clients		
This balance represents the clients' purchase of shares and CDBL charge incurred against trading as on December 31, 2015.		
Margin loan to clients (8.1)	366,957,409	754,075,071
Receivable from BD Capital Holdings Ltd	484,135	3,623
Receivable from Vanguard AML BD Finance MF1	1,000	1,000
	367,442,544	754,079,694
8.1 Margin loan to clients		
Margin loan to clients	391,935,404	754,075,071
Less: Written off of receivable from client's (Margin loan)	24,977,995	-
Margin loan to clients	366,957,409	754,075,071
9 Advances, Deposits and Prepayments		
Security Deposit with CDBL	200,000	200,000
Advance for DSE Nikunja Room	850,024	850,024
	1,050,024	1,050,024
10 Advance Income Tax		
Opening Balance	30,712,912	14,397,919
Add: Addition during the year	5,607,422	1,852,738
Advance Income Tax (For C & A Textile)	1,024,800	-
TDS on Cash Dividend (10.1)	184,990	535,788
TDS on Bank Interest (10.2)	273,987	23,602
AIT on turnover of BD Securities (10.3)	8,576,532	13,902,864
	46,380,643	30,712,912
10.1 TDS on cash dividend		
Cash Dividend	184,990	535,788
	184,990	535,788
10.2 TDS on bank interest		
Interest income on Bank Deposit	273,987	236,023
Tax Rate	10%	10%
	273,987	23,602
10.3 AIT on turnover of BD Securities		
DSE - Broker	8,490,820	13,566,393
DSE - Dealer	85,713	336,471
	8,576,532	13,902,864

	2015 BDT	2014 BDT
11 Cash and Cash Equivalents		
Cash in hand		
Cash in hand (Petty Cash)	19,652	18,669
Cash at bank		
Mulual Trust Bank Ltd. (General A/c)	4,271,378	8,832,349
The City Bank Ltd. (General A/c)	155	155
The City Bank Ltd. (General A/c, Fx Br.)	322,068	-
One Bank Ltd. (Customer SND A/c)	19,570,729	-
One Bank Ltd. (Customer CD A/c)	844,243	-
One Bank Ltd. (Dealer SND A/c)	7,692,291	-
One Bank Ltd. (Dealer CD A/c)	711	316,408
One Bank Ltd. (General A/c)	-	28,343,395
One Bank Ltd. (Public Issue Application A/c)	1,595,041	-
Jamuna Bank Ltd. (Salary A/c)	1,552	3,991,568
Rupali Bank (Customer A/c)	12,305	1,760
Modhumoti Bank (General A/C)	-	12,305
NRB Commercial Bank (General A/C)	882	882
	34,311,354	41,498,822
Total Cash & Cash Equivalents	34,331,006	41,517,491

12 Payable to DSE

This balance has been resulted from purchase of shares through Dhaka Stock Exchange Ltd.

Total Purchase for Broker	12,015,923	305,507
	12,015,923	305,507

13 Payable to Clients

This balance represents the clients' sale proceeds of shares and deposits against share purchase which is currently lying with the company's Bank Account.

Payable to Clients	9,696,395	15,749,004
Payable to BD Capital Holdings Ltd	-	7,242,690
	9,696,395	22,991,694

14 Borrowings from Banks/NBFIs

The amount represents payable to BD Finance, NRB Commercial Bank Ltd, The Farmers Bank Ltd. & Premier Leasing & Finance Ltd as short term loan.

Loan from BD Finance	195,000,000	533,905,395
Loan from NRB Commercial Bank Ltd	-	46,765,785
Loan from The Farmers Bank Ltd	3,536,959	84,289,406
Loan from Premier Leasing & Finance Ltd	85,420,199	100,000,000
Loan from Hajj Finance Company Ltd	45,514,283	-
	329,471,441	764,960,586

	2015 BDT	2014 BDT
15 Provision for diminution in value of investment & Margin Loan		
Provision on unrealized loss of dealer investments:		
Opening balance	2,727,716	7,369,994
Add: Addition during the year	2,800,000	(4,642,277)
Closing balance	5,527,716	2,727,716
Provision on margin loan:		
Opening balance	40,724,951	5,321,185
Add: Addition during the year	28,238,050	35,403,766
Total Provision	68,963,001	40,724,951
Less: Written off of Provision on margin loan	24,977,995	-
Closing balance	43,985,006	40,724,951
	49,512,722	43,452,667

The provision on unrealized loss due to revaluation of stocks in Margin Customers Account and Dealer Account has been made on the basis of Bangladesh Securities & Exchange Commission (BSEC) order no.BSEC/CSRDC/2009 /193/166 & subsequent press release no.BSEC/spokesman part-2/2011/2205 on 30/11/2015.

