



ANNUAL
REPORT

2017



ফার্স্ট ফাইন্যান্স লিমিটেড
First Finance Limited

আপনার সকল আর্থিক প্রয়োজনে . . .

ANNUAL 2017
REPORT

| FINANCE AT YOUR PERCEPTION |

First Finance Limited (FFL) is one of the pioneer financing institutes in Bangladesh. Since its inception FFL has been playing a significant role in financial sector and provides financial support to private and public sectors for acquiring Industrial machineries, Working capital, Housing financing, Work Order financing, SME financing etc. The Management of FFL has emphasised on SME Finance particularly for the Women Entrepreneur to contribute in the development of country economy.

FFL always endeavors to diversify into other financial services, which have long-term prospects. FFL has expanded its range of services by introducing Housing and Short-term financing in the year 2001, which have broadened our customer base. In line with further diversification program FFL has encouraged in transport financing facility, SME finances and Bangladesh Bank Refinancing projects. With its continuous drive in introducing new financial products and services tailored to clients need, FFL is on its way to become one of the leading multi-product financial institutions of the country in coming years.

We ensure that all of our valued customers enjoy an excellent services and facilities. We are determined to do all we can to build, maintain and enhance as an international standard financial institution and provide various financial services of excellence.

| REPORT VIEWER |

Letter of Transmittal	4
Notice	5
সাধারণ সভার বিজ্ঞপ্তি	6
Corporate Information	7
Company Chronicles	7
Capital & Shareholding Structure	8
The Pattern of Shareholding Along With Name Wise Details	8
Key Corporate Milestones 1993-2017	10
Code of Conduct	11
Performance in The Last Five Years	12
Market Price Information – 2017	15
Priorities Followed In 2017	15
FFL's Branch Connectivity	16
Banks with FFL	16
Our Products & Services	17
The Chairman's Statement to the Shareholders	24
Message from the Managing Director & CEO	27
Existing Board of Directors and its Committee	29
Existing Director's Profile	30
Existing Management	33
Officers engaged in Branch Operations	36
Directors Report to the Shareholders	37
Corporate Governance Report	41
Statements of Board of Directors	47
Corporate Social Responsibility	48
Communication to the Shareholders	49
Redressal of Investors' Complaint	50
Declaration By CEO & CFO	51
Credit Rating Report	52
Membership Certificate with Bangladesh Association of Publicly Listed Companies (BAPLC)	53
Certificate of Corporate Governance	54
Report on Compliance of BSEC's Notification on Corporate Governance	55
Statement of Compliance on the Good Governance Guideline issued by the Bangladesh Bank	60
Independent Auditors' Report to the Shareholders of First Finance Limited	62
Balance Sheet	64-65
Profit and Loss Accounts	66-67
Statement of Cash Flow	68
Statement of Changes in Shareholder's Equity	69
Statement of Liquidity Analysis	70
Notes to the Financial Statements	71-100
List of Acronyms	101
Proxy Form	103

| LETTER OF TRANSMITTAL |

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

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

Dear Sir(s),

We forward here with the copy(s) of Annual Report-2017 of First Finance Limited along with Audited Financial Statements as on December 31, 2017 including Income Statements, Cash Flow Statements along with notes thereon for your kind perusal and record.

Yours sincerely

Sarwar Shafiq
Company Secretary

Dhaka
July 30, 2018

| NOTICE |

FIRST FINANCE LIMITED

Jahangir Tower (3rd Floor), 10, Kawranbazar C/A, Dhaka-1215
Phone: (880-2) 9145487-9, 8189676-7, Fax: 88 02 9142374, www.first-finance.com.bd

Notice of the 25th Annual General Meeting

Notice is hereby given that the pending 25th Annual General Meeting of the Shareholders of First Finance Limited will be held on **Thursday, July 25, 2019 at 11.30 a.m.** at Trust Milonayaton (Auditorium), Dhaka Cantonment, 545 Old Airport Road, Tejgaon, Dhaka, Bangladesh to transact the following businesses:

- AGM-01-25-18 : To receive and adopt the “Directors’ Report”, Auditor’s Report and Audited Financial Statements for year ended December 31, 2017;
- AGM-02-25-18 : To declare dividend for the year 2017;
- AGM-03-25-18 : To elect/re-elect/confirm Directors in accordance with the provision of Articles of Association of the Company;
- AGM-04-25-18 : To consider the appointment of Independent Directors as per the Notification of Bangladesh Securities and Exchange Commission. (No. SEC/CMRRCD/2006-158/134/Admin/44, dated: August 07, 2012);
- AGM-05-25-18 : To appoint statutory auditors of the Company for the year 2018 until conclusion of 26th AGM and to fix their remuneration;
- AGM-06-25-18 : To transact any other business with the permission of the Chair.

By order of the Board of Directors,

Sd/
(Sarwar Shafiq)
Company Secretary
E-mail: share@first-finance.com.bd

Dated: 29 June, 2019

NOTES:

1. The record date was fixed on August 30, 2018. The Shareholders, whose names appeared in the Share Register of the Company at the close of business on the record date, will be eligible to attend the meeting.
2. The Board of Directors has recommended no dividend for the year 2017.
3. A shareholder eligible to attend and vote in the AGM may appoint a Proxy to attend and vote in his/her behalf. The Proxy Form duly completed and stamped of BDT Tk.20.00 must be deposited at the registered office of the Company not later than 48 hours before the time fixed for the meeting.
4. Admission into the meeting room will be allowed on production of the Attendance Slip attached with the Proxy Form.

SPECIAL NOTE:

As per Bangladesh Securities and Exchange Commission (BSEC)’s Notification No. SEC/CMRRCD/2009-193/154 thereon dated October 24, 2013, no Food Box/Gift Coupon etc. will be provided at the 25th AGM.

The soft copy of the Annual Report-2017 will also be available in the Company’s website at: <http://www.first-finance.com.bd>

| সাধারণ সভার বিজ্ঞপ্তি |

ফার্স্ট ফাইন্যান্স লিমিটেড

জাহাঙ্গীর টাওয়ার (৪র্থ তলা), ১০ কাওরান বাজার বা/এ, ঢাকা-১২১৫
ফোন: (৮৮০-২) ৯১৪৫৪৮৭-৯, ৮১৮৯৬৭৬-৭, ফ্যাক্স: ৮৮ ০২ ৯১৪২৩৭৪, www.first-finance.com.bd

২৫ তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এই মর্মে বিজ্ঞপ্তি দেয়া যাচ্ছে যে, ফার্স্ট ফাইন্যান্স লিমিটেড এর শেয়ারহোল্ডারদের মূলতুর্বী ২৫তম বার্ষিক সাধারণ সভায় নিম্নলিখিত আলোচ্যসূচী বিবেচনার জন্য ২৫ জুলাই ২০১৯, বৃহস্পতিবার, বেলা ১১:৩০ টায় ট্রাস্ট মিলনায়তন, ঢাকা ক্যান্টনমেন্ট, ৫৪৫ পুরাতন বিমানবন্দর সড়ক, তেজগাঁও, ঢাকায় অনুষ্ঠিত হবে।

সভায় আলোচ্যসূচী নিম্নরূপঃ

- এজিএম-০১-২৫-১৮ : ৩১শে ডিসেম্বর, ২০১৭ সালের 'পরিচালকমন্ডলীর প্রতিবেদন', নিরীক্ষকের প্রতিবেদন এবং নিরীক্ষিত আর্থিক বিবরণী গ্রহণ ও অনুমোদন;
- এজিএম-০২-২৫-১৮ : ২০১৭ সালের জন্য লভ্যাংশ অনুমোদন;
- এজিএম-০৩-২৫-১৮ : কোম্পানীর সংবিধি অনুযায়ী পরিচালকবৃন্দের নির্বাচন/পুনঃনির্বাচিত/নিশ্চিতকরণ;
- এজিএম-০৪-২৫-১৮ : বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিজ্ঞপ্তি অনুযায়ী নিরপেক্ষ পরিচালক নিয়োগ বিবেচনা (No. SEC/CMRRCD/2006-158/134/Admin/44, dated: August 07, 2012);
- এজিএম-০৫-২৫-১৮ : কোম্পানীর সংবিধি অনুযায়ী ২০১৮ সালের জন্য বিধিবদ্ধ নিরীক্ষক ২৬তম এজিএম এর পূর্ব পর্যন্ত নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ;
- এজিএম-০৬-২৫-১৮ : চেয়ারম্যান এর অনুমতিক্রমে অন্যান্য বিষয়ে আলোচনা।

পরিচালকমন্ডলীর নির্দেশক্রমে

স্বা/-
(সরওয়ার শফিক)
কোম্পানী সচিব

ই-মেইল: share@first-finance.com.bd

তারিখ: ২৯ জুন, ২০১৯

নোটঃ

- ৩০ আগস্ট, ২০১৮ তারিখে রেকর্ড ডেট নির্ধারণ করা হয়েছিল। যে সকল শেয়ারহোল্ডারগণের নাম রেকর্ড ডেট এ শেয়ার বইতে লিপিবদ্ধ ছিল তাঁরাই সাধারণ বার্ষিক সভায় অংশগ্রহণের যোগ্য হবেন।
- পরিচালনা পর্ষদ ২০১৭ সালের জন্য কোন লভ্যাংশ না প্রদানের সুপারিশ করেন।
- বার্ষিক সাধারণ সভায় অংশগ্রহণ ও ভোট প্রদানের যোগ্য সদস্য/সদস্য তাঁর স্বপক্ষে সভায় অংশগ্রহণ ও ভোট প্রদানের জন্য প্রস্তুতি নিয়োগ করতে পারবেন। প্রস্তুতি ফরম যথাযথ ভাবে পূরণ করে ৬ ২০.০০(বিশ) টাকার রেভিনিউ স্ট্যাম্প সহযোগে সভার নির্ধারিত সময়ের ৪৮ ঘন্টা পূর্বে কোম্পানীর রেজিস্টার্ড অফিসে অবশ্যই জমা দিতে হবে।
- প্রস্তুতি ফরম সংযুক্ত সহ উপস্থিতি স্লিপ উপস্থাপন সাপেক্ষে সভা কক্ষে প্রবেশ করা যাবে।

