

2012 Annual Report



FIRST LEASE FINANCE & INVESTMENT LIMITED
(A Financial Institution Licensed from Bangladesh Bank)



ANNUAL REPORT

2012



FIRST LEASE FINANCE & INVESTMENT LIMITED
(A Financial Institution Licensed from Bangladesh Bank)

| Company at a Glance |

Head Office	:	Jahangir Tower (3 rd Floor), 10, Kawran Bazar C/A, Dhaka-1215.
Type of Organization	:	Financial Institution
Nature of Business	:	Lease Finance, Term Loan Financing, Real Estate & Housing Finance, SME Finance, Term Deposit Receipt (TDR), Monthly Savings Scheme (MSS)
Number of Directors	:	12
Number of Shareholders	:	7736
Authorized Capital	:	Tk. 5,000 million
Paid Up Capital	:	Tk. 603.74 million
Statutory Reserve	:	Tk. 289.77 million
Number of Clients	:	1097 (Investment) & 1200 (Deposits)
Business Thrust Sectors	:	Corporate House, Medium Companies, SME, Housing, Transport Companies, etc
Business Motto	:	Efficient customer service & effective financial solutions
Auditor	:	M/s M J Abedin & Co.
Legal Advisor	:	Ms. Rani Akther, Advocate, Bangladesh Supreme Court.
TAX Advisor	:	Mr. Manjoor-Ul-Alam, FCA
E-mail	:	fil@bol-online.com, info@first-lease.com.bd
URL (Website)	:	www.first-lease.com.bd

OUR BANKERS

Sonali Bank Ltd.	Basic Bank Limited
Social Islami Bank Limited	Bangladesh Commerce Bank
Janata Bank Ltd.	Prime Bank Limited
Bank Asia Limited	Al-Arafah Islami Bank Limited
Agrani Bank Ltd.	IFIC Bank Limited
Mercantile Bank Limited	Premier Bank Limited
United Commercial Bank Ltd.	Southeast Bank Limited
Mutual Trust Bank Ltd.	ICB Islamic Bank Limited
Uttara Bank Limited	National Bank Limited
Trust Bank Ltd.	Bangladesh Development Bank Limited
Shahjalal Islami Bank Limited	Rupali Bank Limited

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| Glimpse of 19th AGM |



FIRST LEASE FINANCE & INVESTMENT LIMITED

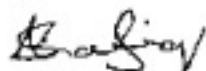
Jahangir Tower (3rd Floor),
10, Kawran Bazar C/A, Dhaka-1215

Notice of the 20th Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of First Lease Finance & Investment Limited will be held on April 30, 2013 at 11.00 AM at Trust Melonayaton, Dhaka Cantonment, 545 Old Airport Road, Tejgaon, Dhaka - 1206, to transact the following businesses:

1. To confirm the proceedings of the 19th Annual General Meeting of the company held on May 08, 2012.
2. To receive and adopt the Director's Report, Audited Financial Statements and Auditor's Report thereon for the year 2012.
3. To declare dividend for the year 2012.
4. To elect the Directors of the company.
5. To approve the appointment of one more Independent Director as per Notification of Securities and Exchange Commission (No.SEC/CMRRCD/2006-158/129/Admin/43, dated: July 03, 2012).
6. To Appoint the External Auditors for the year 2013 and fix their remuneration.
7. To transact any other business with the permission of the Chair.

By the order of the Board



(Sarwar Shafiq)

Company Secretary

First Lease Finance & Investment Limited

NOTES:

1. Record Date: April 08, 2013
2. A shareholder is entitled to attend and vote at the meeting & may appoint a proxy to attend and vote in his/her stead. The proxy form, a specimen of which may be available in the Annual Report that needs to be affixed with a revenue stamp of Tk. 10.00 and to be submitted to the Registered Office of the Company no later than 48 hours before the day of the Annual General Meeting.
3. Respected shareholders are requested to inform the Company Secretary during office hour regarding the change of address, if any, by April 08, 2013.
4. Nomination papers for election of Directors from General Shareholders Group will be available from Company Secretary during the office hour. Interested candidates are eligible to be elected as Director will submit their Nomination papers by April 09, 2013. Last date for withdrawal of candidature is April 22, 2013. Polling, if necessary, will be held in the Annual General Meeting at the same place.

Company Chronicles

Incorporation of the Company : 28th June, 1993

Commencement of Leasing Business : Since inception

Conversion into Public Company : 18th July 1996

Licensed from Bangladesh Bank : 5th October, 1999

First Trading on Stock Exchange : 9th October, 2003

Converted into Electronic Shares : 4th January, 2009

Opening of Sylhet Branch : 28th November 2011

Face Value & Market Lot Change : 4th December, 2011

| Capital & Shareholding Structure |

as at 31st December, 2012

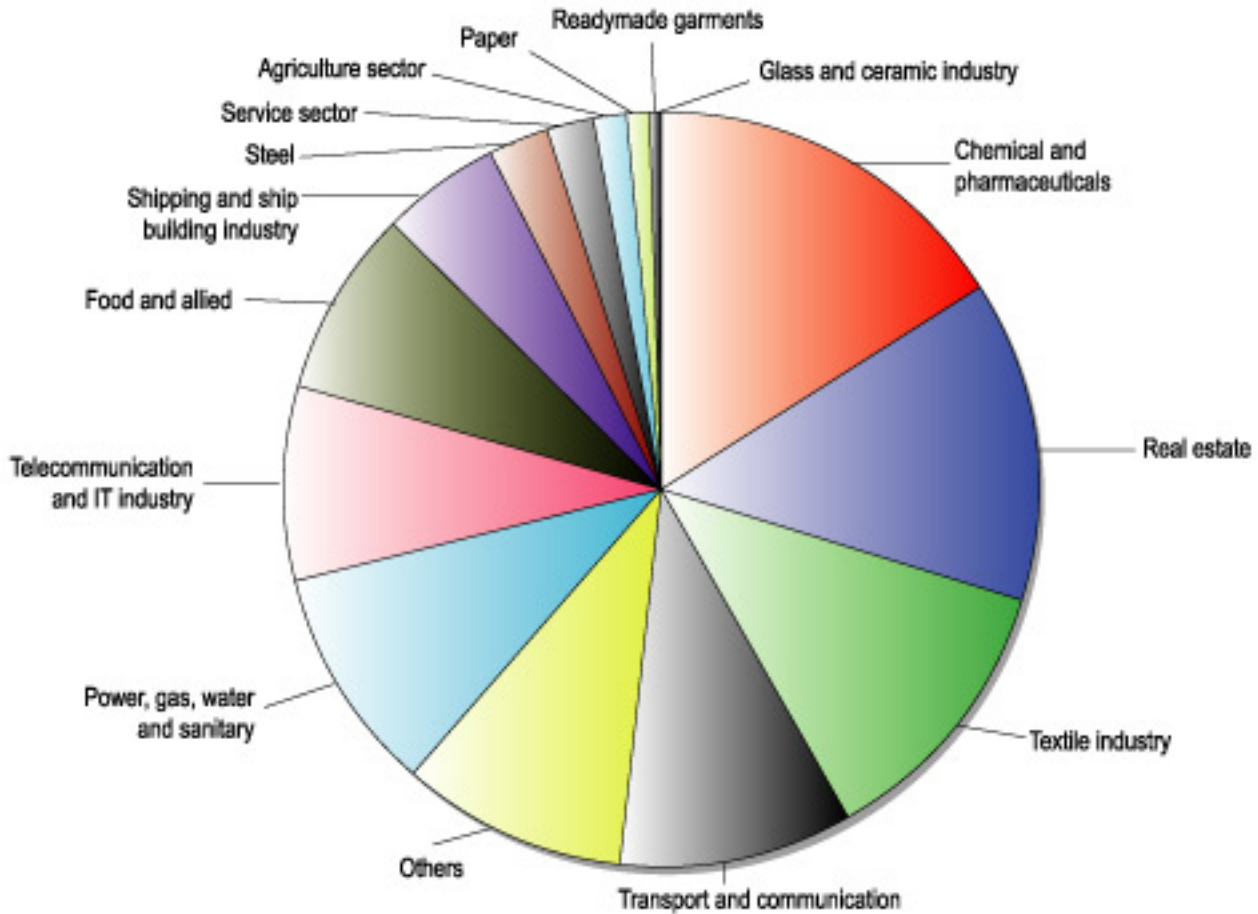
Capital Structure

Authorized Capital	Tk. 5,000.00 million
Issue, Subscribed and Paid Up	Tk. 603.74 million
Statutory Reserve	Tk. 289.77 million

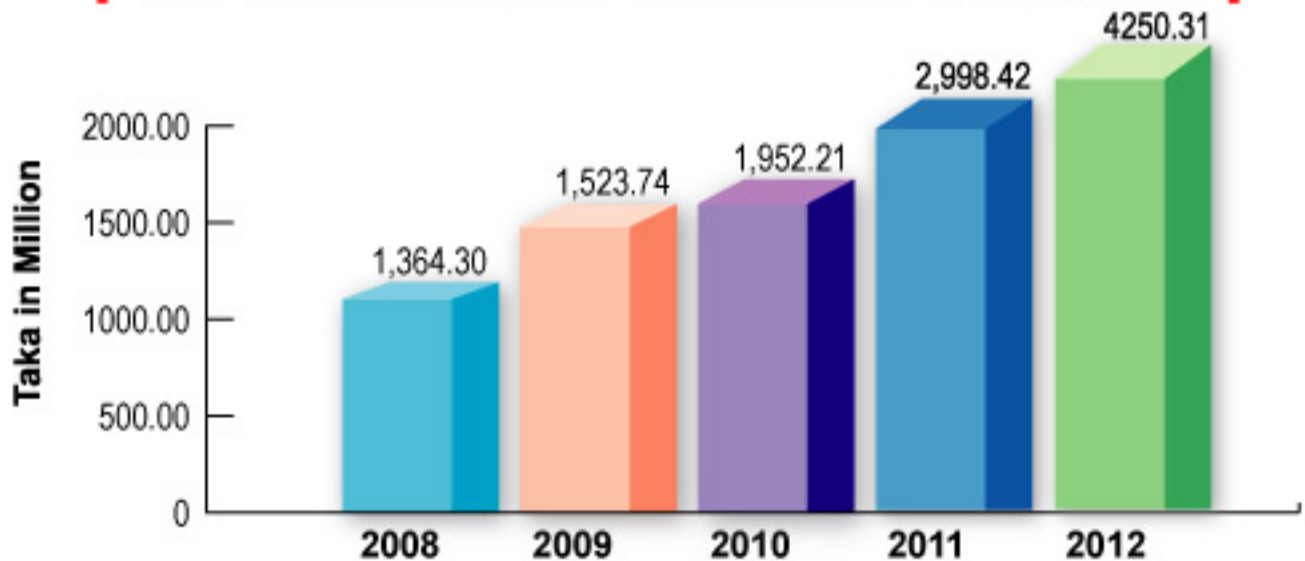
Share Holding Structure

Category of Shareholders	No. of Shares	Percentage of total Shares
Director/Sponsor & their related companies	24,632,292	40.80%
Institution	16,266,370	26.94%
General Public	19,475,498	32.26%
Total	60,374,160	100.00%

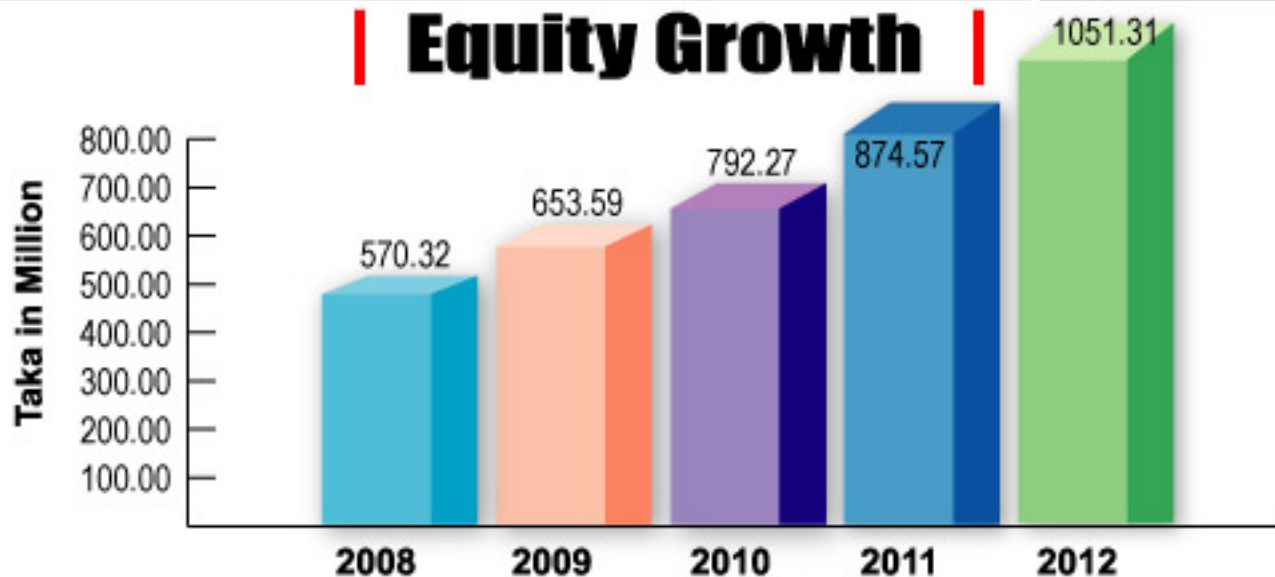
| Sectorwise Investment |



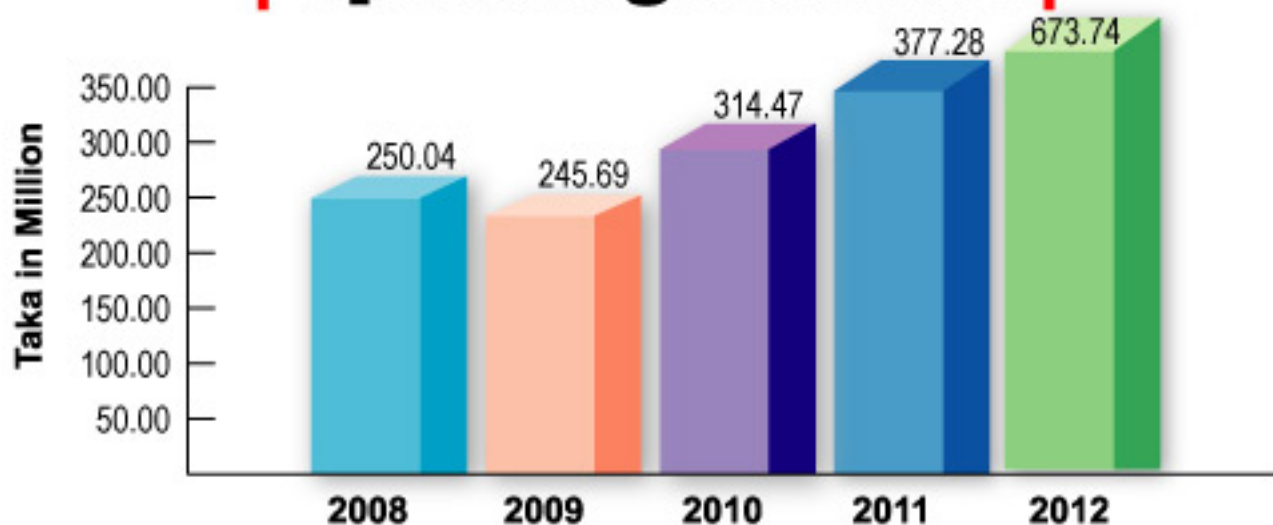
| Investment Portfolio Growth |



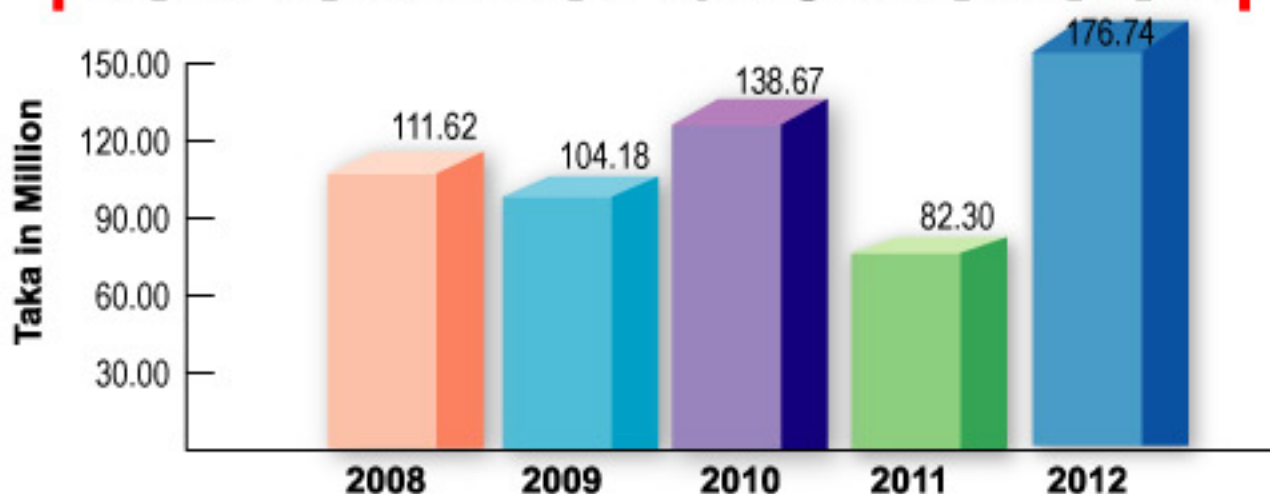
Equity Growth



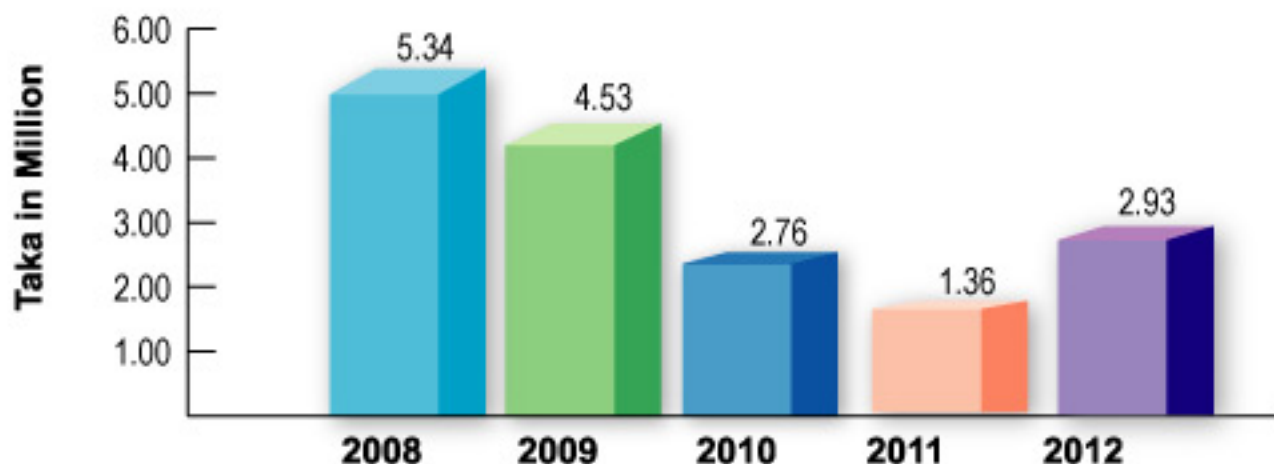
Operating Revenue



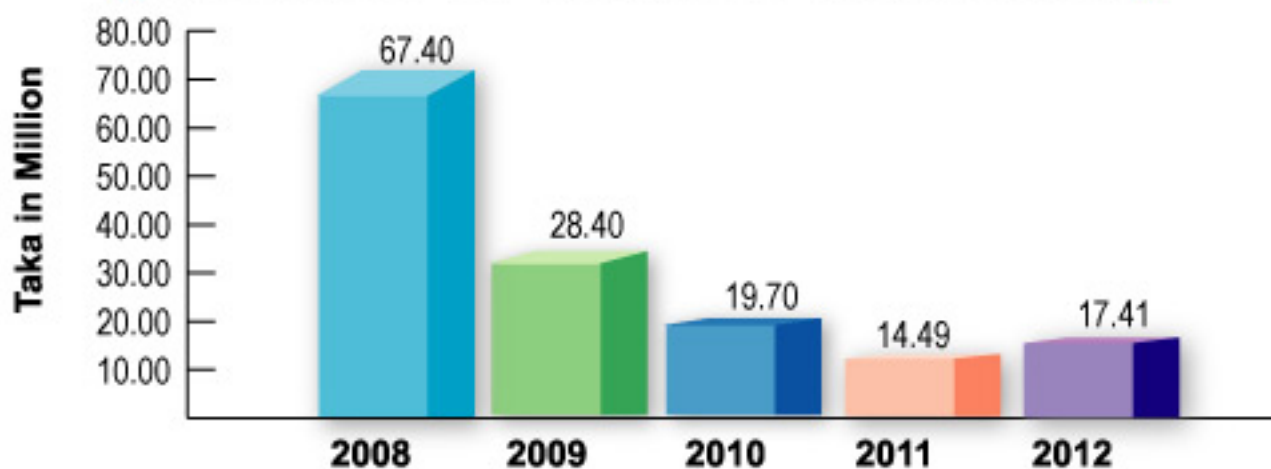
Net Profit After Tax & Provision



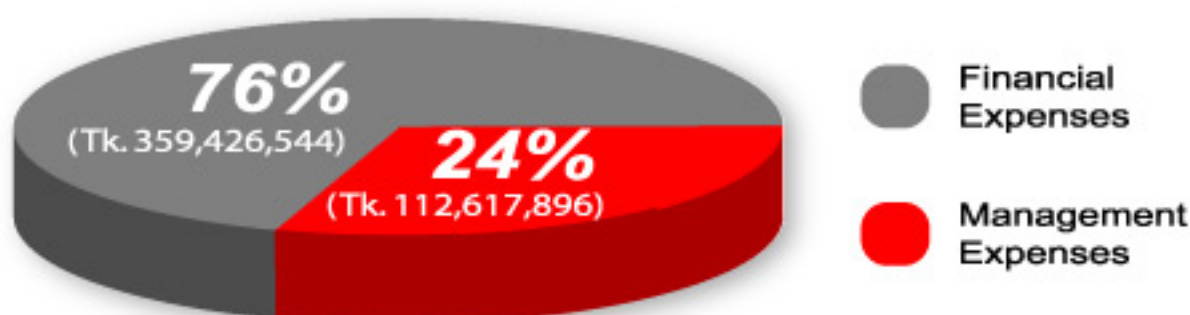
Earning Per Share



Net Asset Value Per Share



Operating Expenses Scenario



Existing Board of Directors



Faruk Ahmed
Sponsor Director
& Chairman



Ashrafuddin Ahmed
Sponsor Director
& Vice Chairman



Faisal Ahmed
Sponsor Director
& Vice Chairman



Rajia Khanam
Sponsor Director



Sadia Akter
Nominated by Alphabet Associates Ltd.
(Sponsor Directors Related Company)



Rafayel Bin Mahamud Bhuiyan
Nominated by Operashor Trade Int. Ltd.
(Sponsor Directors Related Company)



Mujibur Rahman Chowdhury
General Public
Shareholder & Director



Engr. Abul Ahsan
General Public
Shareholder & Director



Mostafa Haider Khan
General Public
Shareholder & Director



Mustafizur Rahman
General Public
Shareholder & Director



Theotonius Biplob Roy
Independent Director



Almojit Safat Hossain
Independent Director

| Director's Profile |

Mr. Faruk Ahmed, Chairman

Mr. Faruk Ahmed Chowdhury was born in 1963 in a respected Muslim and renowned business family. He is an Electronic Engineer and has completed both of his B. Sc. EE & M. Sc. EE degree from USA. Mr. Faruk Ahmed is the Chairman of the Board of First Lease Finance & Investment Ltd since November 07, 2012. He is also one of the Founder & Sponsor Director of the Company. He was the Vice-Chairman of FLFIL for many years. He is a well-known IT personality of the country. He is also associated with multiple business ventures. He is the founder Managing Director of Alphabet Associates Ltd., Alphabet Systems Ltd. and Intellect IT Ltd. engaged in Software Development, System design, Consulting, Indenting, Trading, Supply, Import & Export business. He is also the Chairman of Raqas Textile Limited and Managing Partner of Maple Leaf Trading Co. a concern engaged in foreign trade. Mr. Faruk is also a member of IEEE which is the world's largest Electrical, Electronic and Computing field professional association for the advancement of Technology. He is also a member of IEEE Computer Society, U.S.A., World largest Computer professional association. He is a permanent member of Dhaka Club Ltd. He is also a life member SWID Bangladesh, a National Non Governmental organization, who runs almost 70 School throughout Bangladesh for mentally challenged people. He has vast experience in Financial System design, Investment Banking, Financial product design and Money Market.