16 Provision for tax		
Opening Balance	37,088,816	17,019,139
Add: Income tax expenses during the year (16.01)	10,402,997	20,069,677
Net provision for tax	47,491,813	37,088,816
16.1 Income Tax Expenses during the year		
Net profit before provision & tax	53,736,875	67,143,371
Add: Inadmissible expenses	3,805,631	3,817,707
Less: Cash dividend	(924,950)	(2,678,940)
Less: Capital gain from sale of securities	(32,280,762)	(11,209,591)
	24,336,794	57,072,546
Less: Allowable expenses	(4,365,565)	(4,464,175)
Taxable income	19,971,230	52,608,371
Cash dividend	924,950	2,678,940
Capital gain from sale of securities	32,280,762	11,209,591
Tax @ 35% on taxable income	6,989,930	18,412,930
Tax @ 20% on dividend income	184,990	535,788
Tax @ 10% on capital gain	3,228,076	1,120,959
Total tax	10,402,997	20,069,677
AIT under section 82C	9,035,509	14,462,254
Income tax expenses	10,402,997	20,069,677

	2015 BDT	2014 BDT
17 Liabilities for expenses		
Provision for Interest on BD Finance loan	4,923,611	-
Provision for Interest on Premier Leasing loan	-	166,667
Utility payable	-	31,200
Business development expenses payable	1,018,094	1,242,013
Reserve on Business Development Expenses	3,258,376	4,643,308
Printing & stationery payable	-	11,197
Network connectivity charges payable	-	1,500
Mobile bill payable	-	12,962
Fuel bill payable	54,003	30,820
Newspaper & periodicals payable	-	700
Postage & courier payable	-	15,000
Office maintenance expense payable	16,352	2,808
Audit fees payable	152,500	152,500
Liability for CDBL expenses (share maintenance)	119,095	208,193
Other payable	610,392	575,392
	10,152,423	7,094,260
18 Brokerage Commission		
Brokerage commission	60,455,981	94,566,868
Less: Discount on brokerage commission	-	(108,798)
	60,455,981	94,458,070
19 BO Accounts Maintenance		
BO account maintenance fee/ opening Fee	134,000	423,000
BO account renewal fees	1,228,500	972,500
BO account closing fees	132,000	48,000
CDBL settlement transfer income	2,709,626	4,236,913
CDBL bulk A/C transfer income	181,309	102,070
CDBL transfer/transmission income	41,219	60,692
CDBL pledge income	15,165	206,381
CDBL unpledge income	9,449	63,000
CDBL corporate action income	112,994	646,984
CDBL demate of new securities (IPO) income	145,189	121,112
CDBL demate of existing securities income	38	487
	4,709,489	6,881,139
Less:		
CDBL settlement transfer charge	2,703,633	4,538,257
CDBL bulk A/C transfer income	101,085	51,070
CDBL transfer/transmission charge	23,454	30,346
CDBL corporate action charge	66,365	325,293
CDBL demate of new securities (IPO) charge	85,510	60,556
CDBL demate of existing securities charge	19	243
CDBL pledge charge	22,378	103,191
CDBL unpledge charge	9,449	31,500
CDBL BO A/C opening charge	120,000	351,600
CDBL BO A/C renewal charge	802,400	776,800
CDBL other charges	6,000	6,000
	3,940,292	6,274,856
Net Income	769,197	606,283

	2015 BDT	2014 BDT
20 Operating Expenses		
DSE charges		
Howla charge:	-	939,724
Broker	-	928,682
Dealer	-	11,042
Laga charge:	4,288,266	5,603,077
Broker	4,245,410	5,467,285
Dealer	42,856	135,792
DSE other charges	42,397	21,050
DSE authorization fee	168,554	2,554
	4,499,217	6,566,405
21 Capital gain from sale of securities		
Capital gain from sale of securities	32,280,762	11,209,591
	32,280,762	11,209,591
22 Interest Income		
Interest on margin loan	84,734,877	136,758,921
Interest income on bank deposit	2,660,353	236,023
Cheque dishonoured charge	12,500	24,000
Cheque clearance fees	9,940	18,330
IPO Service Income	4,014	-
	87,421,684	137,037,274
23 Financial Expenses		
Interest Expenses on BD Finance Loan	49,586,786	112,922,728
Interest Expenses on Farmers Bank Overdraft Facility	5,821,658	4,265,535
Interest Expenses on NRB Commercial Bank Loan	5,733,451	4,032,747
Interest Expenses on Premier Leasing & Finance Loan	14,038,372	166,667
Interest Expenses on Hajj Finance Loan	1,465,762	-
	76,646,029	121,387,677
24 Other non-operating revenue		
Cash dividend	924,950	2,678,940
Miscellaneous income	23	4,750
	924,973	2,683,690
25 Salaries & allowances		
Salaries & allowances	14,980,519	12,178,795
	14,980,519	12,178,795
26 Rent, taxes, insurance, electricity, etc.		
Rent, rates & taxes	2,432,880	2,432,880
Insurance	49,677	42,507
Utilities	297,453	331,549
	2,780,010	2,806,936
27 Legal expenses		
RJSC expenses	11,000	48,370
Legal & professional fee	233,000	112,365
Fees & renewals	113,513	139,560
	357,513	300,295