দৃষ্টি আকর্ষণ : বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর বিধি নং- এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪ তাং- ২৪ অক্টোবর, ২০১৩ মোতাবেক আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার গিফট/খাবার প্রদানের ব্যবস্থা থাকবে না।

বার্ষিক প্রতিবেদন-২০১৭ এর সফট কপি কোম্পানির ওয়েবসাইট <http://www.first-finance.com.bd> পাওয়া যাবে।

| CORPORATE INFORMATION |

Date of Incorporation	: 28th June, 1993
Authorized Capital	: BDT 5,000.00 million
Paid-Up Capital	: BDT 1,162.20 million
Statutory Reserve	: BDT 342.96 million
Registered Head Office	: Jahangir Tower (3rd Floor), 10, Kawran Bazar C/A, Dhaka-1215, Bangladesh
Type of Organization	: Financial Institution
Nature of Business	: Lease Finance, Corporate Finance, Term Loan Financing, Real-Estate & Housing Financing, Home Loan, SME Finance, Women Entrepreneur Finance, TDR, MSS, etc.
Number of Directors	: 10 (Nine)
Number of Shareholders	: 7,253
Number of Branches	: 6 (Six)
Number of Employees	: 218
Number of Clients	: 4,569 (Investment) and 1,723 (Deposit)
Business Thrust Sectors	: SME Sector, Corporate Finance, Medium Companies, Housing, Transportation Companies, etc.
Business Motto	: Efficient Customer Service & Effective Financial Solutions
Auditor	: G. Kibria & Co., Chartered Accountants
Tax Advisor	: M. J. Abedin & Co., Chartered Accountants
Legal Advisor	: Md. Dedar-e-Elahi, Barrister-at-Law
E-Mail	: info@first-finance.com.bd
URL (Website)	: www.first-finance.com.bd
Fan Page (URL)	: www.facebook.com/first-finance

| COMPANY CHRONICLES |

Commencement of Leasing Business (First Lease International Limited)	: Since Inception
Conversion into Public Company	: 18th July, 1996
Licensed from Bangladesh Bank	: 5th October, 1999
IPO Consent by SEC	: 28th June, 2003
First Trading on Dhaka & Chittagong Stock Exchange	: 9th October, 2003
Opening of Branch in Agrabad, Chittagong	: 20th December, 2005
First Trading day under CDS Systems in demat form	: 4th January, 2009
Name Change (First Lease Finance & Investment Limited from First Lease International Limited)	: 27th April, 2009
Opening of Branch in Gulshan, Dhaka	: 4th November, 2010
Launching of SME Finance	: 1st February, 2011
Opening of Branch in Sylhet	: 28th November, 2011
Face Value & Market Lot Change	: 4th December, 2011
Right Share Apporved by BSEC	: 18th June, 2013
Introducing of Online Service to our Customer	: 1st July, 2013
Opening of Branch in Board Bazar, Gazipur	: 26th December, 2013
Name Change (First Finance Limited from First Lease Finance & Investment Limited)	: 23rd July, 2014
Opening of Branch in Wari Branch, Dhaka	: 5th August, 2014

| CAPITAL & SHAREHOLDING STRUCTURE |

As at 31st December, 2017

CAPITAL STRUCTURE

Authorized Capital	Tk. 5,000.00 million
Issue, Subscribed & Paid-Up Capital	Tk. 1,162.20 million
Statutory Reserve	Tk. 342.96 million

SHARE HOLDING STRUCTURE

Sponsor & Director	49,228,268	42.36
General Public Including NRB	45,612,183	39.25
Institutions	21,379,807	18.39
Foreigners	-	-
Total	116,220,258	100.00

| THE PATTERN OF SHAREHOLDING ALONG WITH NAME WISE DETAILS |

1) Parent/Subsidiary/Associated Company and other related: Nil

2) Shareholding of CEO, CFO, Company Secretary & Head of Internal Audit & Compliance: Nil

SI No.	Name of Executives	% of Shares as at 31.12.2017
01	Chief Executive Officer and his spouse and minor children	-
02	Chief Financial Officer and his spouse and minor children	-
03	Company Secretary and his spouse and minor children	-
04	Head of Internal Audit & Compliance and his spouse and minor children	-

3) Shares held by Directors in 2017

Sl. No.	Name of the directors	Status	Opening position	Closing position	Opening %	Closing %	Change
1	Mr. AQM Faisal Ahmed Chowdhury	Chairman	2,721,064	2,721,064	2.3413	2.3413	0
2	Mr. Mohammed Jalal Uddin (Representative of Oparchor Trade International Ltd.)	Vice Chairman	8,321,520	8,321,520	7.1601	7.1601	0
3	Mr. Mujibur Rahman Chowdhury	Independent Director & Vice Chairman	164,287	164,287	0.1414	0.1414	0
4	Mr. Miah Nuruddin Ahmad Apu (Representative of Alphabet Associates Ltd.)	Director	5,670,588	5,670,588	4.8792	4.8792	0
5	Mr. M. Rashiduzzaman Millat (Representative of Qasraj Trading Ltd.)	Director	11,621,656	11,621,656	9.9997	9.9997	0
6	Mrs. Qazi Suda Afrin (Representative of Alphabet Systems Ltd.)	Director	5,673,868	5,673,868	4.8820	4.8820	0
7	Mr. Md. Mahin (Representative of Raqas Trade International Limited)	Director	5,794,796	5,794,796	4.9860	4.9860	0
8	Mr. Rafayel Bin Mahamud Bhuiyan	Independent Director	1,051,858	1,051,858	0.9051	0.9051	0
9	Mr. Ataul Haq	Independent Director	0	0	0.0000	0.0000	0
10	Mr. Md. Aminul Islam	Independent Director	0	0	0.0000	0.0000	0
Total			41,019,637	41,019,637	35.2947	35.2947	0

4) Shareholding of Senior Executive (Top five salaried executives other than CEO, CFO, CS, HIAC):

Sl No.	Name of Executives	% of Shares as at 31.12.2017
01	Khandaker Monwar Hossain, SEVP & Head of CRM	-
02	Maksumul Mahmud, EVP & Head of Corporate Branch	-
03	Md. Azizul Hakim, EVP & Head of Gulshan Branch	-
04	Kazi Md. Anamul Hoque, SVP, Head office	-
05	Hossain Al-Safeer Chowdhury, SVP & Head of Sylhet Branch	-

5) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details) – Nil

| KEY CORPORATE MILESTONES 1993-2017 |

1993-1999

- Incorporation of the Company as a Private Limited Company, First Lease International Limited : **28 June 1993**
- Commencement of the leasing business : **28 June 1993**
- Conversion into Public Limited Company : **18 July 1996**
- Licensed from Bangladesh Bank as a Non-Banking Financial Institution under the Financial Institutions Act, 1993 : **5 October 1999**
- Published of Government Gazette of Company Name : **25 October 1999**

2000-2005

- Commencement of Real Estate Finance : **15 November 2001**
- IPO Consent from SEC (5,00,000 Ordinary Shares of Tk. 100 each at par for the 50.00 million) : **28 June 2003**
- IPO Subscription Opens : **19 July, 2003**
- IPO Subscription Closes : **20 July, 2003**
- IPO Allotment of Share : **14 August 2003**
- Utilization of Public Share Holder's Fund : **1 September 2003**
- First Trading on Dhaka & Chittagong Stock Exchange : **9 October 2003**
- Commencement of Short term finance : **1 December 2004**
- Branch launched at Agrabad, Chittagong : **20 December 2005**

2006-2011

- First Trading day under CDS Systems in demat form : **4 January 2009**
- Name Changed by RJSC, First Lease Finance & Investment Limited : **22 February 2009**
- Name Change, by Bangladesh Bank, FLFIL : **27 April 2009**
- Branch launched at Gulshan, Dhaka : **4 November 2010**
- Launching of SME Finance : **1 February 2011**
- Branch launched at Sylhet : **28 November 2011**
- Face Value & Market Lot Change : **4 December 2011**

2012-2017

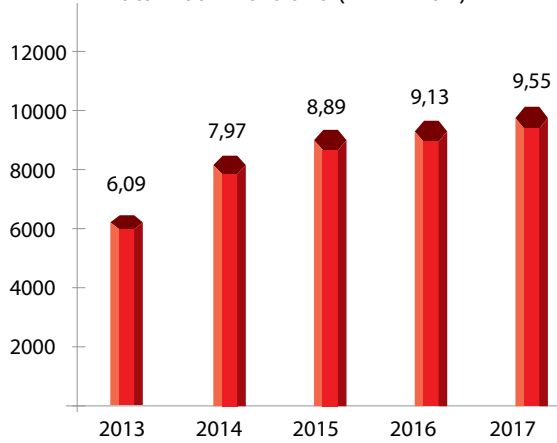
- Right Share Approved by BSEC : **18 June 2013**
- Introducing of Online Service to our Customer : **1 July 2013**
- Record Date for Entitlement of Right Offer : **15 July 2013**
- Right share Subscription Opens : **1 August, 2013**
- Right share Subscription Closes : **26 August, 2013**
- Branch launched at Board Bazar, Gazipur : **26th December 2013**
- Name Change by RJSC, First Finance Limited : **29 June 2014**
- Name Change by Bangladesh Bank, First Finance Limited : **23 July 2014**
- Branch launched at Wari, Dhaka : **5 August 2014**