Mr. Asharfuiddin Ahmed, Vice Chairman

Mr. Asharfuiddin Ahmed was born in 1961 in a respected Muslim and renowned business family. Mr. Ahmed has completed both of his Masters of Business Administration and Doctor of Business Administration degree from USA. Mr. Ashrafuddin Ahmed is the founder & Sponsor Director of the company. Presently, he is the Vice-chairman of the Board and Chairman of Executive Committee of First Lease Finance & Investment Ltd. He is also a sponsor Director of Alphabet Associates Limited and Alphabet Systems Limited. He is a well known businessman and he is associated with versatile business ventures. His companies are engaged in various businesses such as Export, Import, Indenting, Trading, Supply, Software System development, System design and Consulting. He also has his expertise in Banking and Insurance sector of the country.

Mr. Faisal Ahmed Chowdhury, Vice Chairman

Mr. Faisal Ahmed Chowdhury was born in 1968 in a respected Muslim and renowned business family. Mr. Ahmed has completed his Graduation from Dhaka University. Presently he is the Vice chairman of the Board of First Lease Finance & Investment Ltd. Mr. Faisal Ahmed is also the founder & Sponsor Director of FLFIL. He is a member of the Executive Committee and Chairman of Audit Committee of the company. He is a well known businessman. He is also the founder Managing Director of Rakson Impex Limited and FAH Textiles Limited. He has his expertise on the Textiles Sector and has been involved in export, indenting & supply of textiles machineries. He is also the Sponsor Director of Alphabet Associates Limited and Alphabet Systems Limited, engaged in Software System development, System design, Import, Trading and Consulting.

Mrs. Rajia Khanam, Director

Mrs. Rajia Khanam was born in 1943 in a respectable Muslim Zaminder family of Daudkandi, Comilla and married to a renowned business personality of the Country Mr. M. A. Qasem, Director of Beximco Group. She is presently residing at Dhaka and having 3 sons and 1 daughter. She is the founder and Sponsor Director of First Lease Finance & Investment Ltd. She was immediate past Chairman of the Board of

FLFIL. She is also one of the Directors of Raqas Textile Ltd. Mrs. Rajia Khanam is a successful entrepreneur and a businesswomen of the country.

Mr. Mujibur Rahman Chowdhury, General Public Shareholder & Director

Mr. Mujibur Rahman Chowdhury was born in the year 1946 in a respected Muslim family. He is one of the Directors from General Public Shareholder Group. He is also the active member of the Executive Committee of the company. He is the Chairman of Swadesh Properties Limited, a renowned Real Estate company and Executive Director of Filanto-Bangladesh Footwear Limited, 100% export oriented shoe industries joint ventured with Italy. He is also a Life Member and Election Commissioner of Dhaka Club Limited since long for several times.

Engr. Md. Abul Ahsan, General Public Shareholder & Director

Engr. Md. Abul Ahsan was born in the year 1961 in an educated family. He has completed his B. Sc. in Leather Engineering (1st Class 1st) from Dhaka, Bangladesh. He has done diploma in Industrial Chemical and Leather Process from Mumbai and Delhi, India. He is one of the Directors of First Lease Finance & Investment Ltd. from General Public Shareholders Group. He has his expertise and vast knowledge in leather industries. He is engaged as an Adviser in various social and cultural organizations since long. He used to work in the Leather Industries in the Top Position in the Multinational Industries in the country. He is also a consultant in various Leather Industries.

Mr. Rafayel Bin Mahamud Bhuiyan, Nominated Director from Oparchor Trade Intl. Ltd.

Mr. Rafayel Bin Mahamud Bhuiyan was born in the year 1985 in a respected Muslim and educated family. He completed his BS in Financial Mathematics from University of Toronto, Canada. Mr. Rafayel Bin Mahamud Bhuiyan has been nominated from Oparchor Trade International Limited, Institutional Director of First Lease Finance & Investment Ltd. and he represents for Operchor Trade International in the Board of FLFIL. Operchor Trade International Limited is involved real estate, Indenting, Import, Trading and supply business.

Mr. Mostafa Haider Khan, General Public Shareholder & Director

Mr. Mostafa Haider Khan was born in the year 1961 in the reputed Muslim family. He has completed M. A. in economics from Dhaka University. He is one of the Directors from General Public Shareholder Group. He has vast experience in the Banking and Financial sector. He is also a member of Audit Committee of the FLFIL.

Mr. Mustafijur Rahman, General Public Shareholder & Director

Mr. Mustafijur Rahman was born in the year 1977 in an educated family. He has completed his MBA from Asian University and B. Com (Honors.) & M. Com in Management from National University. He is one of the Directors from General Public Shareholder Group. He is the Proprietor of Nipu Enterprise which is involved in indenting, distribution, trading, Import & supply. He is also a member of Audit Committee of FLFIL.

Ms. Sadia Akter, Nominated Director from Alphabet Associates Ltd, Sponsor Related Company

Ms. Sadia Akter was born in the year 1980 in a Muslim family. She completed her M A in Economics from National University. Ms. Sadia Akter has been nominated from Alphabet Associates Limited, Sponsor Related Company and she represent the Sponsor related Company. She is also member of Audit

Committee of the company. Alphabet Associates Limited is an IT based company involved in software development, system design, trading, training module development, Export, Import and consulting job. Alphabet Associates Limited is established in 1988.

Mr. Theotonijs Biplob Roy, Independent Director

Mr. Theotonijs Biplob Roy was born in the year 1972 in a Christian Family. He has completed his M. Com in Management from National University. He is the Independent Director of First Lease Finance & Investment Limited. He is also the member of the Audit Committee. He is the Proprietor of BARNA Enterprise and has involved in various businesses.

Mr. Almohit Safat Hossain, Independent Director

Mr. Almohit Safat Hossain was born in the year 1966 in a Muslim family. He completed his MBA in Information Systems and Management from University of Hull, East Yorkshire, UK and M. Com in Management from Dhaka University. He is the Independent Director of First Lease Finance and Investment Limited. Currently he is working as a part time lecturer at Presidency University, Dhaka. He has some social involvement with Shikor, an old school boy's social association.

| Meeting of FLFIL'S Board |



Existing Board Committees

Executive Committee

Ashraf Uddin Ahmed Vice Chairman	Chairman, Executive Committee
Faisal Ahmed Vice Chairman	Member, Executive Committee
Md. Mujibur Rahman Chowdhury Director	Member, Executive Committee
Engr. Abul Ahsan Director	Member, Executive Committee
Rafayel Bin Mahamud Bhuiyan Institutional Director	Member, Executive Committee

Audit Committee

Faisal Ahmed Vice Chairman	Chairman, Audit Committee
Mostofa Haider Khan Director	Member, Audit Committee
Mustafijur Rahman Director	Member, Audit Committee
Sadia Akter Institutional Director	Member, Audit Committee
Theotonius Biplob Roy Independent Director	Member, Audit Committee



Executive Committee Meeting



Audit Committee Meeting



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| CHAIRMAN'S STATEMENT |

CHAIRMAN'S STATEMENT



CHAIRMAN'S STATEMENT

Faruk Ahmed

Chairman

Honorable Shareholder's and respected Members of the Board, on behalf of the Board of Directors of First Lease Finance and Investment Limited (FLFIL); I take this proud privilege to extend to you a hearty welcome at the 20th Annual General Meeting (AGM) of the company. It gives me a great honor to place before you the Directors' Report along with the Audited Financial Statement for the year ended December 31, 2012 and Auditors' Report thereon for your perusal. I would also take the opportunity to express my gratitude for your continuous support and inspiration which resulting a success and achievements in many areas of our operation. It is a great occasion where various aspects of financials and other affairs are to be discussed and at the same time you would have the opportunity to offer your valuable comments, opinions and guideline that would be helpful in planning the future activities of the company.

FLFIL established in the year 1993. The Company started its business operation since its inception as a private Limited company with limited vicinity and gradually the company becomes one of the largest Financial Institution in Bangladesh. Currently the company has been operating lease finance, term loan finance, fixed deposit receipt (FDR), monthly savings scheme (MSS), real estate & housing finance, SME finance, Hire Purchase, Equity Finance, Syndicated Finance business with 4 branches in 4 different locations of the country with an objective to meet up the all types financial need to its clients. The company's employed over 110 employees and is well diversified into Corporate, SME, Industrial, Retail, Capital Market segments.

In the financial year 2012 total investment growth is 23.58% in comparison with 2011 financial year. We have reported company's profit growth in the year 2012 is 114.75% in comparison with 2011. Our main focus was to strengthen our financial health by carefully choosing asset to attain our objectives.

The year 2012 had been challenging one for the financial sector. FLFIL achieved continuous growth almost all arenas of its business in the year 2012. The Board of Directors is in full control of the company's affairs and reviews strategic issues on a regular basis and exercise control over the performance of the company by approving yearly individual and business targets both deposit and investment. The Management is fully monitored by Board through performance on regular basis against those targets. The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plan annual basis. Each and every employee is fully responsible to achieve the yearly target and this target is set up as per everyone's designation and rank. In the year 2013 Board has set an investment target amounting Taka 580 Crore and deposit target amounting Taka 400 Crore for the company's Management.

I would like to restate here that our board maintains its effective role in policy formulation and discharging best possible corporate governance. Our company's main focus is structured by clear objectives in combination with appropriate vision and values to materialize.

The Board of Directors of First Lease Finance & Investment Ltd. have always remained focused on maximizing shareholders value through formulating policies and guideline towards ensuring sustainable profitability, minimizing risk and establishing Good Governance in all spare of company's operation.

The Business growth of the company for last decade has been significant compared to other Financial Institution in the country. In the year 2012, the company's portfolio has been increased remarkably. During the year 2012, the company financed in the corporate and semi corporate bodies and also given special emphasis on the SME sectors, women entrepreneurs, housing and considerable amount also been financed in this sectors by keeping in mind for the development of social economic of the country.

Respected Shareholders,

In the year 2012, the company's Paid-Up Capital stood at Tk. 603.74 million as on 31.12.2012 which need to be raised to Tk. 1000.00 million as per the requirement of Bangladesh Bank. The capital also comprise of Non-distributable reserve standing at Tk. 289.77 million and retained earnings of Tk. 157.79 million respectively total Tk. 1,051.30 million.

Honorable Shareholders,

You may kindly know that the working fund of the company mainly consists of Shareholders Equity, borrowing from banks and fixed deposit receipts (FDR) received from valued individual customers and institutions. Advance Lease Rentals held by the Company on Lease financing also substantiate in building up working fund of the Company. As on December 31, 2012, total Term Deposit stood at Tk. 1,745.57 million as against Tk. 955.02 million as on December 31, 2011 indicating an increase of Tk. 790.55 million. Bank Borrowing as on December 31, 2012 stood at Tk. 1,653.85 million as against Tk. 1,016.36 million as on December 31, 2011 showing an increase of Tk. 637.49 million over the figure at the end of the preceding year. This was due to higher demand for fund for our investment which was met mainly through borrowing from banking sectors which feels confident and comfortable in extending fund to the company because of its repayment performance. There has also occurred an increase of liability under the head of Advance Lease Rentals from Tk. 92.81 million to Tk. 99.21 million as on December 31, 2012.

Fellow Shareholders,

Since October 9, 2003, your company's shares are being trade in both stock exchanges of the country in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). As at December 31, 2012, the market price of your company's share stood respectively at Tk. 40.00 in Dhaka Stock Exchange (DSE) and Tk. 38.80 in Chittagong Stock Exchange (CSE).

Honorable Shareholders

You would be pleased to know that your company has already implemented Corporate Governance Guidelines and Good Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. It is expected that the benefits from these guidelines would be obtained by your company in the years to come.

The Company plans to implement the Islamic Financial Product for its customers as soon as possible which is already approved by the Board of Directors. Keeping in mind that to reach the product and service to our customers, the Company has planned to open few more branches and booths for expansion of business activities.

It is to be noted that the company has already implemented and maintaining a Central Data Base in the Head Office for the safety of the data. The company has been maintaining State -of -Art computerized system for day to day operation. Company has a huge plan to implement a total automation of its operation in the 2013.

Dear Shareholder,

On behalf of the Board of Directors, I would like to thanks the valued shareholders, patrons, borrowers, depositors for their trust and confidence towards the company; who help the company to reach its goal. I would also like to thanks to the commercial and Government banks, Financial Institutions, Insurance Companies, Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Security and Exchange Commission (BSEC), Bangladesh Bank, Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) & CDBL for their cooperation extended to us from every aspects. I would also like to thanks to the Management team and to all the employees of the company for their enthusiasm, sincerity and hard work toward brining positive contribution for the company.

We are well aware that uncertainties still remain for the economy and the financial markets of the country but our financial company has demonstrated that it can consistently deliver good result and that it can do so with a conservative risk profile. Our Board of Director's main priorities are Managing Risk Prudently, Building Quality Investment portfolio and maintain its growth, sustainable profitability, maximizing shareholders value, Effective Internal compliance, Transparency, Developing reliable and long term relationship with our customer, maintaining strong relationship with our business partner and establishing good governance in all spare of company's operation.

As a Chairman my objective is to ensure that the roles of the Board of Directors actively continue to play their due part in coming years.

Once again, I would like to convey my appreciation to my fellow Directors and respected shareholders for their generous cooperation and support during the year. We look forward to have a healthy, profitable and prosperous 2013.

Faruk Ahmed

(Faruk Ahmed)

Chairman

সম্মানিত শেয়ারহোল্ডারদের প্রতি মাননীয় চেয়ারম্যানের বক্তব্য

সম্মানিত শেয়ারহোল্ডারগণ এবং পরিচালক পর্ষদের সদস্যবৃন্দ, ফার্স্ট লীজ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর পরিচালনা পর্ষদের পক্ষে; আমি আপনাদেরকে কোম্পানীর ২০ তম বার্ষিক সাধারণ সভায় স্বাগত জানাতে পেরে আনন্দিতভাবে গর্বিত। ৩১শে ডিসেম্বর ২০১২ পর্যন্ত প্রাপ্ত পরিচালকগণের রিপোর্ট ও নিরীক্ষিত হিসাব সমূহের রিপোর্ট এবং নিরীক্ষকের রিপোর্ট আপনাদের সামনে প্রদান করতে পেরে আমি সম্মানিত বোধ করছি। আমি কৃতজ্ঞতা জ্ঞাপন করছি আপনাদের সমর্থন এবং অনুপ্রেরণার জন্য যা আমাদের কর্মক্ষেত্রে অসাধারণ সাফল্য আনতে সাহায্য করেছে। এটি একটি মহান উপলক্ষ্য যেখানে আর্থিক এবং অন্যান্য বিষয়াদি বিভিন্ন দিক থেকে আলোচনা করা হয় এবং একই সময়ে আপনারা আপনাদের মূল্যবান মন্তব্য, মতামত ও পথনির্দেশনা প্রদান করে কোম্পানীর ভবিষ্যত কার্যকলাপের উন্নয়ন লাভে সহায়তা করবেন।

ফার্স্ট লীজ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড প্রতিষ্ঠিত হয় ১৯৯৩ সালে। কোম্পানী প্রতিষ্ঠালগ্ন থেকে একটি প্রাইভেট লিমিটেড কোম্পানী হিসাবে ব্যবসা কার্যক্রম শুরু করে এবং ধীরে ধীরে এটি বাংলাদেশের একটি অন্যতম বৃহত্তম আর্থিক প্রতিষ্ঠান হিসেবে প্রতিষ্ঠিত হয়। বর্তমানে কোম্পানী দেশের বিভিন্ন স্থানে তার গ্রাহকদের আর্থিক চাহিদা পূরণের জন্য ৪ টি শাখা পরিচালনার মাধ্যমে লীজ অর্থায়ন (Lease Finance), মেয়াদী অর্থায়ন (Term Loan Finance), মেয়াদী আমানত রসিদ (FDR), মাসিক আয়ভিত্তিক মেয়াদী আমানত (MSS), আবাসন প্রকল্প ঋণ (Real Estate Finance & Housing Finance), ক্ষুদ্র ও মাঝারী উদ্যোক্তাদের জন্য বিভিন্ন মেয়াদের সেবা, হায়ার পারচেজ (Hire Purchase), একুইটি ফাইন্যান্স (Equity Finance), সিভিকিটেড ফাইন্যান্স ব্যবসা (Syndicated Finance business) প্রদান করছে। কোম্পানীর বর্তমান কর্মী সংখ্যা ১১০ জন এবং সকলেই বিভিন্ন বিভাগে যেমন কর্পোরেট, এস.এম.ই., শিল্পখাত, রিটেইল এবং ক্যাপিটাল মার্কেট বিভাগে সুচারভাবে কাজ করে যাচ্ছে।

২০১১ সালের তুলনায় ২০১২ সালের আর্থিক বছরে ব্যবসায় প্রবৃদ্ধি হয়েছে ২৩.৫৮ শতাংশ। ২০১১ সালের তুলনায় ২০১২ সালের কোম্পানীর মুনাফা বৃদ্ধি পেয়েছে ১১৪.৭৫ শতাংশ। আমাদের উদ্দেশ্য ছিল প্রতিষ্ঠানের আর্থিক ভিত্তিকে মজবুত করার লক্ষ্যে সকল কার্যাবলীকে সতর্কতার সাথে সম্পাদন করা।

আর্থিক পরিসরে ২০১২ সাল আমাদের জন্য একটি চ্যালেঞ্জিং বছর ছিল। এফএলএফআইএল ২০১২ সালে ধারাবাহিক ভাবে প্রায় প্রতিটি ক্ষেত্রেই প্রবৃদ্ধি অর্জনে সক্ষম হয়েছে। কোম্পানীর সার্বিক কার্যাবলী এবং কৌশলগত সিদ্ধান্তসমূহ পরিচালনা পর্ষদের নিয়ন্ত্রণে পরিচালিত হয়। কোম্পানীর বিনিয়োগ ও আমানতের ক্ষেত্রে ব্যবসায়িক এবং ব্যক্তির জন্য যে অনুমোদিত লক্ষ্যমাত্রা দেয়া হয় তা পরিচালনা পর্ষদের দ্বারা নিয়মিত পর্যবেক্ষন করা হয়। নির্ধারিত লক্ষ্যমাত্রা অনুযায়ী ব্যবস্থাপনা কর্তৃপক্ষের কার্যাবলী নিয়মিতভাবে পরিচালনা পর্ষদ কর্তৃক পর্যবেক্ষন করা হয়। পরিচালনা পর্ষদ কোম্পানীর বার্ষিক লক্ষ্য এবং উদ্দেশ্য নির্ধারণ করে থাকেন এবং এই

আলোকে কর্ম পরিকল্পনা ও কৌশলগত নির্দেশনা প্রদান করেন। পদ অনুযায়ী প্রত্যেক কর্মকর্তার জন্য নির্ধারিত বার্ষিক লক্ষ্যমাত্রা অর্জনের ক্ষেত্রে প্রত্যেকে নিজ নিজ ভাবে দায়বদ্ধ। ২০১৩ সালের জন্য পরিচালনা পর্ষদ কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষের জন্য বিনিয়োগের লক্ষ্যমাত্রা ৫৮০ কোটি টাকা এবং আমানতের লক্ষ্যমাত্রা ৪০০কোটি টাকা নির্ধারণ করেছেন।

আমি এখানে আরও বলতে চাই যে, প্রতিষ্ঠানের সর্বাঙ্গিক কর্পোরেট শাসন প্রতিষ্ঠার লক্ষ্যে পরিচালনা পর্ষদ কার্যকরী পদক্ষেপ নিয়েছে। আমাদের কোম্পানীর প্রধান লক্ষ্য হচ্ছে প্রতিষ্ঠানের সুনির্দিষ্ট উদ্দেশ্য অনুযায়ী সকল কাজে সমন্বয় সাধনপূর্বক কার্য সম্পাদন করা। শেষ দশকে কোম্পানীর ব্যবসা বৃদ্ধি ছিল দেশের অন্যান্য আর্থিক প্রতিষ্ঠান এর তুলনায় উল্লেখযোগ্য।

অত্র প্রতিষ্ঠানের পরিচালনা পর্ষদ সর্বদা শেয়ারহোল্ডারদেরকে সর্বোচ্চ পরিমানে মুনাফা প্রদানের জন্য কোম্পানীর পরিচালনার সকল ক্ষেত্রে ঝুঁকি কমানো ও সুশাসন প্রতিষ্ঠার লক্ষ্যে ইহার নীতিমালাও দিক-নির্দেশনার উপর গুরুত্ব আরোপ করে।

২০১২ সালে, কোম্পানীর পোর্টফলিও খুবই উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে। ২০১২ সালে কোম্পানী শুধুমাত্র কর্পোরেট এবং আধাকর্পোরেট সংস্থার মধ্যে ব্যবসায়িক লেনদেন সীমাবদ্ধ রাখেনি বরং বিশেষ কিছু বিভাগে কোম্পানী সর্বোচ্চ জোর দিয়েছে যা দেশের সামাজিক ও অর্থনৈতিক উন্নয়নের জন্য বিশেষভাবে অবদান রাখছে। বিভাগগুলো হলো ক্ষুদ্র ও মাঝারী ঋণ বিভাগ, মহিলা উদ্যোক্তাদের জন্য ঋণ বিভাগ এবং আবাসন প্রকল্প ঋণ।

সম্মানিত শেয়ারহোল্ডারগণ

৩১শে ডিসেম্বর ২০১২ তে, কোম্পানীর পরিশোধিত মূলধন দাঁড়িয়েছে ৮৬০৩.৭৪ মিলিয়ন যা বাংলাদেশ ব্যাংক এর নির্দেশ অনুযায়ী ৮১০০০.০০ মিলিয়ন এ উত্তীর্ণ করতে হবে। বর্তমানে কোম্পানীর মোট মূলধন এর পরিমাণ দাঁড়িয়েছে অবিতরণযোগ্য সংরক্ষিত তহবিল ৮২৮৯.৭৭ মিলিয়ন এবং বন্টনযোগ্য মুনাফা ৮১৫৭.৭৯ মিলিয়ন সহ মোট ৮১,০৫১.৩০ মিলিয়ন।

সম্মানিত শেয়ারহোল্ডারগণ

আপনারা জানেন যে কোম্পানীর তহবিল প্রধানত শেয়ারহোল্ডারদের ইকুইটি, ব্যাংক থেকে প্রাপ্ত ঋণ এবং মেয়াদী আমানত রসিদ (FDR) যা ব্যক্তি এবং প্রতিষ্ঠান থেকে প্রাপ্ত। অগ্রিম লীজ রেন্টাল গ্রহণের মাধ্যমেও কোম্পানীর তহবিল এর প্রবাহ বৃদ্ধি পায়। ৩১শে ডিসেম্বর ২০১১ এ কোম্পানীর মেয়াদী আমানত ছিল ৮৯৫৫.০২ মিলিয়ন এবং ৩১শে ডিসেম্বর ২০১২ তে কোম্পানীর মেয়াদী আমানত দাঁড়িয়েছে ৮১,৭৪৫.৫৭ মিলিয়ন যা ২০১১ থেকে

৮৭৯০.৫৫ মিলিয়ন বেশী। ৩১শে ডিসেম্বর ২০১১ এ ব্যাংক হতে সংগৃহীত ঋণ ছিল ৮১,০১৬.৩৬ মিলিয়ন এবং ৩১শে ডিসেম্বর ২০১২ তে ব্যাংক হতে সংগৃহীত ঋণ দাঁড়িয়েছে ৮১,৬৫৩.৮৫ মিলিয়ন যা ২০১১ থেকে ৬৬৩৭.৪৯ মিলিয়ন বেশী। এই কার্যক্রম করা হয়েছিল আমাদের বিনিয়োগের উচ্চ চাহিদার জন্য যা প্রধানত ব্যাংক থেকে ঋণ নিয়ে সম্পন্ন করা হয়েছে কারণ ব্যাংক অন্যান্য অবস্থা থেকে বিশ্বস্ত এবং সহজ হয় এর ঋণ পরিশোধের কর্মদক্ষতার জন্য। অগ্রীম লীজ রেন্টাল বাবদ কোম্পানীর দায়বদ্ধতা ৩১শে ডিসেম্বর, ২০১১ এর ৯২.৮১ মিলিয়ন হতে ৩১শে ডিসেম্বর, ২০১২ সালে ৮৯৯.২১ মিলিয়ন এ দাঁড়িয়েছে।

সুধী শেয়ারহোল্ডারগণ

৯ অক্টোবর, ২০০৩ থেকে কোম্পানীর শেয়ার দেশের দুইটি স্টক এক্সচেঞ্জ, ঢাকা স্টক এক্সচেঞ্জ এবং চট্টগ্রাম স্টক এক্সচেঞ্জ এ লেনদেন শুরু করে। ৩১শে ডিসেম্বর, ২০১২ তে কোম্পানীর শেয়ারের দাম ঢাকা স্টক এক্সচেঞ্জ (ডিএসই) এবং চট্টগ্রাম স্টক এক্সচেঞ্জ (সিএসই) এ যথাক্রমে ৪০.০০ টাকা এবং ৩৮.৮০ টাকা ছিল।