	2015 BDT	2014 BDT
28 Postage, stamp, telecommunication, etc.		
Telephone, postage & telegram	42,001	72,612
Mobile bill	179,178	140,508
Govt. taxes, stamps duty & licence fees	5,329	5,080
Network connectivity charge	376,250	432,500
	602,758	650,700
29 Stationery, printing, advertisements, etc.		
Printing & stationery	168,832	502,803
Advertisement	173,778	108,215
	342,610	611,018
30 Directors' Fees		
Directors' fees	243,000	280,000
	243,000	280,000
31 Auditor's Fees		
Audit fees (including VAT)	86,250	62,500
	86,250	62,500
32 Depreciation and Amortization		
Depreciation of tangible assets	3,802,923	3,705,207
Amortization of intangible assets	2,708	112,500
	3,805,631	3,817,707
33 Other expenses		
Travelling and conveyance	45,866	55,716
Entertainment	373,867	423,902
Fuel, oil and lubricants	536,716	404,470
Repair & maintenance - Vehicle	385,109	104,326
Diesel for generator	25,160	27,200
Newspaper & periodicals	9,532	8,904
Office cleaning expenses	6,544	9,691
Office maintenance expenses	331,633	224,043
Business development expenses	20,666,839	27,622,630
Repair & maintenance	282,225	209,574
Training Expenses	13,020	-
Bank Charges	81,173	74,629
Charges on Corporate Guarantee	1,000,500	1,000,000
Cheque Clearance Charges	14,001	24,420
	23,772,185	30,189,505
34 Provision for diminution in value of investments & Margin Loan		
Provision on unrealized loss of dealer investments	2,800,000	(4,642,277)
Provision on margin loan	28,238,050	35,403,766
	31,038,050	30,761,489



Company Secretary



Director



Managing Director & CEO

SCHEDULE OF FIXED ASSETS

For the year ended 31 December 2015

Annexure-I

Particulars	C O S T			Rate	D E P R E C I A T I O N			Written down value as at 31-Dec-2015	
	Balance as on 01-Jan-2015	Addition during the year	Disposal/ Adj. during the year		Balance as at 31-Dec-2015	Disposal/ Adj. during the year	Charge during the year		Balance as at 31-Dec-2015
Office Equipment	663,656	107,958	-	10%	164,749	-	74,311	239,060	532,554
Electrical Equipment	6,094	-	-	15%	2,945	-	914	3,859	2,235
Electrical Equipment-Generator	2,221,982	-	-	15%	666,595	-	333,297	999,892	1,222,090
Furniture and Fixture	761,788	53,221	-	10%	253,930	-	78,840	332,770	482,239
Computer & Pheriperal	4,578,499	673,220	-	25%	3,014,987	-	1,211,956	4,226,943	1,024,776
Motor Vehicles	3,546,000	-	-	20%	2,454,900	-	709,200	3,164,100	381,900
Office Renovation/Furnishing	13,894,003	100,096	-	10%	4,675,167	-	1,394,405	6,069,572	7,924,527
Balance as at 31-Dec-2015	25,672,022	934,495	-		11,233,273	-	3,802,923	15,036,196	11,570,321
Balance as at 31-Dec-2014	25,435,635	236,387	-		7,528,066	-	3,705,207	11,233,273	14,438,749

SCHEDULE OF INTANGIBLE ASSETS

For the year ended 31 December 2015

Annexure-II

Particulars	Cost		Rate	Amortization			Written down value as at 31-Dec-2015
	Balance as on 01-Jan-2015	Disposal/ Adj. during the year		Balance as at 31-Dec-2015	Balance as on 01-Jan-2015	Disposal/ Adj. during the year	
Software	600,000	-	50%	600,000	-	-	600,000
TWS Installation	75,000	-	50%	75,000	-	2,708	75,000
Balance as at 31-Dec-2015	675,000	-	-	675,000	-	2,708	675,000
Balance as at 31-Dec-2014	675,000	-	-	675,000	-	112,500	672,292
				559,792			2,708

DIRECTORS' REPORT TO THE SHAREHOLDERS OF BD FINANCE CAPITAL HOLDINGS LIMITED

Dear Shareholders,

The Directors have the pleasure in presenting to the Shareholders of BD Finance Capital Holdings Limited the Directors' Report, the audited financial statements for the year ended December 31, 2015 and auditor's report thereon along with the capital market overview, the Company's performance and other matters in compliance with the Companies Act, 1994, and Corporate Governance guidelines of the Bangladesh Securities and Exchange Commission.

The Company's principal activities encompass Investors discretionary portfolio management, underwriting, issue management, corporate advisory and margin lending. It also generates profit from its own portfolio management.