| CODE OF CONDUCT |

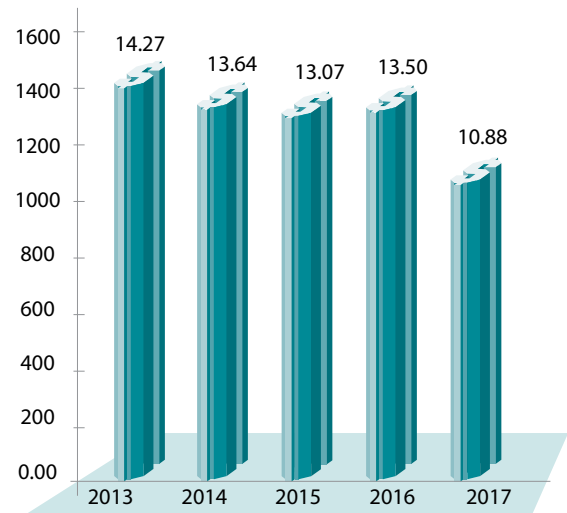
- Employees of First Finance shall take reasonable care about organization's confidential information to keep them secure from unauthorized disclosure and exchange. Unless asked by any lawful and competent court/authority, exchanging or disclosing of information will be treated as a serious violation of ethical standard, and shall be treated as a breach of contract.
- An employee of First Finance shall not provide any information to third party without prior approval of competent authority. He/she shall not disclose the unpublished and sensible information of the institution related to its performance, strategy, system, policies etc.
- All information and communication with the media, the public and financial markets shall be reliable and correct, maintain high professional and ethical standards and in accordance with established guidelines and regulations.
- Employees should ensure that communications are fair, concise, clear and not misleading so that clients are fully aware of the product features, relevant fees and associated risks for financial products and services.
- Employees should serve clients, colleagues and counterparties with due care. Respect their desires and serve them with responsibility if they asked for, or help them voluntarily.
- Employees shall never engage themselves in any activity that prohibits open and fair competition among institutions and strengthen the banking and financial environment in the country.
- No employee of First Finance shall, without prior permission of the competent authority, accepts by him/herself, or permit any of his/her family member to accept any gift from any person that make him/her obligated in official position to the gift providers. If anyone sends gift items via postal or courier services may be received but will immediately be handed over to the higher authority for disposal.
- The employees must avoid the conflict of interest as long as they hold positions in the organization.
- Employees are expected to comply with the laws, rules and regulations governing the Organization's business vis-a-vis regulatory bodies.

| PERFORMANCE IN THE LAST FIVE YEARS |

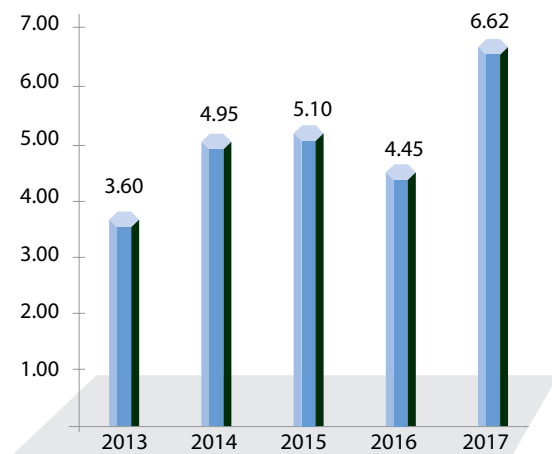
Total Loan Portfolio (In Million)



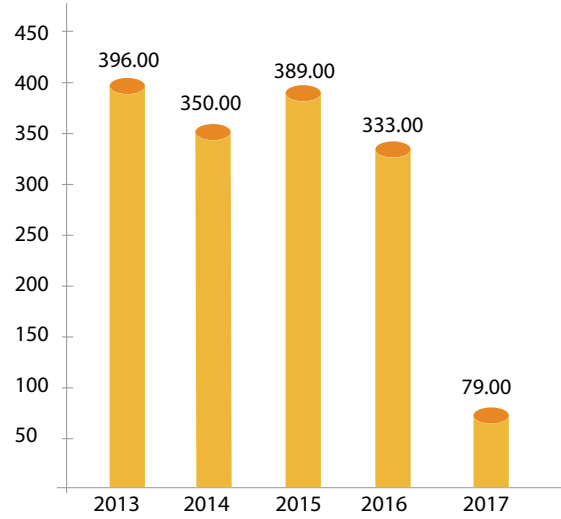
Net Asset Value Per Share (in Taka)



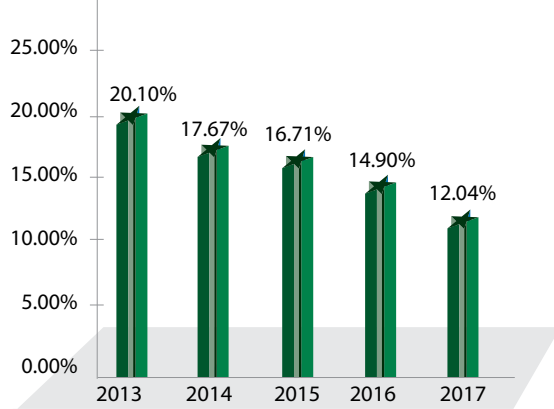
Debt to Equity Ratio (Times)



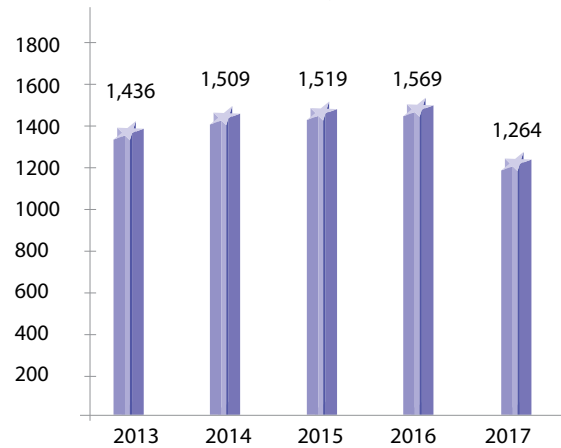
Operating Revenue (In Million)



Capital Adequacy Ratio (In Percentage)



Shareholders' Equity (In Million)



FIVE YEARS' FINANCIAL HIGHLIGHTS

[As required by Bangladesh Bank]

Sl. No.	Particulars	As at 31 December				
		2013	2014	2015	2016	2017
		Taka	Taka	Taka	Taka	Taka
1	Paid-up capital	1,006,236,000	1,106,859,600	1,162,202,580	1,162,202,580	1,162,202,580
2	Total capital /equity	1,436,037,050	1,509,316,624	1,518,686,712	1,568,811,321	1,263,905,090
3	Total assets	7,218,912,618	9,864,571,785	10,774,367,529	10,317,887,152	11,853,236,320
4	Total deposit	3,643,449,604	5,403,051,455	6,606,356,425	5,535,081,811	6,313,974,028
5	Total loan, lease and advance	5,030,322,590	7,978,258,895	8,890,474,710	9,139,174,021	9,554,739,490
6	Total capital (eligible)	1,000,000,000	1,000,000,000	1,000,000,000	1,100,925,366	1,134,264,597
7	Surplus/(shortage capital)	6,236,000	106,859,600	162,202,580	61,277,214	27,937,983
8	Total contingent liabilities and commitments	-	-	-	-	-
9	Credit deposit ratio (%)	72.43	67.72	74.31	60.56	86.12
10	Percentage of classification of loan (%)	12.62	19.88	42.60	33.37	32.88
11	Operating profit	252,658,575	147,964,198	188,318,607	133,943,530	(166,597,684)
12	Profit after tax and provision	133,172,026	73,279,574	9,370,088	50,124,609	(304,906,230)
13	Amount of classified loan/ lease	752,539,000	1,585,728,000	3,592,764,541	3,241,016,803	3,074,364,623
14	Provision kept against classified loan/ lease	160,651,000	185,456,546	333,957,000	391,335,175	521,505,685
15	Provision surplus/(deficit)	32,318,000	53,000	(80,000,000)	(67,087,864)	-
16	Cost of fund (%)	15.83	14.40	12.43	9.28	9.19
17	Interest earning assets	6,095,974,912	7,978,258,895	8,890,474,710	9,139,174,021	9,554,739,490
18	Non-interest earning assets	1,122,937,706	1,886,312,890	1,883,892,819	1,178,713,131	2,298,496,829
19	Return on investment (ROI) (%)	2.65	0.92	0.11	0.55	(3.19)
20	Return on assets (ROA) (%)	1.84	0.74	0.09	0.49	(2.57)
21	Income from Investments	3,422,959	2,939,655	(2,011,966)	(131,990)	3,923,506
22	Earnings per share (EPS)	1.32	0.66	0.08	0.43	(2.62)
23	Operating profit per share	2.26	1.10	0.31	1.15	(1.43)
24	Price earnings ratio (times)	25.15	29.45	140.16	23.19	-
25	Return on Equity (ROE)	0.09	0.05	0.01	0.03	(0.24)

| MARKET PRICE INFORMATION – 2017 |

Month	Dhaka Stock Exchange Ltd.			Chittagong Stock Exchange Ltd			Total Volume on DSE & CSE
	Month High	Month Low	Total Volume (Number)	Month High	Month Low	Total Volume (Number)	
Jan-17	11.40	9.30	4,485,558	11.10	9.20	113,595	4,599,153
Feb-17	10.10	8.90	1,930,649	10.30	8.90	86,679	2,017,328
Mar-17	10.30	9.20	2,419,839	11.00	9.20	137,678	2,557,517
Apr-17	13.00	9.50	3,906,047	12.80	9.00	235,073	4,141,120
May-17	15.30	10.20	13,386,271	15.20	10.10	665,407	14,051,678
Jun-17	12.00	10.00	3,290,967	12.10	10.10	116,874	3,407,841
Jul-17	14.30	10.70	10,163,594	13.50	10.90	446,310	10,609,904
Aug-17	14.80	12.50	6,215,277	14.80	12.70	230,353	6,445,630
Sep-17	15.40	13.00	3,935,191	15.00	13.00	100,763	4,035,954
Oct-17	15.20	12.70	1,407,730	14.60	12.50	65,047	1,472,777
Nov-17	13.30	11.60	1,768,444	13.70	11.30	8,828	1,777,272
Dec-17	12.70	10.60	893,673	13.80	10.70	14,934	908,607