সম্মানিত শেয়ারহোল্ডারগণ

আপনারা জেনে খুশি হবেন যে, কোম্পানী ইতিমধ্যে বাংলাদেশ সিকিউরিটি এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) ও বাংলাদেশ ব্যাংক দ্বারা জারিকৃত কর্পোরেট পরিচালনা নিয়মাবলী এবং সুশাসন পদ্ধতিসম্পূর্ণরূপে কার্যকর করেছে। আশা করা যাচ্ছে যে, গত বছরের তুলনায় আগামী বছরেও এ নির্দেশাবলী আপনাদের প্রতিষ্ঠানকে আরো লাভবান করবে।

কোম্পানী তার সকল গ্রাহকদের জন্য কিছু ইসলামী আর্থিক পন্য সেবা প্রদানের পরিকল্পনা করছে যা পরিচালনা পর্ষদ কর্তৃক পূর্বেই অনুমোদিত হয়ে আছে। সর্বসাধারণের কাছে আমাদের সেবা ও কার্যক্রম পৌঁছানোর জন্য কোম্পানী আরো কয়েকটি শাখা এবং বুথ খোলার দ্বারপ্রান্তে পৌঁছিয়েছে।

বিশেষভাবে লক্ষণীয় ব্যাপার এই যে, কোম্পানীর তার প্রধান কার্যালয়ে সেন্ট্রাল ডাটাবেসের মাধ্যমে গ্রাহকদের যাবতীয় তথ্য নিরাপদে সংরক্ষণের জন্য পদক্ষেপ নিয়েছে। কোম্পানী বর্তমানে সর্বাধুনিক কম্পিউটারাইজড সিস্টেমের মাধ্যমে দৈনন্দিন কার্য সম্পাদন করে যাচ্ছে। কোম্পানী তার সার্বিক কার্যক্রমকে ২০১৩ সালের মধ্যে অটোমেশনে নেয়ার জন্য ব্যাপক পরিকল্পনা গ্রহন করেছে।

দ্বিতীয় শেয়ারহোল্ডারবৃন্দ

পরিচালনা পর্ষদের পক্ষ থেকে আমি মূল্যবান শেয়ারহোল্ডারদের, পৃষ্ঠপোষকদের, ঋণগ্রহীতাদের এবং আমানতকারীদের কোম্পানীর প্রতি তাদের বিশ্বাস এবং আস্থা রাখার জন্য আন্তরিকভাবে ধন্যবাদ জানাচ্ছি; যাঁরা আমাদের কোম্পানীকে অসীম লক্ষ্যে পৌঁছাতে সাহায্য করে যাচ্ছেন। আমি আরো ধন্যবাদ জানাতে চাই সকল বাণিজ্যিক এবং সরকারী ব্যাংক, অর্থনৈতিক প্রতিষ্ঠান, বীমা কোম্পানী, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস (আরজেএসসি), বাংলাদেশ সিকিউরিটি অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি), বাংলাদেশ ব্যাংক, ঢাকা স্টক এক্সচেঞ্জ (ডিএসই), চট্টগ্রাম স্টক এক্সচেঞ্জ (সিএসই), সিডিবিএল কে তাদের সার্বক্ষণিক সহযোগিতার হাত বাড়ানোর জন্য। আমি কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ এবং সকল কর্মকর্তা ও কর্মচারীদের উদ্যম, আন্তরিকতা ও কঠোর পরিশ্রমের জন্য ধন্যবাদ জানাই, যা কোম্পানীর কার্যক্রমে ইতিবাচক অবদান রেখেছে।

বর্তমানে দেশের অর্থনীতি এবং আর্থিক বাজারের অনিশ্চয়তা সম্পর্কে আমরা সবাই সচেতন কিন্তু রক্ষণশীল ঝুঁকি ব্যবস্থাপনার কারণে কোম্পানী ধারাবাহিকভাবে ভাল ফলাফল প্রদর্শন করতে সক্ষম হয়েছে। আমাদের পরিচালনা পর্ষদের মূল উদ্দেশ্য হলো ঝুঁকি ব্যবস্থাপনা বিবেচনা করা, বিনিয়োগ পরিধির গুণগতমান বৃদ্ধি করা, প্রবৃদ্ধি বজায় রাখা, অধিকতর মুনাফা অর্জন, শেয়ারহোল্ডারদের সর্বোচ্চ মূল্যায়ন, কার্যকরী আভ্যন্তরীণ নীতিমালা, স্বচ্ছতা আনয়ন, গ্রাহকদের সাথে বিশ্বাসযোগ্য এবং দীর্ঘমেয়াদী সম্পর্ক স্থাপন, ব্যবসায়ী অংশীদারদের সাথে শক্তিশালী সম্পর্ক বজায় রাখা এবং কোম্পানী পরিচালনার সকল ক্ষেত্রে সুশাসন প্রতিষ্ঠা করা। চেয়ারম্যান হিসাবে আমার প্রত্যাশা হবে আপামী বছরেও পরিচালনা পর্ষদ ধারাবাহিক ও সক্রিয়ভাবে তাদের কার্যক্রম অব্যাহত রাখবে।

আমি আবারও আমাদের সম্মানিত পরিচালনা পর্ষদ ও সম্মানিত শেয়ারহোল্ডারদেরকে চলতি বছরে তাদের আন্তরিক নিষ্ঠা ও সহযোগিতার জন্য ধন্যবাদ জ্ঞাপন করছি। আমরা ২০১৩ সালে প্রতিষ্ঠানকে অধিকতর লাভজনক ও উন্নতির দিকে ধাবিত করতে সক্ষম হব।

Fauzan Ahmed

(ফারুক আহমেদ)

চেয়ারম্যান

Existing Management's Committees

MANCOM

Dr. G.M. Baqui Billah, FCMA Chief Executive Officer	Chairman, MANCOM
M.A. Matin SEVP & Chief Financial Officer	Member, MANCOM
M.M. Rahmatullah SEVP & Chief Operating Officer	Member, MANCOM
Sarwar Shafiq VP, Company Secretary & Head of HRD	Member, MANCOM
Md. Israfil Alam Vice President & Head of Credit Division	Member, MANCOM
A.K.M. Ashfaqur Rahman Chowdhury VP & Head of Accounts, Finance & Treasury	Member & Secretary, MANCOM

Credit Committee

Dr. G.M. Baqui Billah, FCMA Chief Executive Officer	Chairman, Credit Committee
M.A. Matin SEVP & Chief Financial Officer	Member, Credit Committee
M.M. Rahmatullah SEVP & Chief Operating Officer	Member, Credit Committee
Sarwar Shafiq VP, Company Secretary & Head of HRD	Member, Credit Committee
Md. Israfil Alam Vice President & Head of Credit Division	Member, Credit Committee
A.K.M. Ashfaqur Rahman Chowdhury VP & Head of Accounts, Finance & Treasury	Member, Credit Committee
Md. Shamsul Alam SAVP & Legal In-Charge	Member, Credit Committee

Purchase Committee

Dr. G.M. Baqui Billah, FCMA Chief Executive Officer	Chairman, Purchase Committee
M.A. Matin SEVP & Chief Financial Officer	Member, Purchase Committee
M.M. Rahmatullah SEVP & Chief Operating Officer	Member, Purchase Committee
Sarwar Shafiq VP, Company Secretary & Head of HRD	Member, Purchase Committee
A.K.M. Ashfaqur Rahman Chowdhury VP & Head of Accounts, Finance & Treasury	Member, Purchase Committee
Chowdhury Moin Ahmed Mujib Senior Principal Officer	Member & Secretary, Purchase Committee

Anti Money Laundering Committee (AMLCO)

Dr. G.M. Baqui Billah, FCMA Chief Executive Officer	Chief, AMLCO
A.K.M. Ashfaqur Rahman Chowdhury VP & Head of Accounts, Finance & Treasury	Coordinator, AMLCO
Md. Kamal Uddin Senior Assistant Vice President	Member, AMLCO
Sarwar Shafiq VP, Company Secretary & Head of HRD	Member, AMLCO
Sompa Clara Rozario Operationa In-Charge, Corporate Branch	Member, AMLCO
Kamrun Nahar Operationa In-Charge, Gulshan Branch	Member, AMLCO
Jaweed Mohammad Chowdhury Operationa In-Charge, Agrabad Branch	Member, AMLCO
Md. Sadequi Hoque Operationa In-Charge, Sylhet Branch	Member, AMLCO

ALCO

Dr. G.M. Baqui Billah, FCMA Chief Executive Officer	Chairman, ALCO
M.A. Matin SEVP & Chief Financial Officer	Member, ALCO
M.M. Rahmatullah SEVP & Chief Operating Officer	Member, ALCO
Sarwar Shafiq VP, Company Secretary & Head of HRD	Member, ALCO
Md. Israfil Alam Vice President & Head of Credit Division	Member, ALCO
A.K.M. Ashfaqur Rahman Chowdhury VP & Head of Accounts, Finance & Treasury	Member & Secretary, ALCO

Management Information System (MIS)

Dr. G.M. Baqui Billah, FCMA Chief Executive Officer	Chairman, MIS Committee
M.A. Matin SEVP & Chief Financial Officer	Member, MIS Committee
M.M. Rahmatullah SEVP & Chief Operating Officer	Member, MIS Committee
Sarwar Shafiq VP, Company Secretary & Head of HRD	Member, MIS Committee
Md. Shah Alam Principal Officer	Member & Secretary, MIS Committee

Management Team & Head Office Activities of First Lease Finance & Investment Limited

MANAGEMENT TEAM



HEAD OFFICE



Jahangir Tower (3rd Floor), 10, Kawran Bazar C/A, Dhaka-1215

| Branch Activities |

of First Lease Finance & Investment Limited

CORPORATE BRANCH



NLI Tower, Level 2, 54, Kazi Nazrul Islam Avenue, Kawran Bazar C/A, Dhaka-1215

GULSHAN BRANCH



Gulshan Bhaban, Plot No.: 355 (4th Floor), A.K. Khandaker Sarak, Mohakhali, Dhaka

| Branch Activities |

of First Lease Finance & Investment Limited

| AGRABAD BRANCH |



S.S. Tower (2nd Floor), 423-440, Sk. Mujib Road, Chowmahuni, Agrabad C/A, Chittagong

| SYLHET BRANCH |



Lovely Complex (3rd Floor), East Dorga Gate, Sylhet

| Events of FLFIL |



Award Distribution Ceremony to the Top Performers of the year 2012



Annual Day Long Picnic of 2012



Inaugural Ceremony of MSS Launching



ANNUAL REPORT / 2012

| SERVICE OFFERED BY FLFIL |

| Service Offered by FLFIL |

MAJOR SERVICE OFFERED BY FLFIL ARE

- | | |
|---|---------------------------------------|
| ✔ Term Deposits | ✔ Bridge/Equity Finance Hire Purchase |
| ✔ Lease/Loan Finance | ✔ Working Capital Finance |
| ✔ Real Estate Related Loans | ✔ Bill Purchase/Discounting |
| ✔ Short Term Financing | ✔ Home Loans |
| ✔ Housing Refinance Scheme under Bangladesh Bank Refinance Scheme | ✔ Syndicated Finance |
| ✔ SME Refinance Scheme under Bangladesh Bank Refinance Scheme | ✔ Women Entrepreneur |

WHERE DO WE FINANCE

We do not restrict our financing to a few particular sectors. Rather we have always maintained a diversified portfolio. Considering the Industry's past track record, future prospect, opportunities and credit risk, market risk and operational risk. We give more emphasis on the following sectors:

- | | |
|--------------------------------|-------------------------------------|
| Chemical and Pharmaceuticals | Hospital & Diagnostic Center |
| Shoe and Leather Industries | Shipping and Ship Building Industry |
| Interior Decorator | Steel |
| Real Estate Industries | Printing Press |
| Textile /Knitting Industries | Transport Company |
| Media & Communication | Telecommunication and IT Industry |
| Food and Allied Industry | SME Sectors |
| Glass and Ceramic Industry | Readymade Garments |
| Power, Gas, Water and Sanitary | |

LEASE FINANCING

FLFIL provides loan/lease financing for all of manufacturing and service equipment including vehicles, computer, lift, medical equipment, Industries Machineries, electrical and electronic appliances to all the major industrial sector.

In leasing, the client had the full liberty to select the equipment, suppliers and fix terms and conditions including price. FLFIL will buy the equipment of the client's choice. Installments/Lease Rental is determined based upon the acquisition cost and lease/ loan term. Lease terms usually range from 1 (one) to 5 (five) years. Loan Term for Construction of House building is for maximum period of 10 (ten) years depending upon the nature of loan. Loan Repayment through monthly lease rental is most common, however, quarterly or half yearly payment can also be considered.

LIST OF MACHINERIES WE FINANCE

- | | |
|-----------------------------------|---|
| Capital Machinery | Heavy Construction Equipment |
| Deluxe van and prime mover | Power Generator |
| Deluxe Coach and Mini Bus | Air Condition Plants & Equipment |
| Printing and Packaging | Consumer Durables |
| Transport Vessels and Water Cargo | Medical and Diagnostic Equipment |
| Boiler | Health care Service related equipment etc |

ELIGIBILITY FOR LEASE FINANCING

Machinery & Equipment

Any industrial enterprise requiring finance for acquisition of capital machinery for its BMRE purpose. Financing for acquisition of machinery for other venture may also be available depending on its merit. The client must have clean CIB for any purpose of the facility.

Family / Private Car

Any individual be a service holder, a professional or a business man having minimum monthly income of Tk. 50,000.00 (Fifty thousand) only can afford the vehicle. The lessee can pay of the vehicle in the way of monthly rentals in due time. At the end of the lease term the lessee could be the owner of the vehicle as per the agreement with the leasing companies.

REAL ESTATE RELATED LOAN FINANCING

FLFIL extends loan facilities for:

- ✔ Professional for purchase of office or chamber space
- ✔ Real Estate developers for construction of apartment projects
- ✔ Purchase of office space, shop or display center
- ✔ Construct or purchase of commercial building
- ✔ Construct commercially viable project like school, hotels
- ✔ Industrial building and warehouse

For individual, maximum loan amount is Tk. 50 lac or 70% of the price of the apartment / Office spaces / Showroom which ever is lower.

For corporate bodies, business houses or developers the loan amount is flexible. For individual, Maximum 10 (ten) year term is offered for purchase, construction, renovation and extension of residential apartment and houses but not beyond the 60th births day of the applicant. For the individual, 15 (fifteen) years term is offered for purchasing apartment under the category of Refinance Scheme of Bangladesh Bank.

For corporate bodies / business houses, maximum five (5) year term for purchases, construction, renovation and extension of commercial space, display center etc.

For developer, construction term from three (3) to five (5) years.

Loan installments are determined based on loan amount and tenure. Monthly installment is the norm, however, quarterly payments can also be considered in case of corporate and developers.

Mortgage of the concerned property is usually the security. However, other securities are also considered.

SHORT TERM FINANCE

With an objective to provide solution to working capital problems, short terms financing provides different financial services to the clients. Emphasis is given to identifying clients' actual need and on providing customized service to cater them. Financing is made available under the following mechanism and purpose:

- ✔ Lease Finance for acquisition of vehicles and capital machineries
- ✔ Against work order
- ✔ Sale and lease back
- ✔ Business development
- ✔ Working Capital

SHORT TERM FINANCE IN THE SME SECTOR

The Company also highly focused to finance in the SME Sector, without collateral security, with a view to solve the problem of the Working Capital in the SME Sector under Bangladesh Bank refinance scheme.

TERM DEPOSIT SCHEMES

FLFIL accepts deposits from local and foreign corporate bodies, insurance companies, banks and individuals. Term Deposit Receipts (TDR) with attractive interest rate on their term deposit and offers five attractive products.

- FIRST LEASE Monthly Profit Term Deposit
- FIRST LEASE Quarterly Profit Term Deposit
- FIRST LEASE Cumulative Term Deposit
- FIRST LEASE Double Term Deposit
- FIRST LEASE Triple Term Deposit

Conditions applicable for the Deposit Schemes.

Minimum deposit periods is for six months for individuals and institutional. Deposits cannot be encashed within six months as per rules of Bangladesh Bank. Deposit can be encashed only after the completion of specific term as mutually agreed. However, in case of premature encashment, depositors will receive at less than 3% of the rate applicable for the period completed.

➤ FIRST LEASE Monthly Profit Term Deposit

Under this scheme, the depositors will receive income in every month against his/her deposit. Thus the monthly income distributed will help the depositors to maintain monthly profit flow while keeping the original deposit amount intact. The minimum deposit amounts Tk. 50,000 whereas the deposit term is 1/5 years carrying an interest at 14.05%, 14.25%, 14.50%, 14.75% & 15.00% per annum.

Term [year(s)]	Applicable Rate*
1	14.00%
2	14.25%
3	14.50%
4	14.75%
5	15.00%

➤ FIRST LEASE Quarterly Profit Term Deposit

Under this Scheme, the depositors will receive profit every quarter against his/her deposit. Thus, the quarterly profit distribution will help the depositor to maintain a regular income flow while keeping the original amount intact. The minimum deposit amount is Tk. 50,000, whereas the deposit term is 1/5 years, carrying an interest at 14.25%, 14.50%, 14.75%, 15.00% & 15.25% per annum.

Term [year(s)]	Applicable Rate*
1	14.25%
2	14.50%
3	14.75%
4	15.00%
5	15.25%

🚩 FIRST LEASE Cumulative Term Deposit

Under the Scheme, the deposited amount will mature to a lump sum amount on Completion of the deposit terms. Thus, the profit on the deposit will be accumulated and hereby, will help the depositors to meet her/his sensational future requirement. The Minimum deposit amount is Tk. 10,000 and the deposit term may be for ½, 1, 2, 3, 4 or 5 year(s)

Term [year(s)]	Applicable Rate*
½	15.00%
1	15.50%
2	15.50%
3	15.75%
4	15.75%
5	15.75%

🚩 FIRST LEASE Double Term Deposit

Under this Scheme, the deposited amount will be doubled on completion of the deposit terms, i.e. 66 months. Thus Terms Deposit Scheme will help the depositor to meet his/her substantial future requirement. The minimum deposit amount is Tk. 10,000 and the deposit term is 66 months.

Amount	Term (months)	Total Receivable on Maturity *
10,000	66	20,000

🚩 FIRST LEASE Triple Term Deposit

Under this Scheme, the deposited amount will be tripled on completion of the deposit terms, i.e. 102 months. Thus Terms Deposit Scheme will help the depositor to meet his/her substantial future requirement. The minimum deposit amount is Tk. 10,000 and the deposit term is 102 months.

Amount	Term (months)	Total Receivable on Maturity *
10,000	102	30,000

* Taxes will be deducted from the profit earned on Deposit as per Gov. Rule on payment thereof.

ASPECTS OF FIRST LEASE DEPOSIT SCHEMES:

Eligibility:

Any Bangladeshi adult citizen, Proprietorship or Partnership concern, Limited Company, Club, Society, Trustee, NGO, Educational Institution and Non Resident Bangladeshi can keep their deposit.

Application:

Application forms are available in all offices of First Lease. Applicant can submit the Application Form to any of our offices.

Nomination Facility:

A depositor can nominate one or more individuals as his/her nominee who can withdraw the deposit amount with profit in case of death or at the instruction of the depositor.

Account Operation:

Applicant can apply single or jointly. In case of joint account there is option to have the account operated by either or survivor, or anymore to survivor(s) facility anyone of the joint depositors to operate the account singly.

Mode of Deposit:

Depositor can deposit either by way of A/C payee cheque or Pay Order or Demand Draft of any Schedule bank or account deposit in favor of First Lease Finance & Investment Limited.

Deposit Receipt:

For each scheme, a Deposit Receipt will be issued in favor of the depositor(s). Depositor should keep it safely as he/she has to discharge the Receipt at the time of encashment.

Rate:

Applicable profit rates are specified in the Schemes. Profit rates are subject to change at any time without notice. Profit rate prevailing on the day of deposit will be applicable for profit calculation.

Maturity And Renewal:

The maturity will be dependent on the day of deposit. At maturity, the deposit will be renewed with profit unless notice is given to the contrary of First Lease Finance & Investment Limited.

Loan Against Deposit:

A depositor can avail loan(s) up to 90% of the deposit amount. The interest rate for the loan will be 2% higher than the rate applicable for the period completed.

Taxes And Levies:

Taxes and levies will be deducted from the profit earned on a deposit as per Government rules before payment thereof.

Transferability:

Deposits are not transferable.

Account Number:

Each deposit will be given an account number. The account number should be quoted on all correspondences by the depositor.

Encashment of Deposit:

On maturity or at least after one year of the deposit, unless instructed otherwise and accepted by First Lease, repayment will be made by crossed cheque favouring the first named depositor upon receipt of duly discharged Deposit Receipt. If maturity falls on holiday, repayment shall be made on the next working day.

Renewal of Deposit:

Unless any written request for renewal is received at least three days before the date of maturity, the deposit will be automatically renewed for the same period and scheme, at the prevailing rate of return.

Premature Withdrawal:

For all products, premature withdrawal will be allowed only after one year. In case of premature withdrawal, at the discretion of First Lease return on deposit will be calculated at 3% less than the prevailing rate applicable for the period for which the deposit has been maintained.

First Lease Finance & Investment Ltd. is authorized by Bangladesh Bank to accept deposit.

Deposit with First Lease is not transferable. FLFIL reserves the right to change, amend, add or delete the terms and conditions without any notice.

As the rate of return is subject to change from time to time, depositor can contact First Lease to know the prevailing rate of return before placing his/her deposit.

MONTHLY SAVINGS SCHEME (MSS)

Objectives:

It is very much important to take part by the people of the country for more global Economical development of Bangladesh. To proper success of this economical activities everyone should be attend, Specially lower income people. In this respect First Lease Finance and Investment Ltd. try to introduce special products for our people. In this regard we desired to start monthly saving scheme.

Terms and conditions for operating of MSS account

Eligibility

- Any Bangladeshi national can open account.
- In case of minor, legal guardian will operate the account.
- For corporate entity, account will be operated by authorized representative(s).

Nomination

- Depositors can nominate maximum two persons as nominee by mentioning first and second priority. In case of absence of first nominee, second nominee will be entertained subject to presentation of evidence.
- Before maturity of the scheme the account holder can change the nominee by giving written request.
- The nominee will not be allowed to carry on the account in the event of death of the actual account holder.

Timing of deposit

- The deposit must be made within the Banking hours of any working day.
- In case of advance deposit, no profit will be given on the deposited amount before due date.
- If the depositor fails to deposit any installment within the stipulated day, he/she can pay the same along with the next installment. In the case specified charges will be applicable.

Premature encashment

- Premature encashment can be made only after one year from the effective date. In case of premature encashment, at the discretion of First Lease Finance and Investment Ltd, interest will be calculated at 2% less than the prevailing rate applicable for the period for which the deposit has been maintained.

Default situation

- If the depositor fails to deposit 3 consecutive installments, the account will be closed automatically and the depositor will be given interest at 2% less than the prevailing rate applicable for the period for which the deposit has been maintained.
- Late payment charge is Tk. 50.00 for every Tk. 1,000.00

Tax and levy

- Income from the deposit is subject to deduction of tax as per Income Tax Ordinance and any amendment thereof.
- Profit rates may be changed from time to time.

Loan against MSS

- Loan can be availed of maximum upto 90% of deposited amount.

Monthly Deposit (Tk.)	Matured Amount (Tk.)			
	3 years	5 years	8 years	10 years
1,000	43,788	83,402	164,546	237,952
2,000	87,576	166,804	329,092	475,904
3,000	131,364	250,206	493,638	713,856
5,000	218,940	417,010	822,730	1,189,760
10,000	437,880	834,020	1,645,460	2,379,520

Assets & Businesses

Financed by First Lease Finance & Investment Limited



Lease Finance Facility to
"Western Marine Shipyard Ltd."



Lease Finance Facility to
"IFAD Autos Limited"



Sale & Lease Back Finance Facility to
"Anwar Khan Modern Hospital Ltd."



Working Capital Finance Facility to
"Anwara Mannan Textile Mills Ltd."



Working Capital Finance Facility to
"Sanwara Drinks & Beverage Industries Ltd"



Women Entrepreneur Finance (SME)



ANNUAL REPORT

2012

| CORPORATE GOVERNANCE |

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

First Lease Finance & Investment Limited is committed to establish high standard of Corporate Governance. First Lease is in compliance with the requirements of Bangladesh Accounting Standard as far as the disclosure in the financial statement is concerned. The roles of each member of the Board along with responsible officer in the Management have duly been played. Different Committees describes how the principles of Corporate Governance are applied in First Lease Finance and Investment Limited. The statements given below shall also give a picture on the practice of Corporate Governance in First Lease Finance and Investment Limited.

The Board and its Directors

The Board of Directors is in full control of the company's affairs and is also fully accountable to the shareholders. They firmly believe that the success of the company largely depends upon the credible Corporate Governance practice adopted by the company. The Board, consists of, 12 Members including 2(two) Independent Director, as per the requirement from regulatory body (SEC), all of whom are independent management. In First Lease, the Chairman of the Board is not the Chairman of any of its Board Committees. Director of the Board have broad range of experience in different fields. The role of the Board is to maximize the long-term performance of the company through the development of a strategy designed to create shareholder's value. The Board reviews strategic issues on a regular basis and exercise control over the performance of the company by approving yearly budgetary targets and monitoring performance against those targets. The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plan annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goal and in the issue relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze and monitor at monthly rests development of implementation of the work-plans. The Board shall have its analytical review incorporated in the annual report as regard the success and failure in achieving the business and other targets as set out in its annual budget/work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. The Board will set the key performance indicator for CEO and other senior executives and will evaluate monthly/quarterly/half yearly/yearly basis.