BD Finance Capital Holdings Limited provides a high standard of professional and personalised services to its customers. The Company possesses a proven track record of catering to a diverse set of client needs while concurrently maintaining strict compliance with the country's laws and the highest ethical standards. BD Finance Capital Holdings Limited is one of the well reputed and responsible merchant banking enterprises in the country, renowned for its quality portfolio management services.

Operational highlights:

BD Finance Capital Holdings Limited focusing on Investors discretionary portfolio management, initial public offers (IPO), repeat public offerings (RPO), rights issue management, corporate advisory on pre-IPO capital raising, underwriting, pre-IPO placement and margin lending services in substantial share acquisitions and takeovers and equity valuations, among others.

Our key strength lies in our ability to value and position the target company in the financial markets correctly, create the best financial structure, showcase the enterprise to the right investors and round-up the entire process smoothly and efficiently, leveraging our strong co-ordination with regulatory authorities, thereby ensuring growth and continuous value-creation for the Company going public.

The key challenges for investment banking include extensive and dynamic regulatory changes, sluggish primary markets and strict regulatory reviews. Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 was gazette on December 28, 2015, which requires a higher level of disclosures and due diligence. BD Finance Capital Holdings Limited focuses on overcoming these challenges by leveraging its strong brand equity and transparent relationship with regulators, investors and other stakeholders.

In 2016, the investment banking team expects to emphasize more on corporate advisory, mergers and acquisitions and equity valuation, apart from signing new initial public offerings.

Research

At BD Finance Capital Holdings Limited, our buy-side research team is focused on facilitating quality investment decisions under Investors discretionary portfolio investments. Our qualified team analyzes and provides investment recommendations on stocks, enabling fund managers to generate attractive and sustainable returns.

Portfolio Management Services:

In August 2013, BD Finance Capital Holdings Limited launched a margin lending product, Investors Discretionary Account (IDA) along with Non-Margin Investors' Discretionary Account (Non-Margin IDA) and Non Resident Bangladeshi IDA (NRB IDA) account since then we successfully handle this accounts. During the year 2015, we undertook client counseling services to emphasize the need for building a constructive portfolio by minimizing market risks to the extent possible. We informed them regarding the projected market scenario, stock analysis, and the effects of leverage, the importance of effective risk control and the significance of disciplined portfolio management in order to build long-term wealth. However, it was witnessed that the appetite for margin loans was almost absent among clients. Thus, we could not disburse new loans up to our targeted levels.

Risk management

BD Finance Capital Holdings Limited continues to remain proactive and prudent with regards to its risk management tools and is widely considered as an industry trendsetter. We adopted different types of netting policies as well to reduce the loan burden, provided alerts to customers to book unrealized gains and supported them with research-intensive recommendations. It is a matter of pride that none of the competitors are able to match up to us today. This has empowered us with a distinctive competitive advantage.

Financial highlights

The year 2015 proved to be one of restoration for BD Finance Capital Holdings Limited with the Company attaining a net operating income of Taka 266.81 lac, which was Taka 408.63 lac reported in 2014. Consequently, the Company registered a profit after tax of Taka 254.82 lac. The following table demonstrates the breakdown of revenue streams from different products.

Portfolio operations

Fig in Lac.

Operational income	2015	2014
Interest Income	248.70	368.75
Settlement & Transaction Fees	10.94	25.79
Management Fees	7.17	14.09
Total Operating Income	266.81	408.63

The year 2015 net interest income stood at Taka 248.70 lac and Settlement & Transaction Fees Taka 10.94 lac, portfolio management services represented the principal revenue stream across Interest income, followed by settlement and transaction fees and management fees.

Own Portfolio Investment

Fig in Lac.

Own Portfolio income	2015	2014
Investment in Securities	381.12	539.04

Revenue from Own Portfolio Investment stood at Taka 381.12 lac in 2015 where significant contribution came from Capital gain of securities.

Operational expenses

Fig in Lac.

Own Portfolio income	2015	2014
Salaries and Allowances	84.20	90.14
Interest paid on Borrowings	195.42	427.01
Other Expenses	74.16	72.39
Total Operating Expenses	353.78	589.54

The company incurred a total cost of Taka 353.78 lac during 2015, under which 55.24% was incurred on Interest paid on Borrowings and 23.80% on Salaries and Allowances and the rest was for general and administrative purposes.

Outlook and strategies

Maintain leadership position in merchant banking, ensuring market share accretion for merchant banking deals. Position the Company as a thought leader through our superior fundamental and technical research. Leverage this backbone to increasingly advocate the value-based investment philosophy among our clients and the community at large. Embrace a conservative approach for the margin loan basket with a greater focus on risk management. Shift focus to Non Margin Investors' Discretionary portfolio management due to the low appetite for margin loans.



Books of accounts

Proper books of accounts of BD Finance Capital Holdings Limited have been maintained. Appropriate accounting policies have been consistently applied in preparation of the financial statements. The accounting estimates are based on reasonable and prudent judgment. International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure there from has been adequately disclosed. The financial statements prepared by the management of BD Finance Capital Holdings Limited present fairly its state of affairs,

Internal control

The system of internal control is sound in design and has been effectively implemented and monitored.