| PRIORITIES FOLLOWED IN 2017 |

Serve Today to Shine Tomorrow

Priorities	Objectives	Progress Made
Emphasis on Recovery Drive	Collection of overdue from default clients thereby reducing Non Performing Loans (NPL).	*Build up a dedicated, strong and active Recovery Team. *Appointment of Recovery Agency. *One to One Negotiation with clients.
Booking of Quality Asset	To maximize profit through booking quality customers	*Identify target customers (leaders of the sub-sectors) and contact them directly. *Offer flexible terms to suit customer's requirement. *Cash flow based repayment model.
Technological Innovation	To update Information technological system & develop security systems.	*ICT personnel to understand business model of financial departments, adjustment or mobilization of software to provide correct or proper data to business details.
Diversified Deposit Product	To minimize average cost of fund and diversification of source of fund	*Build a strong and effective liability team. *Attract public deposit. *Diversity in deposit products like MSS,MPDS,Double Benefit Scheme etc.
Human Capital	Improvisation of productivity of employee	*Retaining existing employees. *Impartially training for capacity enhancement. *Improvisation of remuneration packages. *Posting of right personnel's in right places.
Syndication Funding in Green Finance	To participate in syndication funding in Green Project	* To take different initiatives to introduce Green Banking in it's all financial activities. *Promotes awareness programmes for environment friendly products *Investment through Syndication Loan as green finance in environment friendly initiatives.. *Participated in BIFFL Green Convention & Expo 2017 to promote investment in green projects

| FFL'S BRANCH CONNECTIVITY |

Corporate Branch

10, Jahangir Tower (3rd Floor)
 Kawran Bazar C/A, Dhaka-1215
 Phone : +880 9678 888 999
 (+880-2) 9103689-90, 9145780
 Fax:+880-2-9142251
 E-mail : corporate@first-finance.com.bd

Gulshan Branch

Gulshan Bhaban (Ground Floor)
 Plot No.: 355, A. K. Khandakar Sarak
 Mohakhali C/A, Dhaka-1212
 Phone:+880 9678 888 999
 (+880-2) 9880125, 8815725, 8815601
 Fax:+880-2-9880124
 E-mail : gulshan@first-finance.com.bd

Wari Branch

Bokul-Tola Complex (2nd Floor)
 Plot No. 6, Folder Street, Wari, Dhaka-1203
 Phone : +880 9678 888 999
 (+880 2) 9532301, 9532302
 Fax :+880-2-9532303
 E-mail : wari@first-finance.com.bd

Board Bazar Branch

Member Complex (3rd Floor)
 Board Bazar, Gazipur-1704
 Phone :+880 9678 888 999
 (+880 2) 9293060, 9293061
 Fax :+880-2-9293059
 E-mail : boardbazar@first-finance.com.bd

Agrabad Branch

Ayub Trade Center (5th Floor)
 1269/B, SK. Mujib Road, Agrabad C/A
 Chattogram-4000
 Phone : +880 9678 888 999
 (+880-312) 510961, 510962
 E-mail : agrabad@first-finance.com.bd

Sylhet Branch

HS Tower (3rd Floor), East Dargah gate
 Fayzu Mansion, Sylhet-3100
 Phone :+880 9678 888 999
 (+880-821) 716003, 719266
 Fax : +880-821 716005
 E-mail : sylhet@first-finance.com.bd

| BANKS WITH FFL |

Agrani Bank Limited	Meghna Bank Limited	Social Islami Bank Limited
Al-Arafah Islami Bank Limited	Mercantile Bank Limited	Sonali Bank Limited
Bangladesh Commerce Bank Limited	Midland Bank Limited	South Bangla Agriculture and Commerce Bank
Bangladesh Development Bank Limited	Modhumoti Bank Limited	Southeast Bank Limited
Bank Asia Limited	Mutual Trust Bank Ltd.	Standard Bank Limited
Basic Bank Limited	National Bank Limited	United Commercial Bank Ltd.
Brac Bank Limited	NRB Commercial Bank Ltd.	Uttara Bank Limited
Eastern Bank Limited	One Bank Limited	
Farmers Bank Limited	Premier Bank Limited	
ICB Islamic Bank Limited	Prime Bank Limited	
IFIC Bank Limited	Pubali Bank Limited	
Jamuna Bank Limited	Rupali Bank Limited	
Janata Bank Limited	Shahjalal Islami Bank Limited	

| OUR PRODUCTS & SERVICES |

Major Products and Services offered by First Finance Limited

- | | |
|---------------------------|--|
| • Term Deposits | • Lease Finance |
| • Working Capital Finance | • Real Estate Finance |
| • Home Loan | • Short Term Financing |
| • Syndicated Finance | • SME Loan |
| • Women Entrepreneur Loan | • Monthly Saving Scheme(MSS) |
| • Car Loan | • Structured Finance |
| • Corporate Finance | • SME Under Bangladesh Bank Refinance Scheme |

Lease Finance

First Finance Limited provides lease finance mainly for procurement of industrial machinery, equipment and transport. FFL provides professional advice and financial assistance to the intending clients. The period of lease, rental, charges and other terms and conditions are determined on the basis of type of assets and the extent of assistance required by the applicants. Since introduction of this scheme in 1999, good responses have been received from the intending lessees.

Lease financing became a thrust sector for individual and small enterprise besides medium and large enterprises. FFL has been providing lease finance facility to its customer for acquisition of manufacturing and service equipments for all major industrial sectors. The facility helps the customer to have better financial flexibility under budgetary constraints and to enjoy tax benefit. FFL offers financing vehicles/ CNG conversion/ refueling plant/ sea or river transport, capital machinery/ plant/ equipment/ lift / generator/ boiler, construction equipment/ computer for IT education center, medical equipment etc.

1) Lease Financing

- Asset backed financing against industrial machinery, commercial equipments, office equipments, generators, vehicles, vessels, engines, etc;
- Financing may be extended up to 70% of the acquisition cost;
- Usually for a tenure of 1 to 5 years;
- Repayment through monthly rental;
- Legal ownership remains in the name of FFL throughout lease period;
- Ownership is transferred to the client at the end of term.

1.1) Sale & Lease Back:

- Financing against any of the existing (already procured/in-use) industrial machinery, commercial equipments, office equipments, generators, vehicles, vessel, engines, etc;
- The ownership of the asset comes to FFL at the time of financing;
- Financing may be extended up to 100% of the written down value (cost net of depreciation) depending on the condition of the machine;
- Usually for a tenure of 1 to 5 years depending on original date of purchase and current condition of the asset;
- Repayment through equal monthly rental;
- Ownership is transferred to FFL at the time of financing and remains in the name of FFL throughout lease period;
- Ownership is re-transferred to the client at the end of term.

Structured Finance / Syndication

- When our clients are in need of large financing for their Greenfield or BMRE ventures, they mandate us to raise the required fund on their behalf, using a variety of financial instruments, such as term loan, lease, working capital etc. FFL, as the lead arranger, raises the fund on a best efforts basis by arranging a syndication of banks and financial institutions.
- In a syndication deal, the client has to maintain relationship only with the lead arranger, instead of a number of financial institutions, thus making the process more simple and efficient.
- The entire process is usually completed within 3-6 months. However, this may vary based on the complexity of the deal.

What FFL DO:

FFL can play the role of both an arranger and an agent in a syndication deal.

1.1) As a Lead Arranger, FFL is mainly involved in:

- Conducting due diligence of the client;
- Preparing Information Memorandum (IM);
- Negotiating with prospective financiers;
- Coordinating legal and regulatory requirements for deal closing;
- Preparing legal documents and coordinating disbursement.

1.2) As an Agent, our responsibilities include:

- Acting as the contact point between client and financiers;
- Coordinating subsequent repayment by the client;
- Coordinating completion, maintenance and require amendments of related documents;
- Coordinating compliance of various covenants of the facility;
- Structuring periodic renewal of the pricing of the facility;
- Resolving various issues related to the deal.

Real Estate Finance

First Finance Limited officers understand the unique financial needs of developers and builders. We help builders to establish realistic lines of credit. We keep on top of construction progress, which allows you to make timely draws - keeping suppliers and subcontractors paid and projects moving.

Key Futures:

- Residential Development Loans
- Commercial Real Estate Development Loans
- Custom Construction Loans - Short-term money that helps you with cash flow during construction phases.
- Construction/Permanent Home Mortgage Service - We work with both builder and home buyer to arrange a smooth transition from construction through the homeowner's loan closing.
- Long-Term Financing - Whether it's a developers loan or amortizing a commercial building loan, FFL will help you with rates and terms that will make your project successful.

SME under Bangladesh Bank Refinance Scheme

Bangladesh Bank has already introduced several schemes and programs to flourish and expand SME Enterprises. Refinance scheme funded by Bangladesh Bank, IDA and ADB has been facilitated for the development of SME sector. Existing definition of SME is recommended by Better Business Forum and accepted as a uniform one by Ministry of Industry and Bangladesh Bank.

Access to finance is vital for SME sector development. In many instances, entrepreneurs raise complain regarding high rate of interest. Indeed, higher rate of interest is a major hindrance, but availability of adequate fund is very much important. That is why; Bangladesh Bank is committed to facilitate SME credit through refinance window.

To develop SME sector, the fund of BB is allowed through refinance scheme.

SME Loan

The growth of Small and Medium enterprises (SMEs) in terms of size and number has multiple effects on the national economy, specifically on employment generation, GDP growth, and poverty alleviation in Bangladesh. At present, Small & Medium Enterprise sector is playing a vital role in creation of new generation entrepreneurs and 'Entrepreneurs Culture' in the country. Experience shows that borrowers of small enterprise sector prefers collateral free loan since normally they cannot offer high value security to cover the exposure.

To facilitate SME sector of the country, First Finance Limited provides collateral free credit facilities to the small & medium entrepreneurs across the country whose access to traditional credit facilities are very limited. Trading Service, Manufacturing and Cottage Industry are highly appreciable. We are providing all of your financial needs.