Board functioning process

The Board meets frequently depending upon the requirement for decision on specific issues. The Board has a schedule of matters reserves for decision including major expenditures, significant investment proposals and policies matters. In certain cases, specific responsibilities are delegated to committees within the defined Terms of References. The Committees are Executive Committee, Audit Committee, Credit Committee, MANCOM, ALCO, MIS, AMLCO and Purchase Committee. The Committees have their definite characteristics and they meet as and when required. The Board has full and timely access to all relevant information enabling them to function effectively and efficiently. In case of Board meetings, this consists of comprehensive set of papers including regular business progress reports and discussion documents regarding specific matters. Senior Management Personnel are being invited regularly to attend in the Board Meeting to present matters on the business under transaction by the Board.

Any Director appointment during a year is required under Companies Rules and Regulation Acts. A finder Company's Articles of Association, to retire and seek Re-appointment by the shareholders at the next Annual General Meeting. The Articles also required that at least one third of the Directors must retire and seek re appointment in every Annual General Meeting.

Separate role of the Chairman and Chief Executive Officer

In First Lease, the role of the Chairman and the CEO is separate and independent from each other. The CEO is responsible for the Executive Management of the company's business. The Chairman, who has no Executive Management responsibility, elected by the Board members, runs the Board and presides the Board meeting. Chairman gives approval to the agenda of the Board meeting. Chairman protects the interest of the company and its shareholder. Chairman looks after performance of CEO and the management of the company. CEO and the management are fully responsible for the company's overall performance and they are accountable to the Chairman and the Board of Directors.

Given below is the status Report required to be presented by the company in pursuance to notification No. SEC/CMRRCO/206-158/Admin/02-08 February.

A. Attendance of Directors in the Board Meetings

Name of Directors	Meeting held	Attendance	Total Fee Paid (Net)	Attendance %
Mr. Faruk Ahmed	19	19	80,750	100%
Mr. Ashrafuddin Ahmed	19	19	80,750	100%
Mr. Faisal Ahmed	19	19	80,750	100%
Mrs. Rajia Khanam	19	19	80,750	100%
Mr. Mujibur Rahman Chowdhury	19	19	80,750	100%
Engr. Abul Ahsan	19	19	80,750	100%
Mr. Rafayel Bin Mahamud Bhuiyan (Date of Joining : 15-09-12)	19	6	25,500	100%
Mr. Mostafa Haider Khan	19	19	80,750	100%
Mr. Mustafijur Rahman	19	19	80,750	100%
Ms. Sadia Akter	19	19	80,750	100%
Mr. Theotonius Biplob Roy	19	19	80,750	100%

B. Composition of Board of Directors

The Company's Board consists of 12 (twelve) Directors including 2 (two) Independent Directors, 4 (four) Members are from Sponsor Group, 4 (four) Members are from General Public Shareholders Group, 2 (two) Members are from Institutions.

EXECUTIVE COMMITTEE

The Executive Committee constituted by the Board, the Committee, consists of 5 members all from Directors Group. Mr. Ashrafuddin Ahmed, Vice Chairman of the Board, is the Chairman of the Committee. The matter related for formulating any policies, guidelines, directives for the company and implied the same on the Management. The Executive Committee also formulates Fund Management Policy including policies for minimization of the cost of fund in effective and efficient manner. All the recommendations from the Management including loan/lease proposals have been forwarded to the Board through the Executive Committee. The matter related to ordinary business operations of the company and the matter that the Board of Directors authorize from time to time are vested in this Committee in accordance with General and Operational Policies established and made by the Board of Directors. This Committee assists FLFIL in taking quick decisions and disposal of Loan/Lease proposals ranging from Tk. 50,00,000.00 to Tk. 1,00,00,000.00.

The Top Management including Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Company Secretary can attend the meeting on call basis, if necessary. The Executive Committee meeting held with the coordination of the Board of Directors and Management. The CEO of the Company represents by the Management. Apart from the Loan/Lease proposals, different management related issues have been discussed in the meeting.

AUDIT COMMITTEE

The Audit Committee constituted by the Board, consists of 5 members belonging to Board of Directors. Mr. Faisal Ahmed, Vice Chairman of the Board, is the Chairman of the Committee. The Independent Director is also the member of the Committee and it is one of the compliances of the Regulatory Authorities. As per the requirement of the Regulatory Authorities, minimum 5 meetings would be held in a year. Different types of Audited and Unaudited accounts have been placed in the Committee for approval of the Board. Different types of compliance report of the Regulatory Authority, Internal Auditor's Report, Audited and Unaudited Financial Statement, etc have been placed in the meeting for their directives and decisions. The Audit Committee follows various guidelines, procedures, policies and directives issued by Bangladesh Bank and would act as watcher on the performance of the functionaries of the company. Recently the Committee desire to implement BASEL-II Accounting System for the Company.

The Committee formulates accounting system procedure and policies for the company in the light of Standard Accounting Systems of the country.

CREDIT COMMITTEE (CC)

The Committee constituted by the Board. The Committee, consisting of, 7 members belongs to the Management. The Chief Executive Officer is the Chairman of the Committee. The issue related activities of the management and ordinary business operation of the company and the matter relates with the loan and lease facilities are being sanctioned in the Committee. The loan proposals beyond the Committee limit are being recommended for Executive Committee and Board. Normally once in a week the Committee's meeting is being held. The Committee assists the Company disposal loan facility proposal up to Tk. 50, 00,000.00.

MANAGEMENT COMMITTEE (MANCOM)

The MANCOM is appointed and constituted by the Board as per the guideline of Bangladesh Bank. At present it is containing of six members. All the members of MANCOM are of top management of the company; they are CEO, CFO, COO and Head of all departments. The CEO is the chairman of the committee. The members of the MANCOM contribute a leading role to the growth of the company by fixing up the yearly target considering interest rate on the light of cost of fund and help to increase the company's portfolio to achieving desired goal. The MANCOM may be called the bridge between the branch management, top Management and the goal point of the company. MANCOM also fixes up the deposit target for making the investment process smooth. MANCOM has a responsibility to extort monthly report from related department on due time for confirming accountability of respective personnel of the company and assures the smooth operation. MANCOM also approves and works on the company policy matter for the sake of company's benefit and also any conflict/changes of the regulatory bodies. Once in a month MANCOM also evaluates the employee's business target and the achievement and also finds out the short fall. Then the MANCOM discusses and takes necessary step and gives proper tips/suggestions to recover the shortfall with in the period and submit the same to the Board. With the help of MANCOM the company secretary solves the shareholders complains within the shortage possible time to avoid the hassle of the honorable shareholders. MANCOM discusses about the monthly internal audit and compliance report and takes step to meet the compliance and submit the same to the EC/Board. MANCOM also advices to the related department to arrange proper training of employees like software, company policy, money laundering policy etc. by the company resources or by hiring the expertise from outside. The Committee determines Credit rating of the company by its own once in a quarter and arranges to be done by the third party once in a year. Whenever any asset to be sold, the MANCOM has discusses about and valuates the said asset and provides necessary directives and guidelines to HR for disposing asset and place the same to the EC/Board for approval. At a glance the MANCOM is responsible for developing organizational and business strategy and sponsoring innovation and development of the best practices across the company.

PURCHASE COMMITTEE

The Purchase Committee is constituted by the Board. The Chairman of the Purchase Committee is the CEO of the company. The Committee consists of 5 members all belong to the Management Group. Day to day procurement and purchase related issues have been discussed in the committee. The establishment department initiates the indent by taking approval from the departmental chiefs and places the indent to the Purchase Committee along with three quotations. The committee determines the supplier and advice to issue a work order in favor of the supplier along with terms and conditions. The limit of the Purchase Committee is Tk. 3, 00,000.00. Beyond the limit of the purchase committee only Board members can take the decisions.

It is needed to be mention here that the external and internal auditor always cross checks the process of the procurement.

ASSET LIABILITY COMMITTEE (ALCO)

Asset Liability Committee (ALCO) has been formulated as per the guideline of Bangladesh Bank. The Committee consists of 6 members and the CEO is the Chairman of the Committee. Normally ALCO monitor the activities of asset and liability coordination. The meeting of the ALCO held on quarterly basis. The Committee is guided by the MANCOM.

MANAGEMENT INFORMATION SYSTEM (MIS)

The Management Information System (MIS) constituted by the Board. The Committee consists of 5 members and CEO is the Chairman of the Committee. MIS is the heart of the Company. Various types of reports in the prescribed format have been generated from MIS Department. Recently the company implemented State-Of-Art SYSTEM. The MIS Department preserves the relevant data **CENTRALLY**.

INTERNAL CONTROL AND COMPLIANCE (ICC):

Internal control and compliance division's has been constituted by the Board as per guideline of Bangladesh Bank. It contains of three members. One of them is the Head of ICC and another two are responsible for audit, inspection and compliance. These two are the separate two wings under the Head of ICC. All the members of the department are directly reports to the Audit Committee which is their contact point. They also deal with the external and regulatory Audit and Inspection teams. Internal Control and Compliance are the tools those help management be effective and efficient while resolving serious problems such as overspending, operational failure, and violation of laws, manuals and policies. In other word Internal Control and Compliance are the structure, policies and procedures those put in place to provide reasonable assurance to the management to meets its objectives and fulfils its responsibilities. Through Internal Control System, FFLFIL identifies its weakness and presume appropriate measures to overcome the same.

The main objectives of ICC are as follows:

- Efficiency and effectiveness of activities (performance objective).
- Reliability, completeness and timelines of financial and management information (information objectives).
- Compliance with applicable laws, policies and regulations (compliance objectives).
- Accountability to the Board.

ANTI MONEY LAUNDERING COMMITTEE (AMLCO)

Money Laundering Risk:

Money Laundering Risk is one of the 6 (six) core risk elements in banking & NBFi business. Money Laundering Risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. In order to manage the risk of money laundering the NBFi has set up an effective Anti-Money Laundering program in line with Anti Money Laundering Act and Bangladesh Bank guidance which has been updated through inclusion of Anti-Terrorist Act. The NBFi has developed manuals for prevention of money laundering and introduced Know Your Customer (KYC) program and Transaction Profile (TP) including uniform A/C opening form at branch level for meticulous compliance. The NBFi recognize this risk as a separate classification emphasizing due importance for being compliant on it by way of making conversant of all Executive/Officers through issuing circulars and providing necessary training to them. This risk covers on the loss that the NBFi may face in the event of devolution of any transactions within the ambit of money laundering while the panel risk is covered under legal risk.

Designation of Anti-Money Laundering Compliance Officers (AMLCO):

The NBFi has designed a Chief Anti-Money Laundering Compliance Officer (CAMLCO) at its Head Office who empowered with sufficient authority to implement and enforce corporate wide anti-money laundering policies, procedures and measures and who reports directly to Senior Management and terrorist financing and importantly, provides added assurance that the officers have sufficient clout to investigate potentially suspicious activities.

Chief Executive Officer (CEO):

The CEO of the Company is appointed by the Board of Directors with the permission of Bangladesh Bank. CEO attends in the Board Meeting by invitation of the Board and represents the Management in the Board meeting. Management is responsible for day to day work and overall activities of the company. Being a head of Management CEO is fully responsible for overall performance of the company. CEO Places the agenda on behalf of the Management to the Board through Company Secretary. He recommends for implementation of policy guide line for the company, rescheduling, re-structuring, waiving interest, recruitment of employees from SAVP level and above to the Board. He also initiates the legal action for the defaults clients, places ACR Reports of the Departmental Chief to the Board. He is the Head of Management and the Chairman of MANCOM, Credit Committee, Purchase Committee, ALCO and MIS of the company. CEO is responsible for authorizing and providing access privilege of the software to the users for any kind of changes, amendment, if required and also to the related department. Preparation of Yearly budget, allocation of business target to the department and branches, reviewing the business performance of the department and branches on monthly basis and achieving the own individual and the total business target of the company are also the prior responsibility of the CEO. He is also the top selecting/selection authority and the member of recruitment panel up to the rank of SAVP.

Chief Financial Officer (CFO):

Chief Financial Officer (CFO) is one of the Top Officials in the Company and attends the Board Meeting by invitation of the Board on regular basis and places the various financial reports for the information and knowledge of the Board. He is responsible for monitoring the performance and activities of Accounts, Finance, Treasury and IT departments and their departmental heads for ensuring the completion of their

daily and regular job on daily basis. He is also responsible to monitor the Fund Management system of the Company and look after the tax matter of the company. Like other Top Officials, CFO is responsible for authorizing and providing access privilege to the users for any kind of changes, amendment, if required to the related department. Preparation of Yearly budget, allocation of business target to the departments and branches, reviewing the business performance of the departments and branches on monthly basis and achieving own individual business target are also the prior responsibility of the CFO. He is an active member in MANCOM, Credit Committee, Purchase Committee, ALCO and MIS. CFO is also the active member of the interview Board and selection committee up to the rank of SAVP.

Chief Operating Officer (COO):

Chief Operating Officer (COO) is one of the Top Officials in the Company and attends the Board Meeting on invitation on regular basis and places the various credit related reports for the information and knowledge of the Board. COO is responsible to monitor the performance and activities of Credit, Monitoring, Recovery, Renewal and Legal departments and their departmental heads. He is responsible to monitor the Branch Managements performance and activities and also responsible to monitor Credit, Monitoring, Recovery, Renewal and Legal departments ability to completing their daily job on daily basis. Like other Top Officials, COO is responsible for authorizing and providing access privilege to the users for any kind of changes, amendment, if required to the related department. Preparation of Yearly budget, allocation of business target to the departments and branches, reviewing the business performance of the departments and branches on monthly basis and achieving own individual business target are also the prior responsibility of the COO. He is an active member in MANCOM, Credit Committee, Purchase Committee, ALCO and MIS. COO is also the active member of the interview Board and selection committee up to the rank of SAVP.

Company Secretary (CS):

The Company Secretary is appointed by the Board of Directors. Company Secretary acts as the Bridge between the Board and Management. He/she arranges the Board Meeting and Executive Committee meeting as well as responsible for collecting issues/ agendas from MANCOM, Credit Committee, HR and any other issues those required to be approved by EC and Board. He/she is solely responsible for timely preparation of EC/Board meeting minutes and sends those to Bangladesh Bank on time. Arranging EGM/AGM is his/her one of prime responsibilities. As the Company Secretary of the Public Limited Company, he/she is the signing authority of Share Department. Company Secretary is the authority to responses queries from Bangladesh Bank, other regulatory authorities.

Internal Auditor:

As per guideline of Bangladesh Bank the Board of Directors establishes an Audit Wing under the Department of ICC, who provide proper support to the Board Audit Committee. The main responsibilities of the Internal Auditors are to examine the authenticity and verification of all financial transactions. They also deal with the external and regulatory audit and inspection teams. The main job of Internal Auditor's is given below-

- ✓ Review and Report on performance against Business Target.
- ✓ Review and Report on Yearly Budget.
- ✓ Review and report on not implemented decision of CC / MANCOM / Purchases / EC / Board on time or not.

- ✓ The examination of Financial and operating information.
- ✓ To Verify and report about monthly Loan/lease and other investments of the Branch/Head office.
- ✓ Verify and report about monthly TDR received/Renew/Encased from the clients.
- ✓ Verify and report about the monthly TDR/FDR investment made to banks and financial institution by First Lease Finance & investment Ltd.
- ✓ Verify and report about the monthly loan availed from bank and financial institution.
- ✓ Verify and report about the monthly loan repayment to Bank and Financial Institution.
- ✓ Verify and report about the close file (loan/lease) of the clients.
- ✓ Verify and report about reschedule/Restructure of loan/lease file of the clients.
- ✓ Verify and report about the monthly SLR and CLR status of the company.
- ✓ Verify and report about the owners copy of vehicle collected on time or not from the clients by branch authority.
- ✓ Report on Monthly recovery/collection against loan/Lease and other files as per overdue status of clients.
- ✓ Verify and report about company's Policy/office order / code of conduct/disciplinary measures taken against company's employee and others.
- ✓ Verify and report about all regulatory authorities letter especially the default letter from regulatory authority (BB, SEC, Dhaka stock and Chittagong Stock).
- ✓ Verify and report about all department activities.
- ✓ Ensure the data backup is properly kept and security level of Software operation.
- ✓ Ensure all the report is run from software.

Relationship with Shareholders

The Company reports to its shareholders and partners twice a year through Half Yearly (Unaudited) Report and detailed Audited Annual Report. The company also circulates Quarterly Accounts (Unaudited) in the 2 newspapers for the information of the shareholders (as per the requirement of the Regulatory Authorities). The Unaudited Accounts also been delivered to the Regulatory Authority for their information and record. Normally once a year in the Annual general meeting (AGM) the company meets with its shareholders. But exceptional would be taken place when the company conducts Extra Ordinary General Meeting (EGM) in order to comply with the formalities of the Regulatory Authorities. Various Price Sensitive Information has to be circulated in the newspaper for the information of the shareholders. Every shareholders of his/her representative has the right to attend the Annual General Meeting; there they can meet and communicate with the Directors and express their views regarding the company's business, its future and other matter of interest.

The Directors also report that:

- ✓ The Financial Statement of the Company presents a true and fair view of Company's state of affairs, result of its operation, cash flow and changes in equity.
- ✓ Proper books of accounts as required by law have been maintained.
- ✓ Appropriate accounting policies have been follows in formulating the Financial Statement and Accounting estimates were reasonable and prudent.
- ✓ The Financial Statements are being prepared in accordance with Bangladesh Finance Reporting Standard (BFRS) as adopted by the Institutional of Chartered Accountant of Bangladesh (ICAB).
- ✓ There are no significant doubts upon the company's ability to continue as a going concern.
- ✓ There is no significant deviation from the operation result of last year

COMPLIANCE REPORT ON SEC'S NOTIFICATION

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/129/Admin/43 dated 03 July, 2012 issued is furnished below:

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1.1	Board's Size: Board members of the company shall not be less than 5 (five) and more than 20(twenty)	✓		
1.2(i)	Independent Directors: At least one fifth (1/5)	✓		
1.2(ii)(a)	Independent Director's does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.2(ii)(b)	who is not connected with the company's any sponsor or director or shareholder who holds one percent(1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company: Provide that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
1.2(ii)(c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	✓		
1.2(ii)(d)	who is not a member, director or officer of any stock exchange;	✓		
1.2(ii)(e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2(ii)(f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of any statutory audit firm;	✓		
1.2(ii)(g)	who shall not be an independent director in more than 3(three) listed companies;	✓		
1.2(ii)(h)	who has been not convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution(NBFI);	✓		
1.2(ii)(i)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2(iii)	He/she shall be nominated by the Board of Directors and approved by the shareholders in the AGM	✓		
1.2(iv)	the post of Independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		
1.2(v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		

1.2(vi)	the tenure of office of an independent director shall be for a period of 3(three) yrs, which may be extended for 1 (one) term only.	✓		
1.3. (i)	Qualification of Independent Director (ID): Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3.(ii)	should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & management Accountants, Chartered Secretaries. He/she must have at least 12(twelve) years of corporate management/professional experiences.	✓		
1.3.(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	✓		
1.4	Chairman of the Board and Chief Executive Officer Individual Chairman of the Board and Chief Executive and clearly defined roles and responsibilities	✓		
1.5 (i)	Directors report to shareholders to include declarations on: Industry outlook and possible future developments in the industry	✓		
1.5(ii)	Segment-wise or product-wise performance.	✓		
1.5(iii)	Risks and concerns	✓		
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.			No such instance
1.5(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			No such instance
1.5(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			No such instance
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.	✓		
1.5(x)	Remuneration to directors including independent directors.	✓		
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.	✓		
1.5(xii)	Maintenance of Proper books of Accounts	✓		
1.5(xiii)	Adoption of appropriate Accounting policies and estimates	✓		

1.5(xiv)	Compliance with International Accounting Standard (IAS)/ Bangladesh Accounting Standards(BAS),International Financial Reporting Standards (BFRS)	✓		
1.5(xv)	Soundness of Internal Control System	✓		
1.5(xvi)	Ability of the Company to continue as Going Concern	✓		
1.5(xvii)	Significant deviation in operating results from last year			No such instance
1.5(xviii)	Presentation of key operating and financial data for at least 5 (five) years	✓		
1.5(xix)	Declaration of dividend	✓		
1.5(xx)	Details of Board Meeting and attendance by Directors	✓		
1.5(xxi)(a)	Shareholding pattern(along with name wise details where stated below) Parent/subsidiary/Associated companies and other related parties	✓		
1.5(xxi)(b)	Directors, CEO, CS, CFO, Head of Internal Audit	✓		
1.5(xxi)(c)	Executives	✓		
1.5(xxi)(d)	Shareholders holding 10% or more voting interest in the company	✓		
1.5(xxii) (a)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders: a brief resume of the director;	✓		
1.5(xxii) (b)	nature of his/her expertise in specific functional areas;	✓		
1.5(xxii) (c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining of their respective role, responsibilities and duties	✓		
2.2	Attendance of CFO and Company Secretary at Board of Directors meeting	✓		
3(i)	Audit Committee The company shall have an Audit Committee as a sub-committee of the Board of Directors	✓		
3(ii)	The committee shall assist the Board in ensuring about the truth reflection of financial statements and a good monitoring system within the business.	✓		
3(iii)	The Committee shall be responsible to the Board and the duties shall be clear set forth in writing.	✓		
3.1.(i)	Constitution of the Audit Committee The committee should be composed of at least 3 (three) members.	✓		
3.1.(ii)	Constitution of Committee with Board members including at least one Independent Director	✓		

3.1.(iii)	Members of the Audit Committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience.	✓		
3.1.(iv)	Filling of Casual Vacancy in the Audit Committee	✓		
3.1.(v)	Company Secretary shall act as the Secretary of the Committee.	✓		
3.1.(vi)	The quorum of the Committee shall not constitute without at least 1(one) independent director.	✓		
3.2(i)	Selection of the Chairman of the Audit Committee	✓		
3.2(ii)	Chairman of the Audit Committee shall remain present in the AGM	✓		
3.3(i)	Role of Audit Committee Oversee the financial reporting process	✓		
3.3(ii)	Monitor choice of accounting policies and principles	✓		
3.3(iii)	Monitor Internal Control Risk management process	✓		
3.3(iv)	Oversee hiring and performance of external auditors	✓		
3.3(v)	Review along with management, the annual financial statements before submission to the Board for approval.	✓		
3.3(vi)	Review along with management, the quarterly and half yearly financial statements before submission to the Board for approval.	✓		
3.3(vii)	Review the adequacy of internal audit function.	✓		
3.3(viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3(ix)	Review Management letters/Letter of internal Control weakness by statutory auditors.	✓		
3.3(x)	The company shall disclose to the Audit committee about uses/applications of funds by major category, on a quarterly basis. On an annual basis, the company shall prepare a statement of funds.	✓		
3.4.1(i)	Reporting on the activities of the Audit Committee to the Board	✓		
3.4.1(ii)(a)	Reporting on Conflict of Interest to the Board of Directors	✓		
3.4.1(ii)(b)	Reporting of any fraud or irregularity or material defect in the internal control system to the Board of Directors	✓		
3.4.1(ii)(c)	Reporting of non-compliance of laws to the Board of Directors	✓		
3.4.1(ii)(d)	Reporting of any other matter to the Board of Directors	✓		
3.4.2	Reporting to the Authorities	✓		
3.5	Reporting of activities to the Shareholders and general investors	✓		

4 (i)	External/ Statutory Auditors not to be engaged: In appraisal or valuation	✓		
4(ii)	In designing Financial Information System	✓		
4(iii)	In Book-Keeping	✓		
4(iv)	In Broker-Dealer services	✓		
4(v)	In Actuarial service	✓		
4(vi)	Internal Audit	✓		
4(vii)	In any other service	✓		
4(viii)	No partner or employees of the external audit shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
5 (i)	Subsidiary Company 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.			No subsidiary Co.of FLFIL
5(ii)	At least 1(one) independent director shall be a director on the Board of the subsidiary company.			No subsidiary Co.of FLFIL
5(iii)	Review of the minutes of the Board meeting of the subsidiary company shall be place at the following Board meeting of the holding company.			No subsidiary Co.of FLFIL
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.			No subsidiary Co.of FLFIL
5(v)	The financial statements, in particular the investment made by the subsidiary company shall also reviewed by the Audit Committee of the holding company.			No subsidiary Co.of FLFIL
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) They shall certify to the Board that:			
6 (i)	Both are reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
6(i)(a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;			
6(i)(b)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
	Reporting and Compliance of Corporate Governance:	✓		

7(i)	Reporting and Compliance of Corporate Governance:	✓		
	The company shall obtain a certificate from a Professional/Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send to the shareholders along with the Annual report on yearly basis.			
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.	✓		

- ✓ Key operational and financial data of last three years along with the current year have been presented in summarized for as below:

PERFORMANCE IN THE LAST FIVE YEARS

Particular	2012	2011	2010	2009	2008
Operational Income	673.74	377.27	314.47	245.690	250.04
Operational Expense	472.05	249.91	141.29	100.484	104.542
Profit before Tax & Provision	201.69	127.36	173.18	145.206	145.500
Profit after Tax & Provision	176.74	82.30	138.68	104.181	111.616
Shareholder's Equity	1,051.31	874.57	792.27	653.594	570.322
Total Assets	4,928.90	3,278.06	2,220.98	1,648.741	1,405.830
Total Borrowing	3,399.42	1,971.37	1,060.80	645.826	558.579

About Credit Rating:

A credit rating evaluates the credit worthiness of business institutions. It is an evaluation made by a credit rating agency of the debtor's ability to pay back the debt and the likelihood of default. The credit rating represents the credit rating agency's evaluation of qualitative and quantitative information for a company or government; including non-public information obtained by the credit rating agencies analysts. Credit ratings are not based on mathematical formulas. Instead, credit rating agencies use their judgment and experience in determining what public and private information should be considered in giving a rating to a particular company.