Distribution of profit for 2015:

The Company reported a profit of Taka 25,482,048 in the year 2015. Considering Company's investment opportunities, growth potentials and comparative cost benefit analysis of paying out dividend and overall better tax management, the board of BD Finance Capital Holdings Limited decided not to declare any dividend to the shareholders of the Company for 2015.

Appointment of Auditors

In terms of Article 18.2 of the Articles of Association of the Company, the Company shall, at each annual general meeting, appoint an auditor or auditors to hold office until the next annual general meeting. The Auditors of the Company, A.Qasem & Co. Chartered Accountants, has completed their second year as the Auditor of the Company. They are eligible for re-appointment as Auditors of the Company for the year 2016 and they have also offered themselves for re-appointment. The Board has recommended to appoint A.Qasem & Co. Chartered Accountants to the shareholders at the AGM as the auditors of the company for the year 2016.

Going concern

There are no significant doubts upon the BD Finance Capital Holdings Limited ability to continue as a going concern.

Appreciation

I would like to thank my Board colleagues for their continued support and on their behalf would like to express my heartiest gratitude to the entire team of BD Finance Capital Holdings Limited. It would be unfair to not acknowledge the exceptional efforts of our employees who worked in praiseworthy partnerships to meet the many challenges of a difficult year. They were called upon to embrace some major challenges while concurrently maintaining the highest standards of service to our clients. They met the challenges and we thank each of them for their extraordinary performance.

In conclusion, on behalf of the Board, I would like to thank our loyal clients and honourable shareholders for their continued faith and support. Taking this opportunity, the members of the Board would also like to thank the Bangladesh Securities and Exchange Commission, Dhaka stock exchanges and Central Depository Bangladesh Limited who continued to remain our partners in growth.

For and on behalf of the Board of Directors



Anwar Hossain
Chairman, Board of Directors

AUDITOR'S REPORT TO THE SHAREHOLDERS OF BD FINANCE CAPITAL HOLDINGS LIMITED

We have audited the accompanying financial statements of BD Finance Capital Holdings Limited (the "Company"), which comprise the Statement of Financial Position as at 31 December 2015, and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

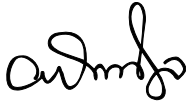
we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and made due verification thereof;

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

the Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts; and

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

Dated: Dhaka
23 April 2016


A. Qasem & Co.
Chartered Accountants



STATEMENT OF FINANCIAL POSITION

As at 31 December, 2015

	Note	2015 BDT	2014 BDT
ASSETS			
Non Current Assets			
Fixed Asset	3	7,901,503	11,461,440
Current Assets			
Margin Loan	4	109,689,464	174,974,105
Investment	5	209,676,407	250,943,445
Other Assets	6	16,483,960	13,967,730
Cash & Cash Equivalents	7	9,616,621	3,887,726
Total Assets		353,367,955	455,234,446
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share Capital	8	268,750,000	268,750,000
Retained Earnings		30,860,582	5,378,534
Current Liabilities:			
Loan from Hajj Finance		29,153,221	95,398,646
Loan from BD Finance	9	-	64,000,000
Other Liabilities	10	1,707,736	4,058,176
Provision for Loss of Value of Share	5.1	10,740,000	9,788,528
Provision for Tax	11	12,156,415	7,860,563
Total Equity & Liabilities		353,367,955	455,234,446

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



Company Secretary



Managing Director & CEO (CC)



Director

Auditor's Report to the shareholders see annexed report to date

Dated: Dhaka
23 April 2016



A. Qasem & Co.
Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December, 2015

	Note	2015 BDT	2014 BDT
Interest Income	12	24,869,811	36,874,936
Income from Settlement & Transaction Fees	14	1,094,048	2,579,426
Management Fees		717,335	1,408,801
Income from Investment in Securities	15	38,111,535	53,903,923
Other Operating Income	16	1,314,251	208,545
Total Operating Income		66,106,979	94,975,630
Salaries and Allowances		8,419,554	9,014,332
Interest paid on Borrowings	13	19,542,118	42,700,737
Rent, Taxes, Insurances, Utilities etc.	17	1,208,140	1,217,050
Legal and Professional Fees	18	506,000	486,000
Postage, Stamps, Telecommunication etc.	19	248,312	290,873
Stationery, Printings, Advertisements etc.	20	375,156	155,768
Directors' Fees and Conveyance	21	128,250	170,000
Auditor's Fees		34,500	12,777
Depreciation and Amortization	22	3,839,937	3,687,653
Other Expenses	23	1,075,639	1,219,208
Total Operating Expenses		35,377,606	58,954,397
Profit before provision & tax		30,729,373	36,021,233
Provision for Loss of Value of Shares	5.1	951,472	-
Profit before tax		29,777,901	36,021,233
Provision for Tax	11	4,295,853	5,664,486
Profit/(Loss) after tax		25,482,048	30,356,747
Appropriation			
Retained Earnings Surplus brought forward		5,378,534	(6,228,214)
Interim Stock dividend		-	(18,750,000)
		5,378,534	(24,978,214)
Retained Earnings Carried forward		30,860,582	5,378,534
Earning Per Share		0.95	1.13