Specialty

- Easy to apply
- No charges before Approval
- Helpful environment
- Loan up to Tk. 10.00 lac collateral free
- Financial flexibility
- No hidden cost involved
- We bring fast and quality customer service at your door step
- Competitive Pricing
- Repayment by Equal monthly installments
- No compound interest

Terms and conditions:

Eligibility

- Entrepreneurs need to have minimum 2 years of experience in the same track of business.
- The businessman or woman must have the ongoing concern with minimum operational experience of 02 years
- Sole proprietorship, partnership, Private Limited Company
- Valid Trade License, 01-year Bank Statement
- Two acceptable guarantors
- Advance rental deed agreement or possession deed of shop

Car Loan

Personal & family travels or any kind of daily movements starts with the necessity of owning a car! Purchasing a personal car is no longer a luxury but a matter of fulfilling a necessity. Our car loan will allow you to give way to your tours and travels needs with competitive rates, convenient features and simple procedures.

Benefits

- An opportunity to finance both brand new and re-conditioned cars
- Competitive interest rate
- Expert advice on car market conditions
- Dedicated and supportive service both before and after disbursement
- Partial and full payment option with minimum charges
- Provided that all required documents have been provided to FFL

Terms and conditions:

Eligibility

You are eligible if you are:

- A salaried executive or professional or a businessman
- Between 22 and 60 years of age
- Minimum monthly income of taka. 50,000/= (Spouse income will be included in case of joint application with spouse.)
- A minimum of two (2) years of service/ business

Corporate Finance:

The terms corporate finance and corporate financier are also associated with investment. The typical role of First Finance Limited is to evaluate the company's financial needs and raise the appropriate type of capital that best fits those needs. Thus, the terms "corporate finance" and "corporate financier" may be associated with transactions in which capital is raised in order to create, develop, grow or acquire businesses.

Working Capital Finance:

First Finance Limited provide amount of funds which are necessary to an organization to continue its ongoing business operations, until the firm is reimbursed through payments for the goods or services it has delivered to its customers.

- FFL offering working capital financing to assist companies in carrying out day-to-day business operations;
- The financing moods include Term Loan, Short Term Loan, Work-order financing, Business development financing and many other forms of Short-Term Loan facilities;
- FFL offers its clients competitive interest rates at simple terms against these facilities.

Home Loan:

Buying your dream home is indeed an investment of a lifetime. We understand your need and recommend you a home loan well suited to meet your budget.

Our experts will help you navigate through the home loan process, thus making home buying a comfortable experience.

Types of Home Loans:

- Home Purchase Loan: This is the basic type of a Home loan, which has the purpose of purchasing new Flat.
- Home Construction Loan: This type of loan is for the construction of home which is already 1st floor roof completed.
- Home Extension Loan: This type of loan serves the purpose when the borrower wants to extend or expand an existing home, like adding an extra room etc.
- Home Improvement Loan: this type of home loan is for renovation or repair of the home or flat, which is already bought.

Benefit:

- For Flat purchase maximum 50% of the cost price (including Car Parking & Registration)
- Maximum Period 15 Years
- Competitive Interest Rate
- Dedicated and Supportive service both before and after disbursement
- Partial and full payment option with minimum charges.
- No Hidden Charges.

Eligibility:

You are eligible if you are:

- A salaried executive or professional or businessman
- Age up to 60 years at loan maturity
- Minimum monthly income of TK. 1,00,000/= (Spouse income will be included in case of joint application with spouse.)
- Minimum of three (3) Years of service or business
- A resident of Dhaka, Gazipur, Chittagong & Sylhet

Woman Entrepreneur Loan:

In Bangladesh, huge numbers of potential Small and Medium Woman Entrepreneurs are working in Bangladesh. They have strong footage in business. But many of them do not have cash security to expand their business. We proudly stay with the prominent & prospective woman entrepreneur in our country and finance them under First Finance Limited woman entrepreneur loan. Woman Entrepreneurship has an enormous and potential role in empowering woman and developing society.

We especially promote woman entrepreneur only at 10% interest rate (subject to getting refinance from Bangladesh Bank) providing their working capital to meet their short term cash flow needs so that they become self-dependent.

Eligibility

- Entrepreneurs having a minimum of 2 years experience in the same line of business
- The business must be a going concern with minimum operational experience of 2 years.

Loan Limit

- From Taka 1.00 Lac to Taka 50.00 Lacs.

Interest Rate

- 10% - the lowest interest rate in the market. (Subject to refinance from Bangladesh Bank)
- We offer loan without any collateral for up to Taka 5.00 Lacs;
- We offer loan for Working Capital Finance and/or Lease Finance for business;
- Borrower having loan facilities with other financial institutions can also avail this facility;
- Convenient repayment options are offered, consisting of equal monthly installments repayment schedule;
- We bring fast and quality service at your doorstep.

FFL Deposit Schemes

First Finance Limited (FFL) is authorized by Bangladesh Bank to accept deposit for minimum duration of 3 months. Deposit with FFL is not transferable. FFL reserves the right to change of Interest rate, amend, add or delete any term and condition without any notice.

What we offer:

FFL offers five distinct types of deposit products for its customers to earn more profit with this various attractive Deposit Schemes.

FFL Cumulative Term Deposit

Under this scheme, the deposited amount will mature to a lump sum amount on completion of the deposit term. Thus the profit on the deposit will be accumulated and thereby, will help the depositor to meet his/her substantial future requirement.

Key Features

Minimum Deposit Amount : Tk. 10,000

Minimum Deposit Term : 3 Months

FFL Monthly Profit Term Deposit

Under this scheme, the depositor will receive profit in every month against his/her deposit. Thus the monthly income distribution will help the depositor to maintain monthly profit flow while keeping the original deposit amount unchanged.

Key Features

Minimum Deposit Amount : Tk. 100,000

Minimum Deposit Term : 1 year

FFL Quarterly Profit Term Deposit

Under this scheme, the depositor will receive profit in 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 deposit amount intact.

Key Features

Minimum Deposit Amount : Tk. 100,000

Minimum Deposit Term : 1 year

FFL Double Term Deposit

Under this scheme, the deposited amount will mature to a double amount on completion of the deposit term.

Key Features

Minimum Deposit Amount : Tk. 20,000

Minimum Deposit Term : 5 years 6 months

- * Taxes will be deducted from the profit earned on deposit scheme as per Government rules on payment thereof.
- * Interest rates are subject to change at any time without notice.

The followings are required along with the application:

- * A copy of recent passport size photograph of both the depositor and the nominee.
- * Copy of National ID/Passport/E-TIN Certificate
- * Compliance with KYC (Know your Customer) guideline of Bangladesh Bank.

Aspects of Deposit Schemes

* Eligibility

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

* 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

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

* Mode of Deposit

You 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 FFL.

* Deposit Receipt

For each scheme, a Deposit Receipt will be issued in favor of the depositor(s). You should keep it safely as you have to discharge the Receipt at the time of encashment.

* 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 to FFL.

* Loan Against Deposit

A depositor can avail loan(s) up to 80% of the deposited amount. The rate of interest would be 2.50%-3.00% higher than the rate of interest on existing deposit.

* Encashment of Deposit

On maturity , unless instructed otherwise and acceptable by FFL, repayment will be made by crossed cheque favoring the first named depositor upon receipt of duly discharge Deposit Receipt. If maturity falls on any holiday, repayment shall be made on the next working.

* 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 3 months. In case of premature withdrawal, at the discretion of FFL return on your deposit interest will be calculated at savings rate. Before 3 months we pay only principal amount subject to prior approval from Bangladesh Bank.

As the rate of return is subject to change from time to time please contact FFL to know the prevailing rate of return before placing your deposits.

MONTHLY SAVINGS SCHEME (MSS)

First Finance Limited introduce a special product for its customer which is known as Monthly Savings Scheme (MSS) and the objective of this product is to take part by the people of the country for more global Economical development of Bangladesh.

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 First 10 days.
- 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 will be made only after one year from the effective date. In case of premature encashment, at the discretion of First Finance Ltd. Premature charges are applicable.

Default situation

- If the depositor fails to deposit 3 consecutive installments, the account will be closed automatically and interest will be given as per FFL's Policy.
- Late payment charge is Tk. 50.00 for each scheme of every Month.

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 up to 80% of deposited amount.

| THE CHAIRMAN'S STATEMENT TO THE SHAREHOLDERS |

Bismillahir Rahmanir Rahim

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullah Wa Barakatuhu.

It is a great pleasure and honor to welcome you at the 25th Annual General Meeting of First Finance Limited. On behalf of the Board of Directors and myself, I would like to express sincere thanks and gratitude for your continuous support, co-operation and benchmarking with us.

Financial Analysis

During the year under review FFL has ended up with a loss of Tk. 30.49 Crore and after adjustment of previous years' retained earnings of Tk. 6.36 Crore same stood at Tk. 24.13 Crore as on 31.12.2017. Adjusted equity now stands at Tk. 126.39 Crore as against Tk. 156.88 Crore in 2016. Capital adequacy has however been maintained at 12.04% of Risk Weighted Asset (RWA) slightly over the required capital adequacy of 10% of RWA. Net interest income is negative at (Tk. 1.42) Crore. Total Operating Income worked out to Tk. 7.87 crore after making adjustment of 'Other Operating Income' of Tk. 8.89 Crore (as against Tk. 13.95 Crore in 2016) with the negative interest income. The Earning per Share (EPS) now stands negative at (2.62) as against 0.43 in 2016.

On the expenditure side total operating expense was Tk. 24.53 Crore which was Tk. 19.87 Crore in 2016, showing an increase of Tk. 4.66 (or 24%) mainly because of salary expenses which increased by Tk. 3.88 Crore. Profit before provision was negative at (Tk. 16.66) Crore and after provision profit stands negative at (Tk. 29.72) Crore. Loan loss provision maintained against classified and unclassified loans to the tune of Tk. 13.06 Crore is adequate.