First Lease Finance & Investment Ltd has been taking the Credit Rating from renowned Credit Rating Agencies of Bangladesh every year with prior consent and approval of the company's Board of Directors. The Board of Directors believes that Credit Rating can bring transparency; confirm the compliance of rules and regulations of both the Company and Regulatory Authorities; protect the Company and can open the door for achieving excellence.

Statement of compliance on the Good Governance guideline issued by the Bangladesh Bank

By the DFIM Circular No. 7 dated 25 September 2007, Bangladesh Bank issued a guideline on Good Governance applicable for the financial institutions. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines and implemented the same.

Status Report on compliance with those guidelines is given below:

Sl. No.	Particulars	Compliance Status
1.	Responsibilities and authorities of the Board of Directors:	
	(a) Work-planning and strategic management:	
	(i) The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goal and in the issue relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests development of implementation of the work-plans.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual Report as regard the success/failure in achieving the business and other targets as set out its annual work-plan and shall apprise the shareholders of its opinions/recommendations on the future plans and strategies.	Complied
	(iii) The Board will set the Key Performance indicator (KPI)s for the CEO and other senior executives and will evaluate half yearly/yearly basis.	Complied
	(b) Reformation of Executive Committee:	
	Executive Committee has been reformed by exclusion of all members from Management Group in terms of Bangladesh bank Circular and only for rapid settlement of the emergency matters (approval of loan/lease application, rescheduling, etc.) arisen from the regular business activities.	Complied
	(c) Financial Management:	
	(i) Annual budget and statutory financial statement shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to the recovery of overdue loan/lease.	Complied
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board shall delegate the authority on the Chief Executive Officer and among other top executives for approval of expenditure within budget to the maximum extend.	Complied
	(iv) The Board shall adopt the operation of bank accounts. Groups may be formed the management to operate bank accounts under joint	Complied

	signatures.	
	(d) Management of loan/lease/investments:	
	(i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment especially to management preferably on Chief Executive Officer and other top executives.	<i>Complied</i>
	(ii) No Director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	<i>Complied</i>
	(iii) Any syndicated loan/lease/investment proposal must be approved by the Board.	<i>Complied</i>
	(e) Risk Management	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	<i>Complied</i>
	(f) Internal Control and Compliance Management:	
	A regular Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditor, external auditors and Bangladesh bank inspection team.	<i>Complied</i>
	(g) Human Resource Management	
	(i) Board shall approve the policy on Human Resource Management and Service Rule. Chairman and director of the Board shall not interfere on the administrative job in line with the approved Service Rule.	<i>Complied</i>
	(ii) Only the authority for the appointment and promotion of the Chief Executive Officer/ Sr.Executive Vice President/ Executive Vice President/ Sr. Vice President / Vice President and other equivalent position shall lie with the Board in compliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	<i>Complied</i>
	(h) Appointment of CEO	
	The Board shall appoint a component CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his/her salary and allowances.	<i>Complied</i>
	(i) Benefits offer to the Chairman	
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the Company subject to the approval of the Board.	<i>Complied</i>
2.	Responsibilities of the Chairman of the Board of Directors:	
	(a) Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	<i>Complied</i>
	(b) The minutes of the Board meetings shall be signed by the Chairman;	<i>Complied</i>
	(c) Chairman shall sign-off the proposal for appointment of Chief Executive Officer and increment of his salaries & allowances;	<i>Complied</i>

3.	Responsibilities of Chief Executive Officer :	
	(a) Chief Executive Officer shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administrative and financial management;	Complied
	(b) Chief Executive Officer shall ensure compliance of Financial Institution Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities;	Complied
	(c) All recruitment / promotion/ training except recruitment/ promotion/ training of Sr. Executive Vice President shall be vested upon the Chief Executive. He shall act such in accordance with the approved HR Policy of the Company.	Complied
	(d) Chief Executive Officer may be re-schedule job responsibilities of employees;	Complied
	(e) Chief Executive Officer may take disciplinary actions against the employees except Sr. Executive Vice President,	Complied
	(f) Chief Executive Officer shall sign all the letters/statements relating to compliance of policies and guidelines. However, Department/Unit heads may join daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so authorized by CEO.	Complied

HUDA & CO. CHARTERED ACCOUNTANTS

74, Central Road,
Apartment - D-5,
Dhanmondi,
Dhaka-1205

Tel: 8625312
Mobile: 01715030823

Certificate of Compliance to the Shareholders of First Lease Finance & Investment Limited (As required under the BSEC Corporate Governance Guidelines)

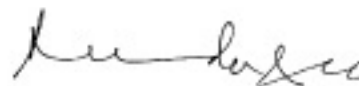
We have examined compliance to the BSEC guidelines on Corporate Governance by First Lease Finance & Investment Limited for the year ended 31st December 2012. These guidelines related to the Notification no. SEC/CMRRCD/2006-158/134Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification only and not an expression of opinion or audit on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

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

Dated: 04 April, 2013
Place: Dhaka


HUDA & CO.
Chartered Accountants



ANNUAL REPORT / 2012

| DIRECTOR'S REPORT |

ANNUAL REPORT / 2012

DIRECTOR'S REPORT TO THE SHAREHOLDERS OF FIRST LEASE FINANCE & INVESTMENT LTD. FOR THE YEAR ENDED DECEMBER 31, 2012

Dear Shareholders,

The Directors have the pleasure to place their 20th Annual Report of your company for the year ended on 31st December 2012.

OPERATIONAL PERFORMANCE:

During the year 2012, FLFIL's Lease/Loan disbursement amount stood at Tk. 1,542.55 million as against of Tk. 1,477.00 million of preceding year 2011 increasing Tk. 71.55 million. Accordingly recovery increased to Tk. 1,000.80 million as against of Tk. 836.04 million of the preceding year 2011. The improvement of recovery seems to be the impact of increasing of disbursement volume; resulting improving NPL rate.

FINANCIAL RESULTS AND PROPOSED APPROPRIATION

Due to unstable money market that prevailed in the year 2012 the Company's however, earned profit in an accepted level; as against last year. The Company's net profit after provision and tax is Tk. 176.67 million.

The comparative position of working results of the company for years 2012 and 2011 are given follow:

Description	Year 2012	Year 2011
Operational Income	673.74	377.31
Operational Expenses	(472.05)	(249.91)
Income from Operation	201.69	127.40
Provision for Lease / loan & other assets (Net)	(23.95)	(9.70)
Current Tax	-	(34.50)
Deferred Tax	(1.00)	(0.90)
Net profit after Tax	176.74	82.30
Profit brought forward	16.40	51.20
Surplus Available for Appropriation	193.14	133.50
The Directors recommended the following Appropriation		
Transferred to Statutory Reserve	35.35	16.46
Proposed Stock Dividend 25%	150.94	100.62
Profit carried forward	6.85	16.42
	193.14	133.50

COMPANY'S CAPITAL:

In the year 2012, the company's Paid-Up Capital stood at Tk. 603.74 million as on 31.12.2012 which need to be raised to Tk. 1000.00 million as per the requirement of Bangladesh Bank. The capital also comprise of Non-distributable reserve standing at Tk. 289.77 million and retained earnings of Tk. 157.79 million respectively total Tk. 1,051.30 million.

DIVIDEND

Considering the profit and the Company's paid-up capital, the Board of Directors has recommended 25% Stock Dividend (1 share for every 4 shares held), for approval of the shareholders in 20th Annual General Meeting for the year ended December 31, 2012.

In order to comply the capital adequacy requirements of Bangladesh Bank the Board has decided to raise the paid up capital by way of offering **Right Shares @1R:3** [e.i. 1 (one) right for every 3 (three) existing

shares held] at per Tk. 10.00 each share, subject to, the approval of BSEC, shareholders and other Regulatory Authorities.

DIRECTORS:

In accordance with Article 117 of the Articles of Association of the company, five Directors are to retire by rotation in the 20th Annual General Meeting. Among them two Directors are from Sponsor Group, namely: 1) Mr. Ashrafuddin Ahmed, 2) Mr. Faisal Ahmed; two Directors are from General Public Shareholder Group, namely: 3) Engg. Abul Ahsan, 4) Mr. Mustafijur Rahman and the Independent Director, Mr. Theotonius Biplob Roy will retire. Being eligible they offer themselves for re-election pursuant to Article 118 of the Articles of Association of the company.

As per SEC's Notification No.SEC /CMRRCD/2006-158/129/Admin/43, dated July 03, 2012 the Board has appointed Mr. Almohit Safat Hossain, as another Independent Director on 11th February, 2013 in its 211st Board Meeting.

In the meantime, Dr. Mahamud Ali Bhuiyan, one of the Directors from the General Public Shareholder Group of the company has resigned on 15th September, 2012 on 203rd Board Meeting from the position of Director and a casual vacancy is being created due to his resignation.

Oparchor Trade International Limited has shown their intention to be an Institutional Director of First Lease Finance and Investment Limited. Accordingly, the Board of First Lease Finance and Investment Limited has inducted Oparchor Trade International Limited as an Institutional Directors and also filled in a casual vacancy by inducting Oparchor Trade International Limited in term of **Clause 85** of the Companies Act, 1994.

Oparchor Trade International Limited has been holding 43, 22,868 no of shares which is 7.1601% of Total Paid up Capital of First Lease Finance and Investment Limited. The Board of Oparchor Trade International Limited has nominated Mr.Rafayel Bin Mahamud Bhuiyan to represent the company in the composition of the Board of First Lease Finance and Investment Limited.

BOARD MEETING

The Board of Directors met 19(nineteen) times during the year under report and reviewed matters relating to operation of the Company and took a number of decisions pertaining to sanctioning of finance (loan/lease), procurement of fund, opening of Bank Accounts and organizational matters.

AUDITORS

M/S. M J Abedin & Co., Chartered Accountants, National Plaza (3rd Floor), 109 Bir Uttam C.R. Datta Road, Dhaka-1215, served as Auditor of FLFIL for the year 2012 on their appointment in the 19th AGM held on May 08, 2012. The auditor, M/S M J Abedin & Co., will retire in the 20th AGM of the company. Being eligible under section 212 of the Companies Act, 1994, they have expressed their willingness for re-appointment for the year, 2013.

The Board of Directors of FLFIL has recommended re-appointment of M/S. M J Abedin & Co., Chartered Accountants, National Plaza (3rd Floor), 109 Bir Uttam C.R. Datta Road, Dhaka-1215, as the company's Auditor for the year 2013, at a fee of Tk. 1,35,000.00 only for the approval in this Annual General Meeting.

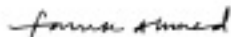
CORPORATE GOVERNANCE

Corporate Governance is the system through which the Company is directed, guided and controlled by the Board, keeping in view its accountability to the shareholders. The Board has complied with the requirements set out by SEC. In this Annual Report a separate write up is incorporated on Corporate Governance.

ACKNOWLEDGEMENT:

The members of the Board of Director of First Lease Finance & Investment Limited like to express gratitude to all honorable shareholders, valued clients for their patronage and financial support received from the Banks namely Sonali Bank Ltd., Janata Bank Ltd., Agrani Bank Ltd., Rupali Bank Ltd., Social Islami Bank Limited, Bank Asia Limited, Mercantile Bank Limited, United Commercial Bank Ltd., Mutual Trust Bank Ltd., Uttara Bank Limited, Trust Bank Ltd., Shahjalal Islami Bank Limited, Basic Bank Limited, Bangladesh Commerce Bank, Prime Bank Limited, Al-Arafah Islami Bank Limited, IFIC Bank Limited, Premier Bank Limited, Southeast Bank Limited, ICB Islamic Bank Limited, National Bank Limited, Bangladesh Development Bank Limited, City Bank Limited, Pubali Bank limited, Jamuna Bank Limited . I also express my thanks and profound appreciation for the immense support and co-operation received from Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and CDBL. I am also pleased to put on record my appreciation for the commitment and dedication extended by the management of the company.

For and on behalf of the Board of Directors



(Faruk Ahmed)
Chairman

সন্মানিত শেয়ারহোল্ডারগণের প্রতি ফার্স্ট লীজ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড ২০১২ সালের পরিচালকবৃন্দের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

পরিচালকবৃন্দের ২০১২ সালের ২০ তম বার্ষিক প্রতিবেদন আপনাদের সামনে পেশ করা হলো।

পরিচালনাগত কর্মদক্ষতা

২০১১ সালে কোম্পানী ঋণ বিতরণ করেছে ৬১৪৭৭.০০ মিলিয়ন এবং ২০১২ সালে ৬১৫৪২.৫৫ মিলিয়ন যা গত বছর হতে ৬৭১.৫৫ মিলিয়ন বেশী। যথারীতি ২০১১ সালে ঋণ আদায় হয়েছিল ৬৮৩৬.০৪ মিলিয়ন এবং ২০১২ সালে ঋণ আদায় হয়েছে ৬১০০০.৮০ মিলিয়ন যা গত বছর থেকে ৬১৬৪.৭৬ মিলিয়ন বেশী। ঋণ বিতরণ এবং ঋণ আদায়ের হার বৃদ্ধির ফলে কোম্পানীর এন.পি.এল. এর পরিমাণ হ্রাস পেয়েছে।

আর্থিক ফলাফল এবং প্রস্ফুভিত উপযোজন

পরিবর্তনশীল বাজার ব্যবস্থার মধ্যেও গত বছরের তুলনায় ২০১২ সালের কোম্পানির মুনাফা একটি সশ্লেষজনক পর্যায়ে পৌছেছে। কর কর্তনের পর কোম্পানীর নীট মুনাফা হলো ৬১৭৬.৬৭ মিলিয়ন। ২০১২ এবং ২০১১ সালের কোম্পানীর কাজের আপেক্ষিক অবস্থান নিম্নে দেয়া হলোঃ

বর্ণনা	সাল ২০১২	সাল ২০১১
পরিচালনাগত আয়	৬৭৩.৭৪	৩৭৭.৩১
পরিচালনাগত ব্যয়	(৪৭২.০৫)	(২৪৯.৯১)
পরিচালনাগত মুনাফা	২০১.৬৯	১২৭.৪০
ঋণের জন্য সঞ্চিতি	(২৩.৯৫)	(৯.৭০)
আয়করের জন্য সঞ্চিতি	-	(৩৪.৫০)
বিলম্বিত কর	১.০০	০.৯০
আয়কর জনিত সঞ্চিত উত্তর মুনাফা	১৭৬.৭৪	৮২.৩০
পূর্ববর্তী বছর হতে আনিত মুনাফা	১৬.৪০	৫১.২০
বিভাজনের জন্য মুনাফার পরিমাণ	১৯৩.১৪	১৩৩.৫০
	১৬.৪৬	২৭.৭৩
পরিচালনা পর্ষদ কর্তৃক বিভাজনের সুপারিশ		
বিবিধ সঞ্চিতে স্থানান্তর	৩৫.৩৫	১৬.৪৬
সুপারিশকৃত স্টক ডিভিডেন্ট ২.৫%	১৫০.৯৪	১০০.৬২
মুনাফা পরবর্তী বছরে স্থানান্তর	৬.৮৫	১৬.৪২
	১৯৩.১৪	১৩৩.৫০

কোম্পানীর মূলধন

৩১শে ডিসেম্বর ২০১১ তে, কোম্পানির পরিশোধিত মূলধন দাঁড়িয়েছে ৮৬০৩.৭৪ মিলিয়ন যা বাংলাদেশ ব্যাংক এর নির্দেশ অনুযায়ী ৮১০০০.০০ মিলিয়ন এ উত্তীর্ণ করতে হবে। বর্তমানে কোম্পানীর মোট মূলধন এর পরিমাণ দাঁড়িয়েছে অবিতরণযোগ্য সংরক্ষিত তহবিল ৮২৮৯.৭৭ মিলিয়ন এবং বন্টনযোগ্য মুনাফা ৩১৫৭.৭৯ মিলিয়ন সহ মোট ৮৬,০৫১.৩০ মিলিয়ন।

লভ্যাংশ

২০তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদ কোম্পানীর মুনাফা এবং পরিশোধিত মূলধনের উপর ভিত্তি করে ২৫ শতাংশ স্টক ডিভিডেন্ড (প্রতি ৪টি শেয়ারের বিপরীতে ১টি শেয়ার) শেয়ারহোল্ডারদের প্রদানের জন্য সুপারিশ করেছে। বাংলাদেশ ব্যাংকের চাহিদা পরিপালনকল্পে কোম্পানীর পরিশোধিত মূলধন ৮১০০০.০০ মিলিয়ন এ উত্তীর্ণ করার লক্ষে পরিচালনা পর্ষদ রাইট শেয়ার (প্রতি ৩টি শেয়ারের বিপরীতে ১টি রাইট শেয়ার) প্রদানের ঘোষণা করেছে যা বিএসইসি, শেয়ারহোল্ডার ও নিয়ন্ত্রণকারী অন্যান্য প্রতিষ্ঠানের অনুমোদন সাপেক্ষে বাস্তবায়ন করা হবে।

পরিচালকবৃন্দ

কোম্পানীর Articles of Association এর অনুচ্ছেদ ১১৭ অনুযায়ী ৫ জন পরিচালক ২০ তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেন। এর মধ্যে স্পন্সর গ্রুপ এর দুইজন স্পন্সর পরিচালক (১) জনাব আশরাফউদ্দিন আহমেদ, (২) জনাব ফয়সাল আহমেদ; সাধারণ পাবলিক শেয়ার হোল্ডার গ্রুপ থেকে দুইজন পরিচালক (৩) জনাব আবুল আহসান, (৪) জনাব মুস্তাফিজুর রহমান এবং নিরপেক্ষ পরিচালক (৫) জনাব খিওটনিয়াস বিপ্লব রায় নিয়মানুযায়ী অবসর গ্রহণ করেন। ২০ তম বার্ষিক সাধারণ সভায় অনুচ্ছেদ ১১৮ অনুযায়ী তারা নিজেদের পুনর্নির্বাচিত করার প্রস্তাব রাখেন।

এসইসি-র স্মারক নং- এসইসি/ সিএমআরআরসিডি/২০০৬-১৫৮/১২৯/এডমিন/৪৩, তারিখ জুলাই ০৩, ২০১২ অনুযায়ী পরিচালনা পর্ষদ তাঁর ২১১ তম বোর্ড সভায় জনাব আল মোহিত সাফাত হোসেন কে আর একজন নিরপেক্ষ পরিচালক হিসাবে নিয়োগ দান করেছে।

ইতোমধ্যে কোম্পানীর অন্যতম একজন সাধারণ পাবলিক শেয়ার হোল্ডার গ্রুপ এর পরিচালক ডঃ মাহামুদ আলী ভূঁইয়া, পরিচালনা পর্ষদ এর ১৫ ই সেপ্টেম্বর, ২০১২ তে অনুষ্ঠিত ২০৩ তম বোর্ড সভায় তার পরিচালক পদ থেকে অব্যাহতি নিয়েছেন, যার ফলে একটি সাময়িক পদ শূন্যতার সৃষ্টি হয়েছে।

ওপারচর ট্রেড ইন্টারন্যাশনাল লিমিটেড, ফার্স্ট লিজ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর একটি প্রাতিষ্ঠানিক পরিচালক হিসেবে অঙ্গভুক্ত হতে আগ্রহ প্রকাশ করে। তদনুসারে ফার্স্ট লিজ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর পরিচালনা পর্ষদ ওপারচর ট্রেড ইন্টারন্যাশনাল লিমিটেডকে প্রাতিষ্ঠানিক পরিচালক হিসাবে অঙ্গভুক্ত করতে সম্মত হয়েছে এবং কোম্পানী আইন ১৯৯৪ এর Clause ৮৫ of Schedule ১ অনুযায়ী ওপারচর ট্রেড ইন্টারন্যাশনাল লিমিটেডকে অঙ্গভুক্ত করে স্ট্রী শূন্যপদ পূরণ করে।

ওপারচর ট্রেড ইন্টারন্যাশনাল লিমিটেড ফার্স্ট লীজ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর ৪৩,২২,৮৬৮ (এফএলএফআইএল এর মোট পরিশোধিত মূলধন শেয়ারের ৭.১৬০১ শতাংশ) শেয়ার ধারণ করছে। ওপারচর ট্রেড ইন্টারন্যাশনাল লিমিটেড, জনাব রাফায়েল বিন মাহামুদ উইয়া কে ফার্স্ট লীজ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড পরিচালনা পর্ষদের প্রতিনিধিত্ব করার জন্য মনোনীত করেছে।

বোর্ড মিটিং

পরিচালনা পর্ষদ এ বছরে কোম্পানীর অপারেশন সম্পর্কিত রিপোর্ট এবং পর্যালোচনার জন্য ১৯ বার সভা করেছেন এবং ঋণ দান, তহবিলের আহরণ, ব্যাংকে নতুন হিসাব খাতা খোলা এবং সাংগঠনিক বেশ কিছু বিষয়ে গুরুত্বপূর্ণ সিদ্ধান্ত গ্রহণ করেছে।

নিরীক্ষক

৮ই মে, ২০১২ তে অনুষ্ঠিত ১৯ তম এজিএম এ নিয়োগকৃত মেসার্স এম জে আবেদিন এন্ড কোং, চার্টার্ড অ্যাকাউন্টেন্ট, ন্যাশনাল প্রাজা (৩য় তলা), ১০৯ বীর উত্তম সি.আর. দত্ত রোড, ঢাকা-১২১৫, ২০১২ সালের অডিটর হিসাবে কার্য সম্পাদন করেছেন। কোম্পানীর ২০ তম এজিএম এ মেসার্স এম জে আবেদিন এন্ড কোং অবসর গ্রহণ করবেন। কোম্পানীর ২১২ ধারা, ১৯৯৪ অনুযায়ী মেসার্স এম জে আবেদিন এন্ড কোং ২০১৩ সালের অডিটর জন্য পুনঃ নিয়োগের ইচ্ছা প্রকাশ করেছে। পরিচালনা পর্ষদ এই বার্ষিক সাধারণ সভায় মেসার্স এম জে আবেদিন এন্ড কোং, চার্টার্ড অ্যাকাউন্টেন্ট, ন্যাশনাল প্রাজা (৩য় তলা), ১০৯ বীর উত্তম সি.আর. দত্ত রোড, ঢাকা-১২১৫ কে ৮১,৩৫,০০০ পারিশ্রমিক বাবদ ২০১৩ সালের অডিটর হিসাবে দায়িত্ব পালনের জন্য অনুমোদন প্রদানের সুপারিশ করেছেন।

কর্পোরেট শাসন

কর্পোরেট শাসন এমন একটি পদ্ধতি যার মাধ্যমে কোম্পানী পরিচালিত, নির্দেশিত এবং নিয়ন্ত্রিত হয়, কোম্পানির বোর্ড দ্বারা যা তার শেয়ারহোল্ডারদের কাছে দায়বদ্ধতা প্রকাশ করে। বি.এস.ই.সি. এর চাহিদা অনুসারে বোর্ড তার সব কিছু পরিপালন করে। এই বার্ষিক রিপোর্ট এ কর্পোরেট শাসন এর উপর একটি আলাদা লেখার অংশ যুক্ত করা হয়েছে।

স্বীকারোক্তি

ফার্স্ট লীজ ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর পরিচালনা পর্ষদের সদস্যবৃন্দ কৃতজ্ঞতা জানাতে চায় তাদের সম্মানিত শেয়ারহোল্ডারগণদের, মূল্যবান গ্রাহকদের তাদের পৃষ্ঠপোষকতার জন্য এবং ব্যাংকসমূহকে বিশেষ করে সোনালি ব্যাংক লিঃ, জনতা ব্যাংক লিঃ, অগ্রাণী ব্যাংক লিঃ, রূপালী ব্যাংক লিঃ, সোশ্যাল ইসলামী ব্যাংক লিঃ, ব্যাংক এশিয়া লিঃ, মার্কেটাইল ব্যাংক লিঃ, ইউনাইটেড কমার্শিয়াল ব্যাংক লিঃ, মিউচুয়াল ট্রাস্ট ব্যাংক লিঃ, উত্তরা ব্যাংক লিঃ, ট্রাস্ট ব্যাংক লিঃ, শাহজালাল ইসলামী ব্যাংক লিঃ, বেসিক ব্যাংক লিঃ, বাংলাদেশ কমার্স ব্যাংক, প্রাইম ব্যাংক লিঃ, আল-আরাফা ইসলামী ব্যাংক লিঃ, আইএফআইসি ব্যাংক লিঃ, প্রিমিয়ার ব্যাংক লিঃ, সাউথ ইস্ট ব্যাংক লিঃ, আইসিবি ইসলামিক ব্যাংক লিঃ, ন্যাশনাল ব্যাংক লিঃ, বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিঃ, সিটি ব্যাংক লিঃ, পূর্বালী ব্যাংক লিঃ, যমুনা ব্যাংক লিঃ কে তাদের আর্থিক সহায়তা প্রদানের জন্য। আমি আরো গভীরভাবে ধন্যবাদ জানাতে চাই রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানিজ এন্ড ফার্মস (আরজেএসসি), বাংলাদেশ ব্যাংক, সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ, চট্টগ্রাম এক্সচেঞ্জ এবং সিডিবিএল কে তাদের অপরিস্রম সহায়তার জন্য। আমি ব্যবস্থাপনা কমিটি কে আরো সাধুবাদ আপন করতে চাই কোম্পানীর প্রতি তাদের অক্লান্ত প্রতিশ্রুতি এবং উৎসর্গের জন্য।

পরিচালনা পর্ষদের পক্ষে

Fauzan Ahmed

(ফাহুক আহমেদ)

চেয়ারম্যান



ANNUAL REPORT / 201

**AUDITOR'S REPORT &
FINANCIAL STATEMENTS**

Auditors' Report to the Shareholders of First Lease Finance & Investment Limited

We have audited the accompanying Financial Statements of First Lease Finance and Investment Limited (FLFIL), which comprises the Statement of Financial Position as at 31 December 2012 and the Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

Except for effect on the financial statements of the matters disclosed in the note 2.5(b) and 23.1, in our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December 2012 and of the results of its operations and its cash flows for the period then ended and comply with the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Company's Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (ii) in our opinion, proper books of accounts as required by law have been kept by FLFIL so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (iii) the FLFIL's Statement of Financial Position and Statement of Comprehensive Income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the FLFIL's business;
- (v) the financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) applied in Bangladesh;
- (vi) the financial statements have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- (vii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (viii) FLFIL has followed the instructions issued by Bangladesh Bank in matters of loan/ advance classification, provisioning and suspension of interest;
- (ix) the information and explanations required by us have been received and found satisfactory and
- (x) FLFIL has complied with the relevant laws pertaining to reserves and maintenance of liquid assets.
- (xi) Paid up Capital of the FLFIL should be raised to Tk. 100 crore as per DFIM circular No. 05, Date 24th July 2011 against which the Paid up Capital as at 31 December 2012 was Tk. 60.37 crore.