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



Company Secretary

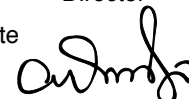


Managing Director & CEO (CC)

Auditor's Report to the shareholders see annexed report to date



Director



A. Qasem & Co.
Chartered Accountants

Dated: Dhaka
23 April 2016

STATEMENT OF CASH FLOWS

For the year ended 31 December, 2015

	2015 BDT	2014 BDT
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest Received	24,869,811	36,874,936
Interest Paid	(19,542,118)	(42,700,737)
Income from Investment in securities	38,111,535	53,903,923
Other Operating Income	3,125,633	4,196,772
Salary Payment	(8,419,554)	(9,014,332)
Administrative Expenses	(7,415,934)	(7,239,328)
Investment in Securities	41,267,038	(28,844,200)
Investment on Margin Loan	65,284,641	(2,452,043)
Investment in Other Asset	(2,516,230)	5,753,443
Increase in Other Liabilities	(2,350,440)	(8,251,464)
Net Cash flows in Operating Activities	132,414,382	2,226,969
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in Fixed Assets	3,559,937	(3,484,810)
Net Cash flows in Investing Activities	3,559,937	(3,484,810)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase/ (Decrease) of Borrowings	(130,245,424)	(6,601,354)
Net Cash used in Financing Activities	(130,245,424)	(6,601,354)
D. Net Cash Inflow / (Outflow) for the period (A+B+C)	5,728,895	(7,859,195)
E. Opening Cash and Cash Equivalents	3,887,726	11,746,921
F. Closing Cash and Cash Equivalents (D+E)	9,616,621	3,887,726



Company Secretary



Managing Director & CEO (CC)



Director

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2015

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01-01-2015	268,750,000	5,378,534	274,128,534
Net Profit/(Loss) for the period	-	25,482,048	25,482,048
Balance as on 31-12-2015	268,750,000	30,860,582	299,610,582

Balance as on 31-12-2014	268,750,000	5,378,534	274,128,534
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Company Secretary



Managing Director & CEO (CC)



Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. Company & Its Activities

1.1 Company profile

BD Finance Capital Holdings Limited was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms(RJSC) vides Registration No. C-94802/11 under The Companies Act 1994, as a public limited company on 10 August 2011. The Company has obtained Merchant Banking license from Bangladesh Securities and Exchange Commission registration certificate no-MB-76/2012 on 26 February, 2012. The address of the company's registered office is 64, Motijheel C/A, Dhaka-1000. This Company is a fully owned subsidiary of Bangladesh Finance and Investment Company Limited.

1.2 Nature of business

The main object of BD Finance Capital Holdings Limited is to carry on the business activities of Merchant Banking in all respect, including fund management, underwriting of securities, issue management, managing portfolio investments whether discretionary or non discretionary, financial consultancy services etc. The company is also to carry out the business of sale or purchase of Securities or transfer thereof by any other means.

2. Significant accounting policies

2.1 Basis of preparation of Financial Statement

The Financial Statements of BD Finance Capital Holdings Limited includes the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Notes to the accounts. These Financial Statements have been prepared under the historical cost convention on a going concern basis on accordance with the Bangladesh Accounting Standards (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). So far, the Companies Act, 1994.

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

2.2 Use of estimates and judgments

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

2.3 Comparative Information

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

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

2.4 Reporting period

These financial statements cover from 1 January 2015 to 31 December 2015.

2.5 Functional and presentation currency

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

2.6 Recognition of property, plant and equipment and depreciation



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

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

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

2.7 Intangible Assets

a. Components

The main item included intangible asset is software.

b. Basis of recognition

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

c. Subsequent expenditure

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

d. Amortization

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

2.8 Cash & Cash equivalents

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

2.9 Income Tax

2.9.1 Current tax

Provision for current income tax has been made @ 37.50% as prescribed in the Finance Act 2015 on the accounting Profit made after considering some of the taxable add back income and disallowance of expenditure in compliance with BAS 12.