This can be increased by collecting deposits and giving quality loans and through recovery of bad debts, and by diligent financial intermediation together with recovery of classified loans and cautiously addressing the rescheduling proposals.

Green Environment

Our slogan for green environment: Go Green, Grow Green. We comply with environment-related laws and regulations. We are environment-friendly in our core business practices. We ensure that no harm is caused to the environment as a result of our operations. We finance the company's which wants to operates in green environment community development.

Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) Initiatives of the Company

Money laundering and financing of terrorism have emerged as major threats to peace and growth of economies across the globe. To prevent the criminal activities in Bangladesh, there are sufficient laws in place. Money Laundering Prevention Act – 2012 and Anti-Terrorism Act-2009 were enacted by the country's Parliament. These laws were also amended. Apart from the above, Bangladesh Financial Intelligence Unit (BFIU) prescribes guidelines for prevention of money laundering and combating financing of terrorism. First Finance complies with all the provisions of law and the regulations of the regulatory bodies. There is appropriate structure in place at company's Head Office and the branches to deal with the menace. We do not put any officer in operation without giving him training on AML and CFT. The policy and procedure are periodically reviewed and updated to accommodate new and emerging issues.

Public Disclosure

The company's disclosure controls and procedures are designed to ensure that information required to be disclosure are disclosed timely and with full accuracy.

Focus and Strategy

During the year under review, our focus and strategy was concentrated on sustainable long-term growth of business, better deposit mix, improving the quality of assets, rationalizing operating cost, improving operational efficiency and productivity of resources, better and faster customer service. The new Board's motto that First Finance Limited does not want to be just any financial institution, but it wants to be the largest and biggest one of FI.

Note of Appreciation

On behalf of the Board of Directors, I would like to thank the valued shareholders, patrons, borrowers, depositors, electronic & print media, law enforcement agencies, suppliers and all others stakeholders for their trust and confidence towards the company. Particularly, I would like to express my utmost and invaluable respect to the Central Bank of Bangladesh and other regulators for their timely intervention through various policy Guidelines which has been immensely helpful in formulation of company's own strategies at different critical times of the year.

Finally, I would also like to thank my fellow Board of Directors for their generous dedication and co-operation. I would like to take this opportunity to acknowledge the contributions of all our shareholders, management, staff and our cherished customers for their continuous support and contributions during the 2017 financial year. We ask for your continued support as we continue to set the new standard in our industry.

Chairman
First Finance Limited

সম্মানিত শেয়ারহোল্ডারবৃন্দের প্রতি মাননীয় চেয়ারম্যানের বক্তব্য

বিসমিল্লাহির রাহমানির রাহিম

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম ওয়াহ্ রহমাতুল্লাহ্ ওয়াহ্ বারাকাতুহ্,

ফার্স্ট ফাইন্যান্স লিমিটেড এর ২৫তম বার্ষিক সাধারণ সভায় আপনাদেরকে আন্তরিকভাবে স্বাগতম এবং সাদরে আমন্ত্রণ জানাচ্ছি। পরিচালনা পর্ষদ ও আমার পক্ষ থেকে আপনাদের ধারাবাহিক সমর্থন, সহযোগিতা এবং উন্নয়নের লক্ষ্যে প্রচেষ্টা অব্যাহত রাখার জন্য আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা প্রকাশ করছি।

আর্থিক বিশ্লেষণ

ফার্স্ট ফাইন্যান্স লিমিটেড এর আর্থিক চিত্র পর্যালোচনায় দেখা যায় চলতি বছরে বার্ষিক ক্ষতির পরিমাণ ৩০.৪৯ কোটি টাকা এবং গত বছরের অর্জিত আয় থেকে ৬.৩৬ কোটি টাকা সমন্বয় পূর্বক ৩১.১২.২০১৭ তারিখে পুঞ্জীভূত ক্ষতির পরিমাণ দাঁড়িয়েছে ২৪.১৩ কোটি টাকা। উক্ত ক্ষতিজনিত কারণে ২০১৬ সালের ইকুইটি ১৫৬.৮৮ কোটি টাকার বিপরীতে এখন ১২৬.৩৯ কোটি টাকায় দাঁড়িয়েছে। মূলধন পর্যাণ্ডতায় ঝুঁকি সম্পর্কিত সম্পদ ১২.০৪% রয়েছে, যা প্রয়োজনের তুলনায় অর্থাৎ ১০% এর বেশী প্রতীয়মান। নীট সুদের আয় ঋণাত্মক (১.৪২) কোটি টাকা। ২০১৬ অর্থ বছরের প্রভিশন ঘাটতির মধ্যে ১৪.৪৮ কোটি টাকা সমন্বয় করার ফলে ২০১৭ সালের মোট পরিচালণ আয় দাঁড়িয়েছে ৭.৮৭ কোটি টাকা। এখন শেয়ার প্রতি আয় দাঁড়িয়েছে ঋণাত্মক (২.৬২) টাকা, যা ২০১৬ সালে ছিল ০.৪৩ টাকা।

খরচের দিক থেকে মোট পরিচালণ ব্যয় ছিল ২৪.৫৩ কোটি টাকা, যা ২০১৬ সালে ছিল ১৯.৮৭ কোটি টাকা, খরচ বৃদ্ধি পেয়েছে ৪.৬৬ (২৪%) কোটি টাকা, যার প্রধান কারণ বেতন-ভাতা খাতে ব্যয় বৃদ্ধি ৩.৮৮ কোটি। প্রভিশনের আগে আয় ঋণাত্মক (১৬.৬৬) কোটি টাকা এবং প্রভিশনের পরে আয় ঋণাত্মক (২৯.৭২) কোটি টাকা। শ্রেণীবদ্ধ ও অ-শ্রেণীবদ্ধ ঋণের বিপরীতে ক্ষতি ঋণ হিসেবে প্রভিশন রাখা হয়েছে ১৩.০৬ কোটি টাকা। আমানত সংগ্রহ, গুণগত ঋণ প্রদান, শ্রেণীকৃত ঋণের পুনরুদ্ধারের মাধ্যমে প্রভিশন কমানো সম্ভব হবে।

পরিবেশবান্ধব প্রতিষ্ঠান

সবুজ পরিবেশকে সামনে রেখে ফার্স্ট ফাইন্যান্স লিমিটেড তার স্লোগান নির্ধারণ করেছে “Go Green Grow Green”। ফার্স্ট ফাইন্যান্স লিমিটেড পরিবেশবান্ধব অর্থনীতিতে বিশ্বাসী। আমরা পরিবেশ সম্পর্কিত নীতিমালার সঠিক বাস্তবায়নে সচেষ্ট। পরিবেশের জন্য ক্ষতিকর এমন কোন বিনিয়োগ আমরা করি না।

মানি লন্ডারিং এবং সন্ত্রাসী অর্থায়ন প্রতিরোধে উদ্যোগ

মানি লন্ডারিং এবং সন্ত্রাসী কর্মকাণ্ডে বিনিয়োগ আজ বিশ্ব শান্তি আর অর্থনৈতিক অগ্রগতির পথে অন্তরায় হয়ে দাঁড়িয়েছে। সন্ত্রাসী কর্মকাণ্ড প্রতিরোধে বাংলাদেশ সরকার মানি লন্ডারিং প্রতিরোধ আইন-২০১২ এবং সন্ত্রাস প্রতিরোধ আইন-২০০৯ জাতীয় সংসদে পাশ করে। এর পাশাপাশি BFIU (Bangladesh Financial Intelligence Unit) মানি লন্ডারিং প্রতিরোধ ও সন্ত্রাস প্রতিরোধ সম্পর্কিত নীতিমালা প্রণয়ন করেছে। ফার্স্ট ফাইন্যান্স লিমিটেড এ সম্পর্কিত সকল আইন ও নীতিমালা মেনে তার কার্যক্রম পরিচালনা করছে। কোম্পানীর সকল কর্মকর্তা কে কাজে যোগদানের পূর্বেই মানি লন্ডারিং এবং সন্ত্রাস প্রতিরোধ বিষয়ক প্রশিক্ষণ দেয়া হয়। মানি লন্ডারিং ও সন্ত্রাস প্রতিরোধ আইন ও নীতিমালা সময়ে সময়ে পর্যবেক্ষণ ও হালনাগাদ রাখা হয়।

পাবলিক ডিসক্লোজার

কোম্পানীর নিয়ন্ত্রণ ও কার্যক্রম সমূহ সঠিকভাবে ও যথাযথ সময়ে প্রয়োজনীয় তথ্যাবলীসহ প্রকাশ করা হয়ে থাকে।

লক্ষ্য ও কৌশল

২০১৭ সালে আমাদের লক্ষ্য ছিল ব্যবসা প্রসার ও টেকসই উন্নয়ন, দ্রুত গ্রাহকসেবা নিশ্চিতকরণ, সম্পদের গুণগত মান বৃদ্ধিকরণ, পরিচালণ ব্যয় কমানো, দক্ষ এবং উৎপাদনমুখী কর্মশক্তি তৈরী করা। আমাদের নতুন পরিচালনা পর্ষদ এর লক্ষ্য ফার্স্ট ফাইন্যান্স লিমিটেড কে দেশের একটি বৃহৎ ও সফল আর্থিক প্রতিষ্ঠান হিসেবে গড়ে তোলা।

কৃতজ্ঞতা প্রকাশ

পরিচালনা পর্ষদের পক্ষ থেকে আমি সম্মানিত শেয়ারহোল্ডার, পৃষ্ঠপোষক, ঋণগ্রহীতা, আমানতকারী, গণমাধ্যম, আইন-শৃঙ্খলা রক্ষাকারী সংস্থা, সরবরাহকারী এবং অন্যান্য অংশীদার প্রতিষ্ঠানকে কোম্পানীর প্রতি তাদের বিশ্বাস এবং আস্থা রাখার জন্য আন্তরিকভাবে ধন্যবাদ জানাচ্ছি। যথাযথ সময় বিগত বছরগুলোতে কোম্পানীর বিভিন্ন সমস্যাগুলো সমাধানের লক্ষ্যে বিভিন্ন নীতি নির্দেশিকা প্রদানের মাধ্যমে কোম্পানী নিজস্ব কৌশল গঠন করতে সাহায্য করেছে যারা, বিশেষ করে, বাংলাদেশের কেন্দ্রীয় ব্যাংক এবং অন্যান্য নিয়ন্ত্রক সংস্থার প্রতি আমার পরম এবং অমূল্য সম্মান জ্ঞাপন করছি।