Dated, Dhaka
March 27, 2013



M. J. ABEDIN & CO.
Chartered Accountants

FIRST LEASE FINANCE AND INVESTMENT LIMITED
Statement of Financial Position
as at 31 December 2012

	Notes	Amount in Taka	
		31-Dec-12	31-Dec-11
PROPERTY AND ASSETS			
Cash	3	34,035,619	14,191,051
In hand (including foreign currencies)		40,007	47,234
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		33,995,612	14,143,817
Balance with other banks and financial institutions	4	316,564,806	43,844,334
In Bangladesh	4.1	316,564,806	43,844,334
Outside Bangladesh	4.2	-	-
Money at call and on short notice	5	-	-
Investments	6	64,747,166	76,968,586
Government securities		-	-
Others		64,747,166	76,968,586
Leases, loans and advances		3,265,898,182	2,642,677,557
Loans, cash credits, overdrafts, etc	7	3,265,898,182	2,642,677,557
Bills purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	69,727,027	44,803,811
Other assets	10	1,131,615,293	409,267,343
Non-financial institution assets (Note # 2.6)		46,312,072	46,312,072
Total Assets		4,928,900,168	3,278,064,754
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	1,653,854,370	1,016,356,643
Deposits and other accounts	12	1,745,568,659	955,016,730
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed/term deposits		1,745,568,659	955,016,730
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	13	478,171,115	432,124,012
Total Liabilities		3,877,594,144	2,403,497,385
Capital/ Shareholders' Equity			
Paid-up capital	14	603,741,600	503,118,000
Statutory reserve	15	289,770,915	254,423,184
General reserve	16	-	-
Retained earnings	17	157,793,509	117,026,185
Total Shareholders' Equity		1,051,306,024	874,567,369
Total Liabilities and Shareholders' Equity		4,928,900,168	3,278,064,754

FIRST LEASE FINANCE AND INVESTMENT LIMITED
Statement of Financial Position
as at 31 December 2012

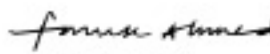
	Notes	Amount in Taka	
		31-Dec-12	31-Dec-11
Off-Balance Sheet Items			
Contingent liabilities	18		
Acceptances and endorsements		-	-
Letters of guarantee	18.1	-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		-	-
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Spot and forward foreign exchange contracts		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-Balance Sheet Items including contingent liabilities		-	-
Net Asset Value per share (NAV)	34.1	17.41	14.49

The accompanying notes form an integral part of this financial statement.

For First Lease Finance & Investment Limited


Dr. G. M. Baqui Billah, FCMA
 Chief Executive Officer


Rajia Khanam
 Director


Faruk Ahmed
 Chairman

Signed in terms of our report of even date annexed



M. J. ABEDIN & CO
 Chartered Accountants

Dated, Dhaka
 27 March 2013

ANNUAL REPORT / 2012

FIRST LEASE FINANCE AND INVESTMENT LIMITED Statement of Comprehensive Income for the year ended 31 December 2012

	Notes	Amount in Taka	
		31-Dec-12	31-Dec-11
Operating Income			
Interest income	19	479,195,458	325,251,108
Interest paid on deposits, borrowings, etc	20	(359,426,544)	(169,003,428)
Net interest income		119,768,914	156,247,680
Investment income	21	455,738	640,000
Commission, exchange and brokerage	22	-	-
Other operating income	23	194,083,925	46,186,473
		194,538,654	46,826,473
Total operating income (a)		314,306,568	203,094,153
Operating Expenses			
Salary and allowances	24	31,307,642	22,452,152
Rent, taxes, insurance, electricity, etc	25	7,647,614	6,123,190
Legal expenses	26	4,885,335	3,488,935
Postage, stamps, telecommunication, etc	27	3,438,422	1,925,623
Stationery, printing, advertisement, etc	28	9,462,388	9,790,773
Chief Executive Officer's salary and fees	29	2,800,000	1,400,000
Directors' fees	30	1,045,000	965,000
Auditors' fee	31	130,000	120,000
Depreciation and repair of company's assets	32	14,851,005	11,600,988
Other expenses	33	37,439,290	17,874,755
		112,817,896	75,721,616
Total operating expenses (b)		112,817,896	75,721,616
Profit before provision (c = a-b)		201,488,672	127,362,537
Provision against loans and advances		(29,255,290)	-
Provision for diminution in value of investments	13.3	5,300,000	(9,794,000)
Provision for off balance sheet item/ exposure		-	-
Total provision (d)		(23,955,290)	(9,794,000)
Profit before taxation (e = c-d)		177,735,382	117,658,537
Provision for Taxation (f):			
Current tax	13.4	-	(34,900,000)
Deferred tax expenses	13.5	(996,738)	(856,525)
		(996,738)	(36,358,925)
Profit after taxation (g = e - f)		176,738,644	82,299,612
Retained earnings, brought forward		117,026,185	151,810,096
Profit available for appropriation		293,764,840	234,109,708
Appropriations			
Statutory reserve		35,347,731	16,459,923
Bonus shares		100,623,600	100,623,600
Cash dividend		-	-
General reserve		-	-
		135,971,331	117,083,523
Retained earnings, carried forward		157,793,509	117,026,185
Earnings per share (EPS)	34	2.93	1.36

The accompanying notes form an integral part of this financial statement.

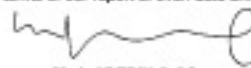

Dr. G. M. Baqui Billah, FCMA
Chief Executive Officer

for First Lease Finance and Investment Limited


Raja Khanam
Director


Faruk Ahmed
Chairman

Signed in terms of our report of even date annexed


M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
27 March 2013

ANNUAL REPORT / 2012

FIRST LEASE FINANCE AND INVESTMENT LIMITED Statement of Cash Flows for the year ended 31 December 2012

	Amount In Taka	
	31-Dec-12	31-Dec-11
Cash Flows from Operating Activities		
Interest receipts	479,195,458	263,903,662
Interest payments	(352,534,924)	(168,804,907)
Dividend receipts	455,728	640,000
Fee and commission receipts	-	-
Payments to employees	(33,907,842)	(23,852,152)
Income taxes paid	(94,419,636)	(7,215,578)
Receipts from other operating activities	194,539,654	52,014,646
Payments for other operating activities	(135,934,230)	(57,378,137)
Operating profit before changes in operating assets and liabilities	57,394,208	59,307,534
Changes in operating assets and liabilities		
(Increase)/decrease in operating assets		
Statutory deposit	-	-
Loan, lease and advanced to customers	(823,220,625)	(827,231,925)
Other assets	(627,828,314)	(138,247,782)
Deposit from customers	790,551,929	540,737,699
Other liabilities	81,563,420	84,207,650
	(379,033,590)	(460,534,358)
	(321,639,382)	(401,226,824)
Net cash from/(used in) operating activities (a)		
Cash Flows from Investing Activities		
Purchase of fixed assets	(35,514,724)	(68,694,504)
Proceeds from sale of securities	174,207,005	134,265,996
Payment for purchase of securities	(161,985,584)	(126,654,860)
Proceeds from sale of fixed assets	-	-
Net cash from/(used in) investing activities (b)	(23,293,303)	(61,083,368)
Cash Flows from Financing Activities		
Dividend paid	-	-
Receipt from borrowing and issuance of debt securities	6,118,490,958	726,795,905
Repayment of borrowing and issuance of debt securities	(5,480,993,231)	(333,977,780)
Net cash from/(used in) financing activities (c)	637,497,727	392,818,145
Net increase in cash and cash equivalents (a+b+c)	292,565,042	(69,492,047)
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	58,035,385	127,527,432
Cash and cash equivalents at end of the year (*)	350,600,427	58,035,385
(*) Cash and cash equivalents:		
Cash in hand	40,007	47,234
Balance with Bangladesh Bank and its agents bank(s)	33,995,612	14,143,817
Balance with other banks and financial institutions	316,564,808	43,844,334
	350,600,427	58,035,385
Operating Cash Flow per share	0.95	0.98

for First Lease Finance and Investment Limited



Dr. G. M. Baqui Billah, FCMA
Chief Executive Officer



Raja Khanam
Director



Faruk Ahmed
Chairman

Signed in terms of our report of even date annexed



M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
27 March 2013

FIRST LEASE FINANCE AND INVESTMENT LIMITED

Statement of Changes in Equity for the year ended 31 December 2012

Particulars	Amount in Taka				Total
	Paid-up Capital	Statutory Reserve	General Reserve	Retained Surplus	
Balance at 01 January 2011	402,494,400	237,963,261	-	151,810,096	792,267,757
Issue of bonus shares for 2010	100,623,600	-	-	(100,623,600)	-
Cash dividend for 2010	-	-	-	-	-
Net profit for the year	-	-	-	82,299,612	82,299,612
Appropriation made during the year	-	16,459,923	-	(16,459,923)	-
Balance at 31 December 2011	503,118,000	254,423,184	-	117,026,185	874,567,369
Balance at 01 January 2012	503,118,000	254,423,184	-	117,026,185	874,567,369
Issue of bonus shares for 2011	100,623,600	-	-	(100,623,600)	-
Cash dividend for 2011	-	-	-	-	-
Net profit for the year	-	-	-	176,738,654	176,738,654
Appropriation made during the year	-	35,347,731	-	(35,347,731)	-
Balance at 31 December 2012	603,741,600	289,770,915	-	157,793,509	1,051,306,024

The accompanying notes form an integral part of this financial statement.


for First Lease Finance and Investment Limited


Dr. G. M. Baqui Billah, FCMA
Chief Executive Officer


Raja Khanam
Director


Faruk Ahmed
Chairman

Signed in terms of our report of even date annexed


M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
27 March 2013

FIRST LEASE FINANCE AND INVESTMENT LIMITED

Statement of Liquidity Analysis (Assets and Liability maturity Analysis) as at 31 December 2012

Amount in Taka

Particulars	Maturity					Total
	Upto 1 month	1 - 3 months' maturity	3 - 12 months' maturity	1 - 5 years' maturity	More than 5 years'	
Assets						
Cash	40,007	-	-	-	-	40,007
Balance with Bangladesh Bank and its agent bank(s)	33,895,612	-	-	-	-	33,895,612
Balance with other banks and financial institutions	-	221,565,366	64,969,442	-	-	316,564,808
Money at call and on short notice	-	-	-	-	-	-
Investments	-	-	64,747,166	-	-	64,747,166
Loans and advances	121,717,427	243,434,854	852,021,889	1,562,326,551	466,397,361	3,285,888,182
Fixed assets including assets taken on lease	-	-	-	16,762,255	52,964,772	69,727,027
Other assets	684,727,460	9,855,267	1,36,732,546	300,000,000	300,000	1,131,615,293
Non-financial institution assets	-	-	-	-	46,312,072	46,312,072
Total Assets	840,485,506	474,885,507	1,148,471,144	1,869,088,856	565,974,205	4,928,900,167
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	504,387,905	365,402,567	227,016,375	757,038,403	-	1,653,844,370
Deposits and other accounts	156,587,412	9,827,109	794,962,423	852,135,536	21,926,179	1,745,568,659
Provision and other liabilities	27,120,604	60,341,813	137,500,000	30,208,688	205,000,000	476,171,115
Total Liabilities	488,105,961	444,871,579	1,069,597,798	1,648,382,637	226,926,179	3,877,594,144
Net Liquidity Excess (Shortage)	352,379,545	39,213,928	78,963,346	230,706,169	339,048,026	1,051,306,023
Percentage of Net Liquidity Difference	41.83	6.36	6.88	13.20	69.91	21.33

for First Lease Finance and Investment Limited

R Khanam
Rajia Khanam
Director

Farek Ahmed
Farek Ahmed
Chairman

Signed in terms of our report of even date annexed

M. J. ABEEDIN & CO

M. J. ABEEDIN & CO
Chartered Accountants

G. M. B. B. B.
Dr. G. M. B. B. B., FCMA
Chief Executive Officer

Dated, Dhaka
27 March 2013

FIRST LEASE FINANCE AND INVESTMENT LIMITED

Notes to the Financial Statements as at and for the year ended 31 December 2012

1. The Company and its Activities:

First Lease Finance and Investment Limited ("the Company") was incorporated in Bangladesh as a private limited company on 28 June 1993 in the name of **First Lease International Limited** and was subsequently converted into a public limited company on 18 July 1996. The Company obtained license from Bangladesh Bank on 05 October 1999 under the Financial Institutions Act 1993. The Company is listed with both Dhaka and Chittagong Stock Exchanges of Bangladesh. The name of the company was thereafter renamed to First Lease Finance and Investment Limited on 22 February 2009.

The registered office of the Company is situated at Jahangir Tower (3rd Floor), 10 Kawran Bazar, Dhaka 1215. At present the company operates its business operation through four (4) branches each at Corporate Branch (Kawran Bazar), Gulshan Branch, Agrabad Branch and Sylhet Branch.

The Company provides lease finance for capital machinery, equipment, vehicle, etc both for industrial and commercial purposes. It also provides other loans like term finance, house finance, etc.

2. Significant Accounting Policies:

2.1 Basis of preparation of the financial statements

The financial statements and notes thereon have been prepared in accordance with Bangladesh Bank DFIM circular no. 11 dated 23 December 2009 on a going concern concept under historical cost convention and basically on accrual basis of accounting except for Interest income on Balances with other banks and financial institutions in accordance with generally accepted accounting principles and after due compliance with International Accounting Standards/International Financial Reporting Standards so far adopted in Bangladesh as Bangladesh Accounting Standards/ Bangladesh Financial Reporting Standards by the Institute of Chartered Accountants of Bangladesh, the Financial Institution Act 1993, the Companies Act 1994 and other applicable laws and regulations.

2.2 Revenue recognition:

2.2.1 Accounting for leases

As per International Accounting Standard No. 17 "Leases" as adopted by the Institute of Chartered Accountants of Bangladesh effective from 01 January 2004 prescribed and practiced for leasing business, outstanding capital outlays invested in fixed assets leased to customers under finance leases have been reflected in the Statement of Financial Position as lease investment and rental on that investments receivable beyond Statement of Financial Position date up to the lease period have been shown as unearned lease rental with corresponding debit in lease investment.

2.2.2 Accounting for term loan

This consists of short-term finance, long-term finance and house finance, books of account where for are maintained based on accrual method of accounting. Outstanding loans along with interest accrued thereon for short-term finance and unrealized principal for long-term finance and house finance are accounted for as finance assets of the Company. Interest earns from such loan is recognized as operational revenue periodically.

2.2.3 Interest on bank deposit

Interest income on Balances with other banks and financial institutions are recorded at the time when proceeds are received from a particular bank.

2.2.4 Other operational income

Other operational income is recognized as and when settled the respective lease loan accounts. Such income comprises of, service charge, transfer fee, income during construction period (IDCP), delinquent charge and miscellaneous receipts.

2.2.5 Accounting for investment in marketable securities

These securities are bought and held primarily for the purpose of selling in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the Statement of Comprehensive Income. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment as per Bangladesh Bank guideline (note-13.3).

2.3 Property, plant and equipment

Own financed-assets

Property, plant and equipment (fixed assets) acquired under own finance of the Company are stated at cost less accumulated depreciation. The cost of an item of fixed assets comprising its purchase price and any directly attributable costs associated with bringing the asset to its working condition for its intended use as per BAS - 16 "property, plant and equipment."

Subsequent expenditure on property, plant and equipment

Subsequent expenditure is capitalized only when it increases the future economic benefits from the assets. All other expenditures are recognized as an expense as and when they are incurred.

Depreciation on fixed assets

Fixed assets are reflected in the financial statements at cost less depreciation. Depreciation on fixed assets under the Company's own use is charged consistently on reducing balance method at various rates throughout the estimated useful lives of the assets. Full year's depreciation is charged on addition made during the year and no depreciation is provided on retirement/disposal of such assets.

The rates of depreciation on various classes of fixed assets are as under:

S.L	Category of fixed assets	Rate
1.00	Land and building	Nil
2.00	Motor vehicles	20%
3.00	Furniture and fixtures	10%
4.00	Office equipment	15%

2.4 Provision for bad and doubtful debts/investment

Provisions for leased assets has been made on the basis of Bangladesh Bank FID circular nos. 14, 08 and 01, dated 26 June 2000, 03 August 2002, FID Circular No.11 of 2005, FID Circular No. 03 of 2006 and 03 January 2007 issued by Bangladesh Bank. The provision made up to the Statement of Financial Position date is considered adequate in the opinion of management to meet any probable losses.

The provision rates are given below:

General Provision on:	Rate
Unclassified	1%
Special Mentioned Account (SMA)	5%
Sub Standard	20%
Doubtful	50%
Bad	100%

2.5 Income tax

Current Tax

- Provision for corporate income tax is made in the accounts after considering taxable allowances and disallowances as per income tax laws. The rate of corporate income tax applicable for the Company is 42.50%.
- The company did not make any provision for tax for 2012.

The provision was not made due to a court order in favor of the company (Certified by lawyer).

The company preferred appeals to High Court against some disallowances by the tax department and the company won the cases.

Deferred Tax

Deferred tax liabilities are the amount of income tax payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the Statement of Financial Position date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the Statement of Comprehensive Income as per BAS-12 "Income Taxes".

2.6 Non-financial institution assets

This represents assets acquired by the company as per judgment of Honorable court against loan/lease.

2.7 Employee benefit obligation

The Company has a recognized provident fund scheme for its employees. The fund consists of contributions both from employees and the employer at a predetermined rate. The fund is approved as a recognized Provident Fund by NBR within the meaning of section 2(52), and read with the provision of part -B of the first schedule of Income Tax Ordinance 1984. The recognition took effect from 31 August 2008. The fund is administered by a Board of Trustees and invested separately from the Company's assets.

The Company also operates a Group Insurance Policy for its permanent employees. The estimates and associated assumptions are based on past experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.8 Liabilities and provisions

All material liabilities and provisions have been included in these financial statements when the Company has a present obligation, legal or constructive result of a past event and it is probable that an outflow of economic benefits will be required to settle that obligation and a reliable estimate can be made thereof.

2.9 Interest on bank loan

Interest on bank loan is accounted for on an accrual basis and charged to Statement of Comprehensive Income under the head "financial expenses" at the implicit rate of interest.

2.10 Cash flow statement

This is prepared using the direct method as mentioned in BAS - 7 "statement of cash flows."

2.11 Consolidation procedure

A separate set of records for consolidation of the statement of Affairs and Income and Expenditure of the branches are maintained at Head Office of the Company at Dhaka from which these accounts are drawn up.

2.12 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of assets and liabilities at 31 December 2012.

2.13 Consistency

In accordance with the Bangladesh Financial Reporting Standards framework for the presentation of financial statements together with BAS - 1 "presentation of financial statements" and BAS - 8 "accounting policies, changes in accounting estimates and errors," the Company applies the accounting principles and disclosure consistently from one period to the next.

2.14 Risk management

The Company has taken initiative to bring down business risk at an acceptable level by implementing the risk management guidelines covering the following risk areas.

2.14.1 Asset/Liability management

The Company has formed an Asset-Liability Committee (ALCO) for monitoring Statement of Financial Position risk and liquidity risk of the Company. The Statement of Financial Position risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. ALCO reviews the liquidity requirement, the maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan on a regular basis.

2.14.2 Credit risk management

Credit risk is one of the major risks of the Company that may be simply defined as the potential that a borrower or counter party will fail to meet its obligation in accordance with the agreed terms and conditions. To assess and mitigate the credit risk, the management has implemented Credit Risk Management (CRM) manual. Accordingly Company's credit risk management activities have been designed to identify measure, monitor and control all these issues in line with basic principles of credit management. All the instructions of Bangladesh Bank relating to credit are strictly followed while sanctioning a credit. Loans/leases are classified as per Bangladesh Bank guidelines and provisions are maintained as per those guidelines.

2.14.3 Prevention of money laundering

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. In order to manage the risk of money laundering, the Company has set up an effective Anti-Money Laundering Program in line with Anti-Money Laundering Act and Bangladesh Bank guidelines. The Company employed a Chief Compliance Officer at Head Office and Compliance Officers at branches who independently review the transactions of the accounts to verify suspicious transactions. The Company developed manuals for prevention of money laundering and introduced Know Your Customer (KYC) program and Transaction Profile (TP) of customers at branch level and all other regulations are being complied meticulously. Continuous training is being imparted to all categories of Officers and Executives to enhance expertise for identifying suspicious activities and transactions.

2.15 Head Office and Branches

The Company's Head Office and Corporate Branch is located at Jahangir Tower (3rd Floor), 10 Karim Bazaar, Dhaka 1215. The branches are located at :

i. Corporate Branch :

National Life Insurance (NLI) Tower, Level-2,54,Kazi Nazrul Islam Avenue, Kawran Bazar C/A, Dhaka-1215.

ii. Agrabad Branch :

S. S. Tower (2nd Floor) 423/440, Sheikh Mujib Road, Chittagong

iii. Gulshan Branch :

Gulshan Bhaban, Plot No. 355 (4th Floor) A.K. Khandaker Sarak, Mohakhali, Dhaka 1212.

iv. Sylhet Branch :

Lovely complex (3rd Floor), East Dorga Gate, Sylhet.

2.16 Components of financial statements

These financial statements consist of Statement of Financial Position, Statement of Comprehensive Income, Cash Flow Statement, and Statement of Changes in Equity and notes thereto.

2.17 Auditors' working hours

The external auditors, M. J. Abedin & Co, Chartered Accountants, of the Company worked more than 750 hours covering more than 80% of the Company's risk weighted assets at the reporting date.

2.18 Regulatory and legal compliance

The Company complied with the requirements of applicable laws and regulations.