2.9.2 Deferred tax

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

2.10 Revenue Recognition

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

2.11 Provision for Expenses

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

	2015 BDT	2014 BDT
3 Fixed Assets including Property, Plant & Equipments		
A. Cost:		
Opening balance	17,416,358	10,243,896
Addition during the year	280,000	7,172,462
Less: Disposal during the year	-	-
Closing balance at cost	17,696,358	17,416,358
B. Depreciation and Amortization:		
Opening balance	5,954,918	2,267,266
Less: Adujstment during the year	-	-
Addition during the year	3,839,937	3,687,653
Accumulated Depreciation and Amortization	9,794,855	5,954,918
Written down value	7,901,503	11,461,440
Details are given in Annexure-A		
4 Margin Loan		
Opening Balance	174,974,105	172,522,062
Add: Disbursement during the year	133,990,665	434,463,845
	308,964,770	606,985,907
Less: Realized during the year	199,275,307	432,011,802
	109,689,464	174,974,105
5 Investment		
Investment in Share (at Cost) (Note 5.1)	209,676,407	250,943,445
	209,676,407	250,943,445

5.1 Investment in Share (as on 31-12-2015)

	Cost price (Taka)	Market Price at the end of the period (Taka)	Unrealized gain/ (loss)
	209,676,407	159,776,460	(49,899,947)
Unrealized Loss on Investment in Share @20%			(9,979,989)

Provision for Unrealized Loss on Investment in Share

Opening Balance	9,788,528	9,788,528
Add: Provision during the year	951,472	-
	10,740,000	9,788,528

Note: All investments in marketable securities are valued at cost. Provision maintained @ 20% of unrealized loss on investment in shares (As per Directive of BSEC Ref: SEC/CMRRCD/2009-193/181 dated on 08/12/2015) and the required provision BDT 99,79,989. Total Provision for diminution in value of investments BDT 1,07,40,000 on reporting date.

	2015 BDT	2014 BDT
6 Other Assets		
6.1 Receivables		
a) Receivable from Brokers		
Receivable from BD Finance Securities Limited	35,380	7,242,690
6.2 Advance, Deposit and Prepayment		
a) Advances		
Advance income tax	8,804,621	3,937,798
Advance to M/s. LEADS Corporation Limited	-	140,000
Advance to - Pre IPO Placement Share	5,000,000	-
	13,804,621	4,077,798
b) Deposits		
Security deposit - CDBL	200,000	200,000
Security deposit - BTCL	3,000	3,000
Security deposit - Hajj Finance	2,431,831	2,431,831
	2,634,831	2,634,831
c) Prepayments		
Prepaid Insurance	9,128	12,411
	9,128	12,411
Total Advance, Deposit and Prepayment (a+b+c)	16,448,580	6,725,040
	16,483,960	13,967,730
7 Cash and Cash Equivalents		
Cash in hand	13,118	14,197
Cash at banks (Notes 7.1)	9,603,503	3,873,529
	9,616,621	3,887,726
7.1 Cash at banks		
The City Bank # SND 3101317295001	504,421	31,185
Jamuna Bank# CD 018-0210011324	570,188	351,027
One Bank# SND 0013000000693	6,635,105	2,115,227
One Bank# SND 0013000000823	1,876,401	966,182
Modhumoti Bank # SND 110113500000009	2,723	3,752
NRB Comm. Bank # SND 0101-36000000048	4,447	4,447
One Bank# SND 0013000001043	10,218	401,710
	9,603,503	3,873,529

	2015 BDT	2014 BDT
8 Share Capital		
8.1 Authorized Capital	2,000,000,000	2,000,000,000
200,000,000 ordinary shares of Taka 10 each		
8.2 Issued, Subscribed and Paid up capital		
26,875,000 ordinary shares of Taka 10 each fully paid	268,750,000	268,750,000
	268,750,000	268,750,000

Shareholders	December 31, 2015			December 31, 2014
	% of Total Shareholding	Number of Share	Amount	
Bangladesh Finance And Investment Co. Ltd.	99.972%	26,867,475	268,674,750	268,674,750
Mr. Manwar Hossain	0.004%	1,075	10,750	10,750
Mr. Hossain Khaled	0.004%	1,075	10,750	10,750
Mr. Hossain Mehmud	0.004%	1,075	10,750	10,750
Mr. Md. Rafiqul Islam Khan	0.004%	1,075	10,750	10,750
Mrs. Rokeya Anowara Begum	0.004%	1,075	10,750	10,750
Mrs. Rashida Youshuf	0.004%	1,075	10,750	10,750
Mr. M. Maniruzzaman Khandaker	0.004%	1,075	10,750	10,750
Total	100.00%	26,875,000	268,750,000	268,750,000

9 Loan From BD Finance	-	64,000,000
10 Other Liabilities		
Payable to Clients'	1,125,363	2,111,537
Payable to Broker	525,675	162,774
Payable to CDBL	15,759	29,305
Interest Payable	-	961,680
Payable for IPO Application Money	-	399,000
Payable for Audit Fees	25,556	25,556
Others Payable	15,383	368,324
	1,707,736	4,058,176
11 Provision for Tax		
Opening Balance	7,860,563	2,196,076
Add: Provision during the year	4,295,853	5,664,486
	12,156,415	7,860,563
12 Interest Income		
Interest received from Margin Loan	24,430,091	36,428,516
Interest received from TDR with BD Finance	-	144,270
Interest received from Bank	439,720	302,150
	24,869,811	36,874,936