পরিশেষে, আমি আমাদের সম্মানিত পরিচালনা পর্ষদকে তাদের আন্তরিক নিষ্ঠা ও সহযোগিতার জন্য ধন্যবাদ জ্ঞাপন করছি। আমাদের সম্মানিত শেয়ারহোল্ডার, কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ, সকল কর্মকর্তা-কর্মচারী ও সম্মানিত গ্রাহকদের চলমান সহযোগিতা ও অবদানের জন্য বিশেষভাবে অভিনন্দন জানাচ্ছি। আমাদের উন্নতির এই চলমান ধারাবাহিকতায় আপনাদের সর্বাঙ্গিক সহযোগিতা অব্যাহত থাকবে বলে আমরা আশা পোষন করছি।

চেয়ারম্যান

ফার্স্ট ফাইন্যান্স লিমিটেড

| MESSAGE FROM THE MANAGING DIRECTOR & CEO |



Honourable Shareholders, Members of the Board of Directors and Guests;

As-Salamu Alaikum,

It's a matter of great honour and privilege in welcoming you to our 25th Annual General Meeting ceremony today, the July 25, 2019. This auspicious ceremony provides us an opportunity to share detail information regarding the operational performances of First Finance Ltd. with different authorities like Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Central Depository Bangladesh Ltd., our Auditors, Customers and your kindnesses.

First Finance Progress

The company achieved a reasonable progress in 2017 despite challenges in the financial sector continued to experience prolonged slowdown in growth. I am pleased to present a comparable overcome growth. Our strategy of diversifying the business conglomerate and sustained focus on hiering our low-cost deposit has helped us deliver steady performance during the year. In 2017, we made great steps to focus on improving our capabilities across the businesses and enhancing our core products and services for our customers.

Oversight of the Board

I want to highlight a couple of important points. Our Board of Directors regularly review our strategy, the environment in which we are operating, and the progress we are making toward the goals we set. As a steward of the company on your behalf, the Board is focused on the active and independent oversight of management. The Board oversees risk management, our governance, and carries out other important duties in coordination with Board committees that have strong, experienced chairs and members. To enhance the Board's effectiveness, we conduct intensive and thoughtful annual self assessments, regularly evaluate our leadership structure. We are committed to engaging with shareholders, and we have made enhancements to our corporate governance practices that are informed by the feedback from our engagement. The Board also regularly evaluates the company's strategy, operating environment, performance, and the progress of your company is making toward its goals.

Business Sustainability

Our target is to satisfy the needs of our customers and clients by offering a rounded value proposition a full range of products and services and thereby, we aim to achieve a smoother incomedstream and sustainable returns. Designated Business Model will intensify the company very strong supervisory oversight on credit disbursement and loan recovery disciplines; with particular emphasis on risk management, internal audit and internal controls, accountability and transparency.

Framework of Risk Management

As a financial services company, our business is to take risk in a responsible manner that serves our clients and helps the economy grow. Whether investing in a small business, making a credit decision, or preventing fraud, nearly every aspect of our work calls for sound judgment and a commitment to doing what's right for our customers and shareholders. Our culture emphasizes that we are one team, and we have a shared responsibility to manage risk, act responsibly, have an ownership mind set, and escalate issues so they can be addressed proactively. Over the past several years, we've reduced risk significantly whether operating, credit or market risk. For example, non performing assets and delinquencies all improved in 2017. What's important here is how we did it by focusing our efforts on core credit worthy customers. This is at the heart of our approach to responsible growth to understand our customers and clients well and do more with them at lower risk.

Sustainable Growth

Sustainable growth is among the biggest challenges any business leader faces, but it isn't a new problem. To overcome the problem, First Finance Limited established the sustainable growth such as, how successful companies sustain innovation; what every entrepreneur should know before taking any outside investment and adapt or demolish options in an evolving economy.

Preparation of Financial Statements

The Board of Directors is responsible for ensuring good governance within the company and does supervise Management for the preparation and fair presentation of the Annual Financial Statements comprising the Balance Sheet as at 31 December 2017 and the Profit & Loss Account, Cash Flow Statements, Statement of changes in equity for the year alongwith the notes to the Financial Statements including a summary of significant accounting policies and other explanatory notes and the Directors' report in accordance with the Bangladesh Accounting Standard (BAS) / Bangladesh Financial Reporting Standards (BFRS).

Acknowledgements

In this occasion we express our profound gratitude to the Chairman and the Directors of the Board for the efforts they undertook to guide, advice and directives to help us in building quality assets and to attain the goals of organization ensuring rewards for internal and external stakeholders. We would like to thank the Management team, Executives, Officers and Staff members for their hard work and pains taking efforts to achieve the goals of our organization. I take this opportunity to thank all of our customers for their cooperation and support over the years for their enthusiasm in embracing the changes. I express my appreciation and thanks to all the regulators for their continuous help and assistance, valuable guidelines and co-operation provided to the company from time to time.

We once again express our heartfelt thanks to all for their kind participation in our mission.

Sd/-

Md. Nazrul Hossain
Managing Director & CEO

| EXISTING BOARD OF DIRECTORS AND ITS COMMITTEE |

(As on 29th June 2019)

Board of Directors		
Sl. No.	Name	Position
1	Md. Israfil Alam, MP (Elected Chairman of the Board in 307th meeting)	Chairman
2	Md. Mujibur Rahman Chowdhury	Vice-Chairman & Independent Director
3	Khan Mohammad Moinul Hasan (Elected Vice Chairman of the Board in 307th meeting)	Vice-Chairman & Independent Director
4	A.Q.M. Faisal Ahmed Chowdhury	Director
5	Ataul Haq	Independent Director
6	Md. Mahin	Director
7	M. Rashiduzzaman Millat	Director
8	Md. Aminul Islam, MP	Independent Director
9	Masud Hossain Khan	Director
10	Abu Zakir	Director
11	Amatun Noor	Director

Executive Committee		
Sl. No.	Name of the Directors	Status in the Committee
1	M. Rashiduzzaman Millat	Chairman
2	Md. Mahin	Member
3	Md. Aminul Islam	Member
4	Khan Mohammad Moinul Hasan	Member

Audit Committee		
Sl. No.	Name of the Directors	Status in the Committee
1	Ataul Haq	Chairman
2	Md. Mujibur Rahman Chowdhury	Member
3	Md. Mahin	Member
4	A.Q.M Faisal Ahmed Chowdhury	Member

| EXISTING DIRECTOR'S PROFILE |

Md. Israfil Alam, Chairman



Mr. Md. Israfil Alam has been nominated as the Director in the Board of First Finance Limited from Alphabet Associates (Pvt.) Ltd and elected as the Chairman of the Board of Directors of First Finance Ltd on 29th June, 2019. He is a Member of National Parliament. He is also the Chairman of the parliamentary standing committee on the Labour and Employment Ministry.

Md. Mujibur Rahman Chowdhury, Vice Chairman & Independent Director



Mr. Md. Mujibur Rahman Chowdhury is an Independent Director. He is a businessman. Mr. Mujib is the Chairman of Swadesh Properties Limited. He is also a member of Audit Committee.

Khan Mohammad Moinul Hasan, Vice Chairman & Independent Director



Mr. Khan Mohammad Moinul Hasan is an Independent Director and also a member of Executive Committee. He completed his LL.B (Honors) & LL.M degree from University of Dhaka. He is an advocate of Supreme Court. In addition, he is working as a Legal Consultant of Square Group of Companies, Airtel Bangladesh Limited, Meghna Group and many others. He is a member of Bangladesh Bar Council, Dhaka Bar Association, and Supreme Court Bar Association.

Mr. Faisal Ahmed Chowdhury, Director



Mr. Faisal Ahmed Chowdhury has completed his Graduation from Dhaka University. He is the Sponsor Director of the company. Mr. Chowdhury is a reputed businessman. He is 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.

Mr. AtaulHaq, Independent Director



Mr. Ataul Haq is an Independent Director of the First Finance Limited. He is also the Chairman of the Audit Committee of the same organization.

Mr. Haq retired from the Bangladesh Bank as Deputy Governor in 1998. After his retirement from the Bangladesh Bank he served as Advisor to the "Grihayan Tahbil" a Bangladesh Government's Housing Project for the rural poor people of Bangladesh. In 2000 Mr Haq joined the IFIC Bank as its Managing Director where he served from 2000 to 2005 and finished his graceful line of work as the Chief Consultant of the IFIC Bank Limited in 2006. He also served as a member of the Rating Committee of the Credit Rating Agency of Bangladesh (CRAB) from 2006 to 2010.

Mr. Haq is a Director of the National Credit Ratings Limitd (NCR) of Bangladesh.

Mr. Md. Mahin, Director



Mr. Md. Mahin is a nominated Director in the Board of First Finance Limited from Raqas Trade International Limited. Raqas Trade is involved in the business of manufacturing of fibrous substances & fast food items. He is also a member of Executive Committee and Audit Committee of the company. He has completed his Bachelor of Arts in Bangladesh as well as two years Management Course & Japanese Language Course from Japan.

Mr. Mahin started his business in Bangladesh in 1988 & today he is the Managing Director of Tanaka Group which is a leading conglomerate of the country having 12 industrial / business undertakings. The main areas of business are spinning, textile, trading, real estate, and CNG refueling & fuel station. He is also a Director of South Bangla Agriculture and Commerce Bank Limited.