2.19 Applicable BAS/BFRS

S.L	Name of BAS/BFRS	Ref No
1	Presentation of Financial Statements	BAS 01
2	Statement of Cash Flows	BAS 07
3	Accounting Policies, Changes in Accounting Estimates and Errors	BAS 08
4	Events after Reporting Period	BAS 10
5	Income Taxes	BAS 12
6	Property, Plant and Equipment	BAS 16
7	Leases	BAS 17
8	Revenue	BAS 18
9	Employee Benefits	BAS 19
10	Related Party Disclosures	BAS 24
11	Earnings Per Share	BAS 33
12	Financial Instruments: Disclosures	BFRS 07

		Amount in Taka as at	
		31-Dec-12	31-Dec-11
3. Cash			
Cash in hand			
In local currency		40,007	47,234
In foreign currency		-	-
		<u>40,007</u>	<u>47,234</u>
Balance with Bangladesh Bank and its agent bank(s)			
In local currency		33,995,612	14,143,817
In foreign currency		-	-
		<u>33,995,612</u>	<u>14,143,817</u>
		<u>34,035,619</u>	<u>14,191,051</u>
3.1 Statutory deposits			
3.1.1 Cash reserve requirement/ ratio (CRR) and statutory liquidity ratio (SLR)			
Cash reserve requirement and statutory liquidity ratio have been calculated and maintained in accordance with section 19 of the Financial Institutions Act 1993, rule 5 of the Financial Institutions Rules 1994 and FID circular no. 6 dated 06 November 2003.			
(a) Cash reserve requirement/ratio (CRR)			
Required reserve (2.5% of term and other deposits)		23,398,178	5,464,984
Actual reserve maintained		33,995,612	14,143,817
Surplus		<u>10,597,438</u>	<u>8,678,833</u>
(b) Statutory liquid reserve (SLR)			
Required reserve (5% of total liabilities)		71,165,183	28,240,943
Actual reserve maintained		360,600,427	58,035,385
Cash in hand		40,007	47,234
Balance with Bangladesh Bank and its agent bank(s)		33,995,612	14,143,817
Balance with other banks and financial institutions		318,564,808	43,844,334
Surplus		<u>279,435,244</u>	<u>29,794,442</u>
Total required reserve		<u>94,563,359</u>	<u>33,705,927</u>
Total actual reserve maintained		<u>360,600,427</u>	<u>58,035,385</u>
Total surplus		<u>266,037,068</u>	<u>24,329,458</u>
4. Balance with other Banks and Financial Institutions			
In Bangladesh (note 4.1)		318,564,808	43,844,334
Outside Bangladesh (note 4.2)		-	-
		<u>318,564,808</u>	<u>43,844,334</u>

4.1 In Bangladesh

Current accounts with:

IFIC Bank Ltd, Agrabad Branch, Chittagong	117,281	118,781
Sonali Bank Ltd, Sonargaon Hotel Branch, Dhaka	47,310	47,310
The City Bank Ltd, Foreign Exchange Branch, Dhaka	45,989	45,989
Janata Bank Ltd, Local Office, Dhaka	15,496	16,645
Bangladesh Commerce Bank Ltd, Principal Branch, Dhaka	6,700	7,650
Shajjalal Islami Bank Ltd, Foreign Exchange Branch, Dhaka	16,678	19,628
United Commercial Bank Ltd, Kawran Bazar Branch, Dhaka	3,992	5,142
National Bank Ltd, Kawran Bazar Branch, Dhaka	70,012,140	3,060
Mercantile Bank Ltd, Main Branch, Dhaka	4,340	2,212
Al-Arafah Islami Bank Ltd, Progoti Sarani Branch, Dhaka	3,780	-
Prime Bank Ltd, Ring Road Branch, Dhaka	8,459	-
Bangladesh Development Bank Ltd, Principal Branch, Dhaka	9,192	-
Pubali Bank Ltd, Sonargaon Hotel Branch, Dhaka	10,000	-
Bank Asia Ltd, Scotia Branch, Dhaka	461,717	-
Bangladesh Development Bank Ltd, Principal Branch, Dhaka	1,720,209	-
Jemuna Bank Ltd, Motijheel Branch, Dhaka	1,155	2,420
	72,486,438	289,238

Short-term deposit accounts with:

Bank Asia Ltd, Scotia Branch, Dhaka	5,189,733	8,665,001
United Commercial Bank Ltd, Kawran Bazar Branch, Dhaka	1,862,139	5,223,345
IFIC Bank Ltd, Dhanmandi Branch, Dhaka	5,136,167	3,432,205
United Commercial Bank Ltd, Kawran Bazar Branch Dividend	718,013	701,683
IFIC Bank Ltd, Dhanmandi Branch IPO	2,831,328	2,700,783
Shajjalal Islami Bank Ltd, Kawran Bazar Branch, Dhaka	92,991	52,814
Social Islami Bank Ltd, Principal Branch, Dhaka	303,313	128,057
Mercantile Bank Ltd, Elephant Road Branch, Dhaka	251,017	14,992
Mutual Trust Bank Ltd, Principal Branch, Dhaka	4,504	13,773
ICB Islami Bank Ltd, Kawran Bazar Branch, Dhaka	13,890	13,890
The Trust Bank Ltd, Dhanmandi Branch, Dhaka	793	2,891
Bank Asia Ltd, Mohakhali Branch, Dhaka	1,864,247	2,135,096
Bangladesh Commerce Bank Ltd, Bangshal Branch, Dhaka	40,019,175	125
Southeast Bank Ltd, Dhanmondi Branch, Dhaka	2,187	3,177
IFIC Bank Ltd, Sheikh Mujib Road Branch, Chittagong	19,661,624	2,596,935
Bank Asia Ltd, Sylhet Main Branch, Sylhet	4,679,722	499,485
IFIC Bank Ltd, Gulshan Branch, Dhaka	33,572,965	-
IFIC Bank Ltd, Kawranbazar Branch, Dhaka	68,480,176	-
Utara Bank Ltd, Local Office, Dhaka	51,033	37,239
	174,735,015	26,211,471

Fixed deposit accounts with:

Mercantile Bank Ltd, Elephant Road Branch, Dhaka	7,532,603	6,796,378
Social Islami Bank Ltd, Principal Branch, Dhaka	4,678,089	4,349,611
The Trust Bank Ltd, Dhanmandi Branch, Dhaka	3,587,304	3,216,618
IFIC Bank Ltd, Dhanmandi Branch, Dhaka	1,916,217	1,709,180
Southeast Bank Ltd, Elephant Road Branch, Dhaka	1,429,141	1,289,638
Bangladesh Industrial Finance Co. Ltd.	50,000,000	-
	69,343,354	17,363,625

4.2 Outside Bangladesh

4.3 Maturity grouping of balances with other banks and financial institutions

On demand	247,221,454	26,480,709
Upto 3 months	-	-
Over 3 months but upto 1 year	69,343,354	17,363,625
	316,564,808	43,844,334

Amount in Taka	
as at	
31-Dec-12	31-Dec-11
316,564,808	43,844,334
117,281	118,781
47,310	47,310
45,989	45,989
15,496	16,645
6,700	7,650
16,678	19,628
3,992	5,142
70,012,140	3,060
4,340	2,212
3,780	-
8,459	-
9,192	-
10,000	-
461,717	-
1,720,209	-
1,155	2,420
72,486,438	289,238
5,189,733	8,665,001
1,862,139	5,223,345
5,136,167	3,432,205
718,013	701,683
2,831,328	2,700,783
92,991	52,814
303,313	128,057
251,017	14,992
4,504	13,773
13,890	13,890
793	2,891
1,864,247	2,135,096
40,019,175	125
2,187	3,177
19,661,624	2,596,935
4,679,722	499,485
33,572,965	-
68,480,176	-
51,033	37,239
174,735,015	26,211,471
7,532,603	6,796,378
4,678,089	4,349,611
3,587,304	3,216,618
1,916,217	1,709,180
1,429,141	1,289,638
50,000,000	-
69,343,354	17,363,625
-	-
247,221,454	26,480,709
-	-
69,343,354	17,363,625
316,564,808	43,844,334

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	Amount in Taka as at	
	31-Dec-12	31-Dec-11
5. Money at call and on short notice	-	-
6. Investments		
6.1 Government securities		
Treasury bills	-	-
Bangladesh government treasury bonds	-	-
T & T treasury bonds	-	-
Prize bonds	-	-
Debentures-Bangladesh House Building Finance Corporation	-	-
6.2 Others investments (note 6.2.1)	64,747,166	76,988,586
	64,747,166	76,988,586

6.2.1 Others Investments - In shares and debentures

Shares

Name of company	No. of shares	Cost Value/Taka	Cost price/Taka	
			31 Dec 2012	31 Dec 2011
Quoted:				
Meghna Condensed Milk Ltd	-	-	-	348,970
Sino Bangla Ltd	-	-	-	1,000,000
Islamic Finance and Investment Ltd	90,066	38.47	3,465,145	6,073,201
Bay Leasing Ltd	93,000	133.40	12,405,460	15,419,400
Pragati Insurance Company Ltd	57,750	124.85	7,210,068	8,115,182
RAK Ceramics Ltd	26,550	92.32	2,450,990	2,508,330
Union Capital Ltd	47,900	78.67	3,788,317	3,718,779
AB Bank Ltd	70,000	110.07	7,705,131	8,922,850
DESCO Ltd	32,500	133.36	4,334,148	6,616,620
Power Grid Company of Bangladesh Ltd	57,500	81.71	4,698,590	5,520,000
Standard Insurance Co. Ltd.	-	-	-	511,000
Grameen Phone Ltd.	-	-	-	819,681
International Leasing & Industrial Finance Ltd.	-	-	-	623,229
Titas Gas Ltd	-	-	-	33,468
Mobil Jamuna Bangladesh Ltd.	-	-	-	1,839,492
BRAC Bank Ltd.	-	-	-	667,680
Summit Power Ltd	19,250	68.50	1,337,831	1,369,290
Bangladesh Shipping Corporation Ltd.	-	-	-	625,232
Lafarge Burma Cement Ltd.	-	-	-	1,185,751
Samata Leather	-	-	-	103,640
Key & Que	-	-	-	214,850
Baximco Ltd	90,750	81.08	7,358,191	8,483,240
The Trust Bank Ltd	15,600	32.12	501,073	273,808
Shahjalal Islami Bank Ltd	34,937	42.74	1,493,208	2,294,333
Beacon Pharmaceuticals Ltd.	37,000	20.27	750,149	-
Karnaphuli Insurance Co. Ltd.	8,800	34.88	306,940	-
Keys Cosmetics Ltd.	20,000	40.06	801,160	-
Grameen M.F. Scheme-2	10,000	21.39	213,900	-
RD Food Products Ltd.	8,600	27.74	238,588	-
Asia Pacific Insurance Co. Ltd.	5,000	39.52	197,600	-
Saiham Cotton Mills Ltd.	20,000	31.34	626,850	-
Phoenix Finance & Investment Ltd.	9,500	47.61	452,254	-
Siodal Islami Bank Ltd.	23,250	24.51	569,760	-
Eastern Bank Ltd.	15,000	36.78	551,339	-
Jamuna Bank Ltd.	25,000	24.65	616,293	-
One Bank Ltd.	25,000	25.03	625,750	-
National Bank Ltd.	61,400	23.10	1,418,312	-
NCC Bank Ltd.	30,000	21.64	649,101	-
			64,747,166	76,988,586

6.3 Valuation of investments

Government securities:

Treasury bills
Government bonds
T & T bonds
Prize bonds

Debtures - House Building
Finance Corporation

Others:

Shares (quoted)

Islamic Finance and Investment Ltd
Bay Leasing Ltd
Pragati Insurance Company Ltd
RAK Ceramics Ltd
Union Capital Ltd
AB Bank Ltd
DESCO Ltd of Bangladesh Ltd
Summit Power Ltd
Bedmco Ltd
The Trust Bank Ltd
Shahjalal Islami Bank Ltd
Beacon Pharmaceuticals Ltd.
Karnaphuli Insurance Co. Ltd.
Keya Cosmetics Ltd.
Gramin M.F. Scheme-2
RD Food Products Ltd.
Asia Pacific Insurance Co. Ltd.
Saiham Cotton Mills Ltd.
Phoenix Finance & Investment Ltd.
Social Islami Bank Ltd.
Eastern Bank Ltd.
Jamuna Bank Ltd.
One Bank Ltd.
National Bank Ltd.
NCC Bank Ltd.

At 31 Dec 2012/ Taka	
Cost price	Realizable Value
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
3,465,145	2,035,482
12,406,480	3,262,900
7,210,088	3,603,800
2,450,990	1,508,040
3,766,317	1,331,620
7,706,131	2,369,000
4,334,148	2,343,250
4,666,590	3,197,000
1,337,831	1,026,025
7,358,191	5,844,300
501,073	390,000
1,493,206	965,705
750,148	610,900
306,940	273,680
801,180	612,000
213,900	210,000
236,586	217,580
197,600	175,900
626,850	566,000
452,254	423,700
669,760	451,050
551,339	475,500
616,293	542,900
625,750	570,000
1,418,312	1,356,940
648,101	546,000
64,747,166	34,947,882

Total market value of quoted shares is less than cost price against which provision was made for Taka 3,01,04,000/- (note 13.3).

	Amount in Taka	
	as at	
	31-Dec-12	31-Dec-11
7. Leases, Loans and Advances		
In Bangladesh		
Lease finance	1,312,952,558	1,209,914,587
Term finance	1,939,386,277	1,413,441,849
Home loan refinance scheme	13,559,347	19,321,321
	<u>3,265,898,182</u>	<u>2,642,677,557</u>
Outside Bangladesh	-	-
	<u>3,265,898,182</u>	<u>2,642,677,557</u>
7.1 Maturity grouping of loans and lease advances		
Repayable		
- on demand	130,638,819	99,808,982
- over 1 month but not more than 3 months	391,916,457	299,426,946
- over 3 months but not more than 1 year	1,175,749,371	898,280,838
- over 1 year but not more than 5 years	1,143,089,670	941,812,554
- over 5 years	424,503,865	403,548,237
	<u>3,265,898,182</u>	<u>2,642,677,557</u>
7.2 Significant concentration of leases, loans and advances		
Advance to allied concerns of Directors	8,014,611	7,186,000
Advance to the Chief Executive	-	-
Advances to other senior executives	-	-
	<u>8,014,611</u>	<u>7,186,000</u>

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
Sector-wise distribution		
Agriculture sector	77,781,262	83,045,315
Readymade garments	65,897,451	42,506,214
Jute and jute related goods	24,806,203	-
Plastic industry	-	-
Leather and leather goods	79,968,410	67,764,132
Service sector (hotel, hospital and clinic)	131,625,547	71,616,125
Textile industry	176,514,879	167,143,140
Food and allied	315,412,357	184,319,130
Chemical and pharmaceuticals	268,759,014	240,639,154
Cement	-	-
Electronics	-	-
Steel	236,987,154	178,237,320
Paper	180,547,891	161,540,158
Real estate	386,941,578	326,212,475
Telecommunication and IT industry	175,214,781	168,241,253
Glass and ceramic industry	702,547	822,120
Shipping and ship building industry	120,401,547	67,475,412
Transport and communication	308,488,767	252,364,577
Power, gas, water and sanitary	160,987,415	128,975,475
Others	557,670,389	521,775,557
	3,265,896,182	2,842,677,557

7.3 Advances to customers for more than 10% of total capital of the company

Number of clients to whom loans and advance were sanctioned for more than 10% of total capital of the Company during the year:

Number of clients	5	14
Amount of outstanding advances	678,721,533	1,514,377,000
Amount of classified advances	-	-
Amount of recovery/rescheduling thereon	-	-

7.4 Geographical location-wise leases, loans and advance

In Bangladesh:		
Dhaka division	2,341,946,588	2,111,826,403
Chittagong division	772,871,254	404,551,154
Rajshahi division	124,899,137	126,300,000
Sylhet division	1,375,000	-
Khulna division	24,806,203	-
	3,265,896,182	2,842,677,557
Outside Bangladesh		
	-	-
	3,265,896,182	2,842,677,557

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
7.5 Particulars of leases, loans and advances		
(i) Financing considered good in respect of which the Company is fully secured;	3,190,001,162	2,543,912,797
(ii) Financing considered good against which the Company holds no security other than the debtors' personal security;	<u>75,887,000</u>	<u>98,764,760</u>
(iii) Financing considered good secured by the personal undertaking of one or more parties in addition to the personal security of the debtors;	-	-
(iv) Financing adversely classified but provision not maintained thereagainst;	<u>-</u>	<u>-</u>
(v) Financing due by directors or employees of the Company or any of them either separately or jointly with any other persons;	<u>-</u>	<u>-</u>
(vi) Financing due from companies or firms in which the directors of the Company are interested as directors, partners or managing agents or, in case of private companies, as members;	<u>-</u>	<u>-</u>
(vii) Maximum total amount of advances, including temporary advances made any time during the year to directors or employees of the Company or any of them either separately or jointly with any other persons;	<u>-</u>	<u>-</u>
(viii) Maximum total amount of advances, including temporary advances approved during the year to companies or firms in which the directors of the Company are interested as directors, partners or managing agents or, in case of private companies, as members;	<u>-</u>	<u>-</u>
(ix) Amount due from banking companies and other financial institutions	<u>-</u>	<u>-</u>
(x) Amount of classified leases, loans and advances on which interest has not been credited to income	<u>580,068,000</u>	<u>281,414,569</u>
(a) Increase/decrease in provision (specific)		
Amount of loans written off	-	-
Amount realised against loans previously written off	-	-
(b) Provision kept against loans classified as bad losses on the date of statement of financial position	<u>124,355,000</u>	<u>113,308,731</u>
(c) Interest charged to interest suspense account	87,500,000	74,964,274
(d) Written off leases, loans and advances	-	-
During the year	-	-
Cumulative to-date	-	-
Amount realised against loans previously written off	-	-
Total amount of written off leases, loans and advances for which lawsuits filed	-	-

		Amount in Taka as at	
		31-Dec-12	31-Dec-11
7.6 Classification of leases, loans and advances			
<u>Unclassified</u>			
Standard		3,390,474,000	2,650,815,808
Special mention account		75,897,000	98,784,780
		<u>3,466,371,000</u>	<u>2,749,600,588</u>
<u>Classified</u>			
Substandard		196,367,000	27,546,265
Doubtful		259,354,000	140,569,573
Bad/Loss		124,355,000	113,308,731
		<u>580,076,000</u>	<u>281,414,569</u>
		<u>4,046,437,000</u>	<u>3,030,995,137</u>
7.7 Particulars of required provision for leases, loans and advances			
<u>Status of classification</u>	<u>Base for provision</u>		
<u>Unclassified (general provision)</u>			
Standard	3,390,474,000	33,904,740	26,508,158
Special mention account	69,740,000	3,487,000	4,518,234
		<u>37,391,740</u>	<u>31,026,392</u>
<u>Classified (specific provision)</u>			
Sub-standard	114,684,000	22,938,800	2,101,811
Doubtful	13,487,000	6,743,500	1,102,798
Bad/Loss	17,930,000	17,930,000	22,376,801
		<u>47,612,300</u>	<u>25,581,178</u>
Required provision for loans and advances		<u>85,004,040</u>	<u>56,607,570</u>
Total provision maintained (notes 13.1.1 and 13.1.2)		<u>87,396,000</u>	<u>68,140,720</u>
Excess provision at 31 December		<u>2,391,960</u>	<u>1,533,150</u>
8. Bills purchased and discounted		-	-
9. Fixed Assets including Assets taken on Lease			
<u>Cost</u>			
Furniture and fixtures		32,899,544	20,653,879
Equipment		29,883,340	18,354,988
Software in progress		7,100,000	3,450,000
Motor vehicles		28,553,285	20,273,008
		<u>98,246,179</u>	<u>62,731,455</u>
Less: Accumulated depreciation		<u>28,519,162</u>	<u>17,927,644</u>
Net book value at the end of the year		<u>69,727,027</u>	<u>44,803,811</u>
Details are shown in Annex A			

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
10. Other Assets		
Income generating		
Investment in shares of subsidiary companies:		
In Bangladesh	-	-
Outside Bangladesh	-	-
Non-income generating		
Membership of Dhaka Stock Exchange Ltd	-	-
Advance rent	4,812,987	6,683,237
Interest accrued on investment, commission and brokerage receivable on shares and debentures and other income receivable including principal due	984,407,545	355,743,955
Security deposit	300,000	300,000
Others (note 10.1)	142,094,781	46,340,151
	<u>1,131,615,293</u>	<u>409,267,343</u>
10.1 Others		
Advance against office decoration	5,042,300	-
Corporate income tax	122,437,542	28,017,908
Receivable from BLI Securities Ltd	319,915	5,366,539
Expenses	14,295,004	12,955,708
	<u>142,094,781</u>	<u>46,340,151</u>
11. Borrowings from Other Banks, Financial Institutions and Agents		
In Bangladesh (note 11.1)	1,653,854,370	1,016,356,643
Outside Bangladesh	-	-
	<u>1,653,854,370</u>	<u>1,016,356,643</u>
11.1 In Bangladesh		
Mutual Trust Bank Ltd	344,083,665	193,204,454
Social Investment Bank Ltd	-	41,030,274
Uttara Bank Ltd	244,015,352	185,656,340
The Trust Bank Ltd	-	7,849,073
Mercantile Bank Ltd	10,830,757	29,504,389
Bangladesh Bank refinance	82,067,579	30,960,151
United Commercial Bank Ltd	93,869,575	6,414,036
Bank Asia Ltd	17,724,902	-
Basic Bank Ltd	70,129,279	283,482,448
Shahjalal Islami Bank Ltd.	65,723,807	96,043,063
Bangladesh Commerce Bank Ltd.	15,212,881	24,506,358
Prime Bank Ltd.	36,227,471	-
Southeast Bank Ltd.	29,638,867	-
National Bank Ltd.	70,122,500	-
Bank Asia Ltd (over draft)	-	14,930,938
Mercantile Bank Ltd (over draft)	79,466,342	69,216,193
Mutual Trust Bank Ltd (over draft)	83,431,593	60,556,926
Al-Anfal Islami Bank Ltd. (over draft)	91,500,000	-
FIC Bank Ltd. (Term Placement)	300,000,000	-
	<u>1,653,854,370</u>	<u>1,016,356,643</u>

	Amount in Taka	
	as at	
	31-Dec-12	31-Dec-11
11.2 Analysis by security		
Secured	1,853,854,370	1,018,358,643
Unsecured	-	-
	<u>1,853,854,370</u>	<u>1,018,358,643</u>
11.3 Repayment pattern		
Repayable		
- on demand	-	-
- within one month	-	-
- more than one month but less than six months	300,000,000	200,000,000
- more than six months but less than one year	254,397,835	55,293,389
- more than one year but less than five years	1,077,860,023	737,889,945
- more than five years but less than ten years	-	-
- more than ten years	21,596,412	23,173,309
	<u>1,853,854,370</u>	<u>1,018,358,643</u>
12. Deposit and other accounts		
Term deposit	1,745,568,859	965,016,730
Fixed deposit	-	-
Short term deposit	-	-
Staff security deposit	-	-
Deposit pension scheme	-	-
Monthly savings schemes	-	-
	<u>1,745,568,859</u>	<u>965,016,730</u>
12.1 Maturity analysis of deposits		
From banks, financial institutions and other institutions :		
Repayable		
- on demand	-	-
- within one month	-	-
- more than one month but less than six months	-	-
- more than six months but less than one year	632,083,244	525,500,000
- more than one year but less than five years	893,925,613	202,250,704
- more than five years but less than ten years	100,000	100,000
- unclaimed deposits for ten years or more	-	-
	<u>1,326,108,857</u>	<u>727,850,704</u>
Other than banks, financial institutions and other institutions :		
Repayable		
- on demand	-	-
- within one month	-	-
- more than one month but less than six months	-	-
- more than six months but less than one year	72,909,179	15,083,486
- more than one year but less than five years	324,724,444	190,271,361
- more than five years but less than ten years	21,826,179	21,811,179
- unclaimed deposits for ten years or more	-	-
	<u>419,459,802</u>	<u>227,166,026</u>
	<u>1,745,568,859</u>	<u>965,016,730</u>

	Amount in Taka in at	
	31-Dec-12	31-Dec-11
13. Other Liabilities		
Provision for leases, loans and advances (note 13.1)	87,396,000	58,140,720
Interest suspense account (note 13.2)	87,500,000	74,964,274
Provision for Investment (note 13.3)	30,104,000	35,404,000
Provision for corporate income tax (note 13.4)	137,500,000	137,500,000
Deferred Tax Liability (note 13.5)	1,855,683	858,925
Lease deposit	99,206,698	92,814,939
Unclaimed dividend	694,530	602,346
Interest payable	6,891,620	11,437,317
Sundry creditors	27,120,604	20,401,491
	<u>478,171,115</u>	<u>432,124,012</u>
13.1 Provision for leases, loans and advances		
13.1.1 Provision for unclassified leases, loans and advances		
Opening balance	31,407,220	46,407,220
Add: Provision for the year	-	-
Less: Transferred to provision for other assets during the year	-	(15,000,000)
General provision for the year	-	-
Closing balance	<u>31,407,220</u>	<u>31,407,220</u>
13.1.2 Provision against classified leases, loans and advances		
Opening balance	26,733,500	26,733,500
Less: Interest amount fully waived during the year	-	-
Add: Recovery of advances previously written off	-	-
Add: Specific provision for the year	29,255,280	-
Closing balance	<u>56,988,780</u>	<u>26,733,500</u>
	<u>87,396,000</u>	<u>58,140,720</u>
13.2 Interest suspense account		
Opening balance	74,964,274	74,964,274
Addition during the year	12,535,728	-
Recovered during the year	-	-
Closing balance	<u>87,500,000</u>	<u>74,964,274</u>
13.3 Provision for Investment		
Opening balance	35,404,000	10,700,000
Add: Total addition during the year	-	24,704,000
Transferred from provision for unclassified leases, loans and advances during the year	-	15,000,000
Addition during the year	-	9,704,000
Less: Adjustment during the year	5,300,000	-
Closing balance	<u>30,104,000</u>	<u>35,404,000</u>
13.4 Provision for corporate income tax		
Opening balance	137,500,000	103,000,000
Add: Provision made during the year for Current tax	-	34,500,000
	<u>137,500,000</u>	<u>137,500,000</u>
Less: Settlement during the year	-	-
Closing balance	<u>137,500,000</u>	<u>137,500,000</u>
13.5 Deferred Tax Liability		
Opening balance	858,925	-
Add: Addition during the year	996,738	858,925
Closing balance	<u>1,855,683</u>	<u>858,925</u>
13.5.1 Deferred Tax		
WDV as per Accounts	62,627,627	41,353,811
WDV as per Tax	60,281,762	35,332,811
Difference	<u>(2,345,865)</u>	<u>(2,021,000)</u>
Tax Rate	42.50%	42.50%
Deferred Tax Asset / (Liability)	<u>(996,738)</u>	<u>(858,925)</u>