	2015 BDT	2014 BDT
13 Interest paid on Borrowings		
Interest to BD Finance on Borrowings	6,482,500	34,002,559
Interest to NRB Comm. Bank on Borrowings	-	2,821,876
Interest to Hajj Finance on Borrowings	13,059,618	5,876,302
	19,542,118	42,700,737
14 Income from Settlement & Transaction Fees		
Settlement & Transaction Fees	3,601,105	8,964,543
CDBL on demand fees	3,453	-
	3,604,559	8,964,543
Less:		
Brokerage Commission	2,308,968	5,834,783
CDBL Charges	201,543	550,334
	2,510,511	6,385,117
	1,094,048	2,579,426
15 Income from Investment in Securities		
Realized Gain	33,264,541	51,162,983
Dividend Income	4,846,993	2,740,940
	38,111,535	53,903,923
16 Other Operating Income		
A/C Opening Fees	12,000	139,900
A/C Closing Fees	22,046	3,500
Annual BO A/C Maintenance Fees	96,400	64,900
Underwriting Commission	1,181,250	-
Income from Service Charge- IPO	2,555	245
	1,314,251	208,545
17 Rent, Taxes, Insurances, Utilities etc.		
Office Rent	1,020,240	1,020,240
Utilities	187,900	196,810
	1,208,140	1,217,050
18 Legal and Professional Fees		
Legal and Professional Fees	506,000	486,000
	506,000	486,000
19 Postage, Stamps, Telecommunication etc.		
Postage, Stamp and Courier	4,912	2,261
Telephone and Mobile	121,075	120,612
Internet and Connectivity Expenses	122,325	168,000
	248,312	290,873
20 Stationery, Printings, Advertisements etc.		
Printing and Stationery	97,927	155,768
Advertisement and Publicity	277,229	-
	375,156	155,768

	2015 BDT	2014 BDT
21 Directors' Fees and Conveyance		
Directors' Fees	128,250	170,000
	128,250	170,000
22 Depreciation and Amortization		
Furniture & Fixtures	1,174,834	1,174,834
Office Equipments	1,166,659	1,154,226
Motor Vehicle	975,111	858,592
System & Software	523,333	500,000
	3,839,937	3,687,653
23 Other Expenses		
Entertainment	51,636	76,834
Car Maintenance	526,831	447,155
Newspaper and Periodicals	7,037	9,115
Travelling and Conveyance	114,181	112,350
Registration, License and Renewal	213,687	228,950
Repair & Maintenance	20,825	23,890
Office Maintenance	20,622	39,886
Bank Charges & Excise Duty	43,645	60,893
Loan Documentation & Processing Charge	66,075	204,610
Training Expenses	3,000	-
Meeting Expenses	8,100	15,526
	1,075,639	1,219,208

24 Number of Employees

The number of employees engaged for the whole period or part thereof who received a total (yearly) remuneration of Tk. 36,000 or above were 16.

25 Related Party Disclosures:

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


Company Secretary


Managing Director & CEO (CC)


Director

FIXED ASSET SCHEDULE

For the year ended 31 December 2015

ANNEXURE-A

Particulars	COST				Rate of Depreciation	DEPRECIATION & AMORTIZATION				Written Down Value at 31 December	
	Balance as on 1 January	Revaluation Surplus	Addition during the year	Disposal/ Transfer during the year		Balance at 31 December	Balance as on 1 January	Transfer/ Adjustment during the year	Charge for the year		Balance at 31 December
Furniture & Fixtures	5,874,169	-	-	-	5,874,169	20%	2,349,668	-	1,174,834	3,524,502	2,349,667
Office Equipments	4,666,634	-	-	-	4,666,634	25%	2,246,658	-	1,166,659	3,413,317	1,253,317
Motor Vehicle	4,875,555	-	-	-	4,875,555	20%	858,592	-	975,111	1,833,703	3,041,852
System & Software	2,000,000	-	280,000	-	2,280,000	25%	500,000	-	523,333	1,023,333	1,256,667
Year 2015	17,416,358	-	280,000	-	17,696,358		5,954,918	-	3,839,937	9,794,855	7,901,503
Year 2014	10,243,896	-	7,172,462	-	17,416,358		2,267,266	-	3,687,653	5,954,918	11,461,440

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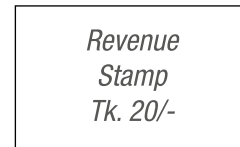
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PROXY FORM

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 proxy to attend and vote for me/us and on my/our behalf at the 17th Annual General Meeting of the Company to be held on Thursday, June 09, 2016 at 10.30 A.M. at BCIC Auditorium, 30-31, Dilkusha C/A, Dhaka-1000 or at any adjournment thereof or at any ballot to be taken in consequence hereof.

Signed this Signature of proxy.....
day of 2016



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 least 48 hours before the meeting 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 my attendance at the 17th Annual General Meeting of the Company being held on Thursday, June 09, 2016 at 10.30 A.M. at BCIC Auditorium, 30-31, Dilkusha C/A, Dhaka-1000.

Name of the Member / Proxy

BO ID:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

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