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14. Share Capital

14.1 Authorized capital

500,000,000 shares of Taka 10 each

Amount in Taka
as at

31-Dec-12

31-Dec-11

5,000,000,000 5,000,000,000

14.2 Issued, subscribed and paid-up capital

10,000,000 ordinary shares of Taka 10 each issued for cash
1,000,000 bonus shares of Taka 10 each issued for 2003
1,100,000 bonus shares of Taka 10 each issued for 2004
2,420,000 bonus shares of Taka 10 each issued for 2005
2,804,000 bonus shares of Taka 10 each issued for 2006
3,484,800 bonus shares of Taka 10 each for 2007
2,090,880 bonus shares of Taka 10 each issued for 2008
17,249,760 bonus shares of Taka 10 each issued for 2009
10,062,360 bonus shares of Taka 10 each issued for 2010
10,062,360 bonus shares of Taka 10 each issued for 2011

100,000,000 100,000,000
10,000,000 10,000,000
11,000,000 11,000,000
24,200,000 24,200,000
28,040,000 28,040,000
34,848,000 34,848,000
20,908,800 20,908,800
172,497,600 172,497,600
100,623,600 100,623,600
100,623,600 -
603,741,960 503,118,000

14.3 Percentage of shareholding

Category	Amount in Taka			
	At 31 Dec 2012		At 31 Dec 2011	
	No. of shares	%	No. of shares	%
Sponsors	24,632,292	40.80%	17,309,440	34.40
General public including NRB	19,475,498	32.28%	15,219,810	30.25
Financial institutions	11,054,089	18.31%	12,694,360	25.23
Investment companies	5,212,281	8.63%	5,068,190	10.11
Foreigners	-	-	-	0.00
	60,374,160	100%	50,311,960	100

14.4 Classification of shareholders by holding

Holding	No. of shareholders		Total holding percentage (%)	
	2012	2011	2012	2011
Less than 5000	6,766	5,828	12.39	14.10
5001 to 50,000	864	563	16.70	17.48
50,001 to 100,000	55	34	6.27	5.81
100,001 to 200,000	22	15	5.07	4.61
200,001 to 300,000	7	5	2.69	2.55
300,001 to 400,000	4	3	2.49	2.07
400,001 to 500,000	1	3	0.75	2.62
500,001 to 1,000,000	7	6	6.69	7.08
Over 1,000,001	10	9	44.98	43.87
	7,736	6,264	100	100

14.5 Names of Directors and their shareholdings as on 31 December 2012

Name of Director	Status	Shareholding	
		At 31 Dec 2012	At 31 Dec 2011
Mr. Faruk Ahmed	Chairman	1,673,040	1,394,200
Mr. Ashrafuddin Ahmed	Vice Chairman	1,223,424	1,394,520
Mr. Faisal Ahmed	Vice Chairman	1,673,280	1,394,400
Mrs. Raja Khanam	Director	2,201,760	1,834,800
Mr. Mujibur Rahman Chowdhury	Director	86,344	71,120
Mr. Mahmud Ali Bhuiyan	Resign as on 15/09/2012	-	15,920
Eng. Abul Ahean	Director	2,880	2,400
Mr. Mostafa Haider Khan	Director	62,560	68,800
Mr. Md. Mustafizur Rahman	Director	83,640	69,700
Mrs. Shadia Akter	Resign as on 11/03/2012	-	24,080
Alphabet Associates Ltd. (Represented by Mrs. Sadia Akter)	Institutional Director	2,945,760	-
Opachor Trade International Ltd. (Represented by Mr. Rafayal Bin Mahmud Bhuiyan)	Institutional Director	4,322,868	-
Mr. Theodorius Biplob Roy	Independent Director	-	-

Amount in Taka	
31-Dec-12	31-Dec-11

14.8 Capital adequacy Ratio:

Capital adequacy ratio has been calculated as per circular issued by Bangladesh Bank.

	31-Dec-12	31-Dec-11
Tier-1 (Core Capital)	1,051,306,024	874,673,849
Paid-up Capital	603,741,600	503,118,000
Statutory Reserve	288,770,815	254,529,664
General Reserve	-	-
Retained Surplus	157,793,609	117,026,185
Tier-2 (Supplementary Capital):	31,407,220	31,407,220
General provision maintained against unclassified loans	31,407,220	31,407,220
Other Reserves	-	-
Total Capital Held (Tier 1 + Tier 2)	1,082,713,244	906,081,069
Total Risk Weighted Assets (Note 14.8.1)	5,274,638,165	2,202,089,407
Required capital	1,060,000,000	220,206,946
(10% of risk-weighted assets or Tk. 100.00 Crore whichever is higher)		
Total Capital Held	1,082,713,244	906,081,069
Capital adequacy ratio	20.53	41.15
Core capital	19.93	39.72
Supplementary capital	0.60	1.43

Minimum Capital Adequacy Ratio requirement as per Bangladesh Bank Guideline is 10% on RWA.

Gross Risk-Weighted Assets (RWA) of 2012 in the various categories of risk weights are detailed below :

14.8.1 Total Risk Weighted Assets

(a) Risk Weights for Credit Risk

Risk Weights (both B/S & Off-B/S)	31.12.2012	
	Principal Amount	Risk Weighted Asset
0%	34,000,000	-
20%	317,100,000	63,420,000
50%	405,900,000	202,950,000
75%	506,800,000	380,100,000
100%	780,800,000	780,800,000
125%	2,657,500,000	3,321,875,000
150%	75,900,000	113,850,000
Total	4,778,000,000	4,862,995,000

(b) Risk Weights for Market Risk	34,843,165
(c) Risk Weights for Operational Risk	377,000,000
Total Risk Weighted Assets (a+b+c)	5,274,638,165

	Amount in Taka	
	as at	
	31-Dec-12	31-Dec-11
15. Statutory Reserve In Bangladesh		
Opening balance	254,423,184	237,983,261
Addition during the year	35,347,731	16,459,923
Closing balance	<u>289,770,915</u>	<u>254,423,184</u>
This was created in terms of clause 6 of financial institution regulation 1994, as 20% of net profit after tax.		
16. General Reserve	-	-
17. Retained Earnings		
Balance on 01 January	117,026,188	151,810,096
Add: Addition during the year	176,738,054	82,299,613
Less: Transfer to statutory reserve	(35,347,731)	(16,459,923)
Less: issue of bonus shares	(100,623,800)	(100,623,800)
Balance at 31 December	<u>157,793,509</u>	<u>117,026,188</u>
18. Contingent liabilities and commitments		
18.1 Claims against the Company not acknowledged as debts		
Money for which the Company is contingently liable in respect of guarantee given favoring:		
Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Letter of credit	-	-
	<u>-</u>	<u>-</u>

	Amount in Taka	
	31-Dec-12	31-Dec-11
18.2 Commitments		
i Documentary credit and short term business transactions	-	-
ii Forward assets purchased and forward deposits placed	-	-
iii Existing facilities, loan facilities and other commitments not accounted for :		
Less than one year	-	-
More than one year	-	-
iv Spot and forward foreign exchange contracts	-	-
v Other exchange contracts	-	-
	<u>-</u>	<u>-</u>

Profit & Loss Statement

Income		
Interest, discount and similar income	479,196,458	325,261,196
Dividend income	455,738	840,000
Fees, commission and brokerage	-	-
Gains less losses arising from dealing securities	-	-
Gains less losses arising from investment securities	-	-
Gains less losses arising from dealings in foreign currencies	-	-
Income from non-company's assets	-	-
Other operating income	194,060,926	46,186,473
Profit less losses on interest rate changes	-	-
	<u>673,726,112</u>	<u>372,087,579</u>
Expenses		
Interest, fees and commission	359,426,544	169,003,426
Losses on loans and advances	-	-
Administrative expenses	60,317,801	46,245,873
Other operating expenses	37,438,290	17,874,755
Depreciation on banking assets	14,861,005	11,600,988
	<u>472,044,440</u>	<u>244,725,042</u>
	<u>201,681,672</u>	<u>127,362,537</u>

19. Interest Income

Interest on loans and advances		
Lease finance	196,433,455	191,743,220
Term finance	275,782,199	127,315,044
Home loan/Margin loan	<u>1,263,796</u>	<u>1,873,344</u>
	473,479,450	320,931,508
Interest on		
Accounts with foreign banks	-	-
Balances with other banks and financial institutions	<u>6,716,008</u>	<u>4,329,558</u>
	<u>479,196,458</u>	<u>325,261,196</u>

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	Amount in Taka as at	
	31-Dec-12	31-Dec-11
20. Interest Paid on Deposits, Borrowings, etc		
Interest on deposits		
Fixed deposits	133,288,255	65,949,862
Sanchaya plus	-	-
Savings deposits	-	-
Short-term deposits	-	-
Other deposits	-	-
	<u>133,288,255</u>	<u>65,949,862</u>
Interest on borrowings		
Local banks including Bangladesh Bank	226,158,289	103,053,564
Foreign banks	-	-
	<u>226,158,289</u>	<u>103,053,564</u>
	<u>359,446,544</u>	<u>169,003,426</u>
21. Investment Income		
Dividend on shares	455,728	640,000
	<u>455,728</u>	<u>640,000</u>
22. Commission, Exchange and Brokerage		
Commission on trading security	-	-
Exchange gains less losses arising from dealings in foreign currencies	-	-
	<u>-</u>	<u>-</u>
23. Other Income		
Interest during construction period	36,422,873	28,104,129
Delinquent charge (23.1)	147,904,865	11,252,858
Service charge	4,446,425	4,733,289
Transfer fee	1,552,400	1,640,780
Other income	757,423	415,417
	<u>191,083,926</u>	<u>46,146,473</u>
23.1 This includes Tk. 11,99,15,353 being delinquent charge accrued but not received. This charge is related to 2008 to 2012. The settlement of total dues with the parties are under process. The company received a cheque for Tk. 11.50 Crore against above dues which will be encashed very soon.		
24. Salaries and Allowances		
Salary and allowance	30,185,231	21,820,690
Provident fund contribution	1,091,931	800,482
Casual staff salary	30,660	31,000
	<u>31,307,822</u>	<u>22,652,172</u>
25. Rent, Taxes, Insurance, Lighting, etc		
Rent, rates and taxes	6,366,700	6,132,050
Utilities	1,082,907	559,487
Insurance	158,007	431,853
	<u>7,607,614</u>	<u>7,123,390</u>
26. Legal Expenses		
Legal expenses	4,485,335	3,468,935
Consultancy fees	-	-
	<u>4,485,335</u>	<u>3,468,935</u>
27. Postage, Stamp, Telecommunication, etc		
Phone, fax and internet	2,303,622	1,321,233
Court fees and stamps	1,050,283	556,985
Postage and courier	65,617	47,865
	<u>3,419,522</u>	<u>1,926,083</u>

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
28. Stationery, Printing, Advertisements, etc		
Advertisement	4,723,654	5,508,667
Stationery and printing	4,738,734	3,184,096
	<u>9,462,388</u>	<u>8,792,773</u>
29. Chief Executive Officer's Salary and Fees		
Basic salary	1,440,000	720,000
Allowances	960,000	480,000
Bonus	200,000	200,000
	<u>2,600,000</u>	<u>1,400,000</u>
30. Directors' Fees		
Directors' fees @ Taka 5,000 per Director, per meeting	1,045,000	965,000
	<u>1,045,000</u>	<u>965,000</u>
Directors' fees for attending each board meeting during the year was Taka 5,000 for each board member as per Bangladesh Bank CFM circular no. 3, dated 24 February 2010. No other fees/remuneration were paid to the Directors for any special services rendered.		
31. Auditors' Fees	<u>130,000</u>	<u>120,000</u>
32. Depreciation and Repairs of Company's Assets		
Repairs		
Furniture and fixtures and equipment	2,044,027	2,444,283
Vehicles	1,725,470	1,939,352
Software development	500,000	68,400
	<u>4,269,497</u>	<u>4,452,035</u>
Depreciation		
Motor vehicles	4,238,602	3,188,133
Office equipment	3,495,198	2,143,883
Furniture and fixtures	2,859,708	1,838,957
	<u>10,593,508</u>	<u>7,170,973</u>
	<u>14,861,005</u>	<u>11,623,008</u>
33. Other Expenses		
Share issue expenses	1,035,693	592,288
AGM expenses, etc	2,458,510	2,329,751
EDM expenses	-	992,264
Business development expenses	6,891,770	1,208,355
Vehicle expenses	1,378,479	949,531
Entertainment	1,099,699	951,219
Membership fees and subscription	777,870	681,870
Meeting expenses	510,000	480,000
Bank charges and excise duty	538,596	362,203
Travelling expenses	1,275,575	579,611
Office maintenance	130,815	117,567
Books and periodicals	18,253	8,235
Loss on Sale of Marketable Securities	17,480,705	6,875,894
Miscellaneous expenses	3,845,355	1,861,977
	<u>37,439,290</u>	<u>17,874,755</u>
34. Earnings per Share		
Earnings per share (EPS) as shown in the face of Profit and Loss Statement is calculated in accordance with Bangladesh Accounting Standard (BAS) No. 33 "Earnings Per Share" by dividing the basic earnings by the number of ordinary shares outstanding at 31 December 2012.		

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Profit after tax (A)	178,738,684	82,299,612
Number of ordinary shares outstanding (B)	80,374,180	80,374,180
Earnings per share (A+B)	2.23	1.36

No diluted earnings per share is required to be calculated for the year as there was no dilution during the year.

34.1 Net Asset Value per share

Net Assets (A)	1,051,308,024	874,667,389
Number of ordinary shares outstanding (B)	80,374,180	80,374,180
Net Asset Value per share (A+B)	17.41	14.49

35. Related Party Transactions

During the year under review, the Company carried out a number of transactions with related parties in the normal course of business and on an arms length basis. The name of related parties, nature of these transactions and their total value have been set out below:

Name of related parties	Relationship	Value of transactions	Receivable at 31 Dec 2012	Receivable at 31 Dec 2011
Theotonius Biplob Roy	Independent Director	2,000,000	1,174,150	1,508,000
Md. Mostafizur Rahman	Director	880,000	-	880,000
A.Q.M. Faruk Ahmed Chowdhury	Chairman	5,000,000	-	5,000,000
Mr. Ashrafuddin Ahmed	Vice Chairman	2,500,000	2,500,000	-
A.Q.M. Faisal Ahmed Chowdhury	Vice Chairman	4,500,000	4,303,011	-
			<u>7,977,161</u>	<u>7,188,000</u>

36. Board Meeting

During the year under reporting, nineteen (19) board meetings were held.

37. Audit Committee

Name of committee member	Status with the Company	Status with Committee	Educational Qualification
Mr. Faisal Ahmed	Vice Chairman	Chairman	MA
Mr. Mostafizur Haider Khan	Director	Member	BA
Mr. Mostafizur Rahman	Director	Member	M.Com & MBA
Mrs. Sadia Aider	Institutional Director	Member	BBA
Mr. Theotonius Biplob Roy	Independent Director	Member	M.Com

During the year 2012 the audit committee has performed the following activities:

- review of the company's draft financial statements for the year ended 31 December 2012 for their presentation to the board for approval;
- recommendation on the appointment of external auditors for the year ending 31 December 2012 and their remuneration;
- review of quarterly financial statements for their presentation to the board for approval;
- review of internal auditor report as issued by the internal auditors for its presentation to board meeting;
- review of internal audit plan for the year 2012; and
- review of Bangladesh Bank Inspection Report along with company's reply for its presentation to the board meeting for approval and onward submission to Bangladesh Bank.

Five (5) meetings of audit committee were held during the year 2012 where CEO and CFO were invited to participate.

38. Others

38.1 Contracts and disbursements

Amount in Tk.

Contracted/Sanction (million)
Execution/Disbursement (million)

31-12-2012	31-12-2011
1,537	2,069
1,543	1,477

38.2 Claims against the Company not acknowledged as debt

There was no claim at the Balance Sheet date, which has not been acknowledged by the Company except income tax claim amounting to Taka 15,48,82,856 which is under appeal with High Court & Appellate Division. Against the claim the company provided of Tk. 83,000,000.

38.3 Credit facility not availed

There was no such credit facility available to the Company as on 31 December 2012 except trade credit available in the ordinary course of business.

38.4 Contingent liabilities

There was no such liabilities for which the Company is contingently liable as on 31 December 2012.

38.5 Payment in foreign currency

During the year 2012, an amount of US\$ 0.44 million was paid for import of capital machinery for lease. No payments have been made in foreign currency on account of royalty, technical know-how and professional advisor fees, interest, dividend, etc.

38.6 Authorisation for issue of the financial statements

The Board of Directors of the Company has authorised these financial statements for issue on March 27, 2013.

38.7 Number of employees

No amount was receivable or payable to the Directors of the Company during or at the end of the year 2012. During the year under review, the number of employees received salary Taka 3,000 or above per month was 81.

38.8 Subsequent event

The Board of Directors has recommended 20% stock dividend (1 Bonus share for every 4 shares held) on March 27, 2013 for the year 2012.

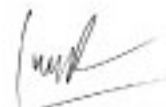
The Board also recommended Right Shares @ 1R:3 (1 right share for every 3 shares held) in the same Board Meeting for raising the Paid-up Capital up to

Tk. 100.00 Crore in compliance with Bangladesh Bank requirement subject to approval from shareholders as well as regulatory bodies.

39. Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.

40. Previous year's figures have been rearranged wherever considered necessary in order to conform to current year's presentation, without creating any impact on the profit and value of assets and liabilities as reported in the financial statements.

41. These notes form an integral part of these financial statements and accordingly are to be read in conjunction therewith.



Dr. G. M. Baqul Bilal, FCMA
Chief Executive Officer

for First Lease Finance and Investment Limited

Rizhanam
Rajia Khanam
Director

Fanuk Ahmed
Fanuk Ahmed
Chairman

Dated, Dhaka
27 March 2013

First Lease Finance and Investment Limited
Details of Fixed Assets at 31 December 2012

Annex A

Details of Fixed Assets - Own Finance

Particulars	C O S T					D E P R E C I A T I O N					Written down value at 31 Dec 2012
	At 01 Jan 2012	Addition during the year	Disposal during the year	Total at 31 Dec 2012	Rate	At 01 Jan 2012	Charge for the year	Adjustment made during the year	At 31 Dec 2012		
Office equipment	18,364,560	11,338,772	-	29,653,340	10%	6,205,697	3,523,116	-	9,728,813	19,964,327	
Motor vehicles	20,273,038	8,290,287	-	28,553,295	20%	7,800,478	4,190,594	-	11,791,040	16,762,255	
Furniture	20,653,679	12,245,665	-	32,899,344	10%	4,121,271	2,877,827	-	6,999,098	25,900,446	
Sub Total	59,281,455	31,864,724	-	91,146,179		17,927,644	10,591,598	-	28,519,152	62,627,027	
Software in Progress	3,450,000	3,650,000	-	7,100,000	0%	-	-	-	-	7,100,000	
Total at 31 December 2012	62,731,455	35,514,724	-	98,246,179	-	17,927,644	10,591,598	-	28,519,152	69,727,027	
Total at 31 December 2011	30,245,754	32,485,701	-	62,731,455		10,778,671	7,148,973	-	17,927,644	44,803,811	

First Lease Finance and Investment Limited Details of Highlights at 31 December 2012

Annex B

Highlights

Sl no.	Particulars	Amounts in Taka	
		31-Dec-12	31-Dec-11
1	Paid-up capital	603,741,600	503,118,000
2	Total capital /equity	1,051,306,024	874,567,370
3	Total assets	4,928,900,168	3,278,064,754
4	Total deposit	1,745,588,859	955,016,730
5	Total loan, lease and advance	3,265,898,182	2,642,677,557
6	Total contingent liabilities and commitments	-	-
7	Credit deposit ratio (%)	106.56	93.96
8	Percentage of classification of loan (%)	14.34	9.28
9	Operating profit	201,690,672	127,362,537
10	Profit after tax and provision	176,738,654	82,299,613
11	Amount of classified loan/ lease	580,066,000	281,414,569
12	Provision kept against classified loan/ lease	55,988,780	26,733,500
13	Provision surplus(deficit)	2,391,960	1,533,150
14	Cost of fund (%)	16.85	12.60
15	Interest earning assets	4,260,305,727	2,686,262,653
16	Non-interest earning assets	678,594,441	591,812,101
17	Return on investment (ROI) (%)	5.41	3.11
18	Return on assets (ROA) (%)	3.59	2.51
19	Income from investments	456,728	5,828,173
20	Earning per share (EPS)	2.93	1.36
21	Net income per share	2.94	2.34
22	Price earning ratio (Times)	13.66	47.24

First Lease Finance and Investment Limited Statement of Tax Assessment Status

Annexure-C

Accounting Year	Assessment Year	Tax Provided	Tax Assessed	(Short) / Excess Provision	Legal Status
2006	2007-08	-	97,473,024	(97,473,024)	Under Appeal at High Court
2007	2008-09	9,282,014	10,272,646	(990,632)	Under Appeal at High Court
2008	2009-10	30,707,986	28,499,001	2,208,985	Under Appeal at High Court
2009	2010-11	43,000,000	47,403,971	(4,403,971)	Under Appeal at Appellate Tribunal
2010	2011-12	20,000,000	60,667,940	(40,667,940)	Under Appeal with Commissioner of Taxes (Appeal)
2011	2012-13	34,500,000	-	-	Under assessment with DCT, LTU
2012	2013-14	-	-	-	Return not filed
Total		137,500,000	244,316,582	(141,316,582)	

PROXY FORM

20TH AGM



FIRST LEASE FINANCE & INVESTMENT LIMITED

(A Financial Institution Licensed from Bangladesh Bank)

Registered Office: Jahangir Tower (3rd Floor), 10, Kawranbazar C/A, Dhaka- 1215

I/We of

.....being a shareholder of FIRST LEASE FINANCE & INVESTMENT LIMITED do hereby appoint

Mr./Mrs. of

..... as my / our proxy to attend and vote for me / us and on my / our behalf of the 20th ANNUAL GENERAL MEETING of the Company to be held at 11:00 a.m. on Tuesday the 30th April, 2013 at any adjournment meeting thereof.

As witness my hands this day 2013

.....
Signature of the Proxy

Dated

Revenue
Stamp
Tk. 10.00

.....
Signature of the shareholder

BO Account/Register Folio No

Note : A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead, the Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.



FIRST LEASE FINANCE & INVESTMENT LIMITED

(A Financial Institution Licensed from Bangladesh Bank)

Registered Office: Jahangir Tower (3rd Floor), 10, Kawranbazar C/A, Dhaka- 1215

SHAREHOLDER'S ATTENDANCE SLIP

I hereby recorded my attendance at the **20th ANNUAL GENERAL MEETING** held on Tuesday the 30th April, 2013 at 11:00 a.m. in Trust Milonayaton, 545, Old Airport Road, Dhaka Cantonment, Dhaka-1206.

Name of the Shareholder :

BO Account / Register Folio No. :

Holder of number of Ordinary Shares of First Lease Finance & Investment Ltd.

.....
Signature of Shareholder(s)



FIRST LEASE FINANCE & INVESTMENT LIMITED

(A Financial Institution Licensed from Bangladesh Bank)

Head Office: Jahangir Tower (3rd Floor), 10, Kawran Bazar C/A, Dhaka-1215
Phone: (+8802) 9145487-9, 8153489, Fax: (+8802) 8153971
E-mail: fill@bol-online.com, Website: www.first-lease.com.bd

Branches

- ◀ **Corporate Branch** : National Life Insurance (NLI) Tower, Level-2, 54, Kazi Nazrul Islam Avenue, Kawran Bazar C/A, Dhaka-1215, Bangladesh.
E-mail: fill@bol-online.com, Website: www.first-lease.com.bd
- ◀ **Agrabad Branch** : S.S. Tower (2nd Floor), 423-440, Sk. Mujib Road, Chowmahuni, Agrabad C/A, Chittagong, Bangladesh.
Phone: (+88031) 2510961-2, Website: www.first-lease.com.bd
- ◀ **Gulshan Branch** : Gulshan Bhaban, Plot No.: 355 (4th Floor), A.K. Khandaker Sarak, Mohakhali, Dhaka, Phone: (+8802) 8815725, 8815601
E-mail: gulshanbranch@bol-online.com, Website: www.first-lease.com.bd
- ◀ **Sylhet Branch** : Lovely Complex (3rd Floor), East Dorga Gate, Sylhet-3100
Phone: +880(821) 719266, Hotline: +8801756444448