Mr. M. Rashiduzzaman Millat, Director



Mr. M. Rashiduzzaman Millat is a nominated Director in the Board of First Finance Limited from Qasraj Trading Limited. He is engaged in the business of Trading, Indenting and Manufacturing Building Construction Products, and Marketing of Electrical Utility products for last 24 years. Mr. Millat is the Chairman of Shourav Group of Companies. He is also the President of Bangladesh Concrete Block Manufacturing Association. He is a life member of Rotary International and Gulshan Club Limited. He is also Donor member of Uttara and Banani Club Limited. He is also an honorable member of DCCI & Turkey-Bangladesh Chamber of Commerce & Industry.

Mr. Md. Aminul Islam MP, Independent Director



Mr. Md. Aminul Islam is an Independent Director and also a member of Executive Committee. He has seventeen years' experience of different business arena. He is the Managing Director of Pioneer Hatchery Ltd. Aquaculture Farms Ltd. and Total Agro & Aquaculture Ltd. He is a Member of 11th National Parliament.

Mr. Masud Hossain Khan, Director



Mr. Masud Hossain Khan is a nominated Director from Oparchor Trade International Limited in the Board of First Finance Limited. Oparchor Trade International Limited involves in the business of Real Estate and construction works, manufacturing, producing, marketing, distribution and deal with organic fertilizer NPKS, Zink sulphet and briquette urea fertilizer. He is the proprietor of M.H. Khan International.

Mr. Abu Zakir, Director



Mr. Abu Zakir is a nominated Director in the Board of First Finance Limited from Alphabet Systems Limited. Alphabet Systems Limited is involved in the business of Consultancy, data processing, programming, System designing installation, management, and services relating to electronic data processing and or all other allied business. He plays an important role in the business of Construction, Garments, Leather goods manufacturer and real estate. He is engaged with number of social activities.

Ms. Amatun Noor, Director



Ms. Amatun Noor has been nominated as the Director from Qasraj Trading Ltd. as the representative in the Board of First Finance Limited. She is the Chairman of Kheya Properties Ltd. and also a Director of New Dhaka Alliance Ltd.

| EXISTING MANAGEMENT |

Md. Nazrul Hossain, *Managing Director & CEO*



Mr. Md. Nazrul Hossain completed his Masters in Management from University of Dhaka. He has over 35 years of experience in Banking service & Financial Sector of the Country. He started his career with IFIC bank in 1983 & subsequently worked with various banks, namely Dhaka Bank, Brac Bank, Shahjalal Islami Bank, Merchantile Bank, Meghna Bank under different capacities including Head of different Branches and Head of CRM at Head Office. His last assignment in the Banking sector was with Meghna Bank Limited as Deputy Managing Director. Prior to joining in First Finance in January, 2018 as its Managing Director & CEO, he was with GSP Finance Company (Bangladesh) Limited with the capacity of Managing Director & CEO. He received many training including Law & Practices for Bankers, Credit Management, Credit Risk Analysis, and Foreign Trade Operations at Bank's Training Academy at home and abroad. He has been performing lectures, conducting seminars & workshops at various Training Institutes.

Khandaker Monwar Hossain, *Head of CRM*



Mr. Khandaker Monwar Hossain has obtained MBA from Institute of Business Administration (IBA), University of Dhaka. He has been serving for more than 24 years and gathered experience to work in leading Banks and Financial Institutions of Bangladesh like AB Bank, Mercantile Bank, Trust Bank, Jamuna Bank.

Before joining First Finance Limited back in August 2014, Mr. Monwar was the Executive Vice President (EVP) of Jamuna Bank Limited. During his career, he has been awarded for his performance in Branch Management and Credit Risk Management. He has attended number of trainings and workshops at home and abroad.

Maksumul Mahmud, *Head of Recovery & Monitoring*



Mr. Maksumul Mahmud started his career with Uttara Bank Limited back in 1996 as MTO and had been awarded as one of the youngest Branch Manager. Before joining with First Finance on March 2010, he was Senior Principal Officer and Branch Manager at Uttara Bank Limited.

Mr. Mahmud completed his MSS degree in Economics from University of Dhaka. He also has obtained a Diploma on Banking from Institute of Bankers. He received a good number of professional and skill development trainings and attended professional workshops at Uttara Bank Limited and at Bangladesh Bank. He has long working experience as Branch manager at Uttara Bank and Head of the different Branches in First Finance Limited.

Md. Wahid Murad FCA, Chief Financial Officer



Mr. Md. Wahid Murad FCA has been working with First Finance Limited since February 2017 as Chief Financial Officer. He is also the CAMLCO of the company. He has more than 10 years of experience in Group of Industries, Real Estate and Insurance sector. Before joining with First Finance, he worked with Anwar Group of Industries as GM (Finance & Accounts) and AMD & CFO with Homeland Life Insurance Company Limited. He is a Fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB) and The Institute of Certified General Accountants of Bangladesh (ICGAB). He is also the faculty in both of the institute.

Mr. Murad possesses extensive competencies and experiences in Financial Reporting, Income Tax & VAT, Internal Control, Corporate Governance and Financial Management. He has a vast knowledge regarding AML/CFT issues and went through various training program on it.

Sarwar Shafiq, Company Secretary



Mr. Sarwar Shafiq has 27 years of working experience in the field of Administration and Accounts. Prior to joining at First Finance Limited, he served in British High Commission & CARE Bangladesh. He received a good number of trainings under British High Commission, US Embassy, British Council and CARE Bangladesh. Mr. Shafiq completed graduation from National University and partly completed the course of Cost & Management Accountancy under the Institute of Cost & Management Accountants of Bangladesh.

Mohammad Sabur Khan Dipu, Head of Treasury



Mr. Mohammad Sabur Khan Dipu has 14 years of extensive working experience in different Non-Banking Financial Institutions. Mr. Dipu started his career with United Leasing Company Ltd (ULC) as Group Coordinator, Treasury Department back in December 2005. Prior to joining with First Finance Limited on January 2017, he worked as the Head of Treasury & Liability at National Finance Ltd (NFL), and Liability In-charge under Treasury Department at Industrial and Infrastructure Development Finance Company Limited (IIDFC). He completed his BBA and MBA with major in Marketing. He attended various training /workshops at Bangladesh Bank and different training organizations of Bangladesh.

Abdullah Yousuf, Head of ICC Department



Mr. Abdullah Yousuf has joined in First Finance on June 2018. Prior to joining First Finance, Mr. Yousuf worked as Head of ICCD at Meridian Finance & Investment Limited.

Mr. Yousuf has obtained MBA major in Marketing and in Finance from IBA of Jahangirnagar University and East West University respectively and also completed M.com in Accounting from Jagannath University. He also completed Chartered Accountancy knowledge level from The Institute of Chartered Accountants of Bangladesh (ICAB). He started his career with Delta Brac Housing Finance Corporation Ltd back in January 2009. He was the head of ICCD at CAPM Venture Capital & Finance Limited and Senior Executive (ICCD) at BD Finance Limited. During his career, Mr. Yousuf has played an important role on developing performance management, Standard Operating Procedure (SOP), risk based audit approach, internal control system, monitoring of control and regulatory & corporate affairs. He attended a good number of training on Internal Audit and Controlling Environment, AML & CFT from Bangladesh Bank & other different institutions.

Anamul Huq, Head of Legal Deptt.



Mr. Anamul Huq joined First Finance Limited as its Head of Legal in the month of December, 2018.

He started his career in financial sector as Senior Officer (Legal) with Industrial and Infrastructure Development Finance Company (IIDFC) Ltd. back in April 2014. Prior to joining IIDFC, Mr. Huq used to work as Corporate Law Practitioner with 3 renowned corporate/civil law firms in Dhaka starting from September, 2008.

Mr. Huq has obtained LL.B. (Hon's) from University of Dhaka & LL.M. from Jagannath University. He possesses extensive competencies and experiences in Banking Litigation Management, Reporting to Bangladesh Bank, vetting of land documents/agreements, drafting all types of legal instrument. He is highly skilled in preparing/filing court cases independently and in minimizing of legal risk & legal cost. He has a vast knowledge & training program on AML/CFT issues.

| OFFICERS ENGAGED IN BRANCH OPERATIONS |

Corporate Branch



Gulshan Branch



Wari Branch



Board Bazar Branch



Chattogram Branch



Sylhet Branch



| DIRECTORS REPORT TO THE SHAREHOLDERS |

Dear Shareholders,

The Board of Directors of First Finance Limited with immense pleasure takes this opportunity of presenting the Annual Report and the Audited Financial Statements for the year ended December 31, 2017 together with the Report of the Auditors to the Shareholders on the occasion of 25th Annual General Meeting (AGM) of the company.

Industry Outlook

Financial Institutions (FIs) are playing a significant role for promoting economic development of Bangladesh. FIs provide multiple options to mobilize economy's savings mostly into the industrial sector. They are playing an active role for promoting manufacturing and service industries, agriculture, Micro, Small and Medium Enterprises (MSMEs), trade, housing, transport, information technology, and capital markets. The key aspects of FIs may include their sources of funds, asset composition, asset quality, liquidity status and profitability. FIs are licensed and regulated under the Financial Institution Act 1993 and supervised by Bangladesh Bank following a risk-based supervisory system.

Background of First Finance

FFL 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 Financial Institution in Bangladesh. Currently the company has been operating Lease Finance, Term Loan Finance, Home Loan, Term Deposit Receipt (TDR), Monthly Savings Scheme (MSS), Real Estate & Housing Finance, Corporate Finance, Working Capital Finance, SME Finance, Women Entrepreneur Loan, Car Loan, Hire Purchase, Bridge Finance, Equity Finance, Structured Finance, Syndicated Finance, Renewable Continuous Loan from 6 branches in different prime locations of the country with an objective to meet up the all types financial needs of the clients. The company's employed over 218 employees and is well diversified into Corporate, SME, Industrial, Retail, Capital Market, Money Market segments.

Corporate Governance

Good 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 BSEC. This Annual Report contained a separate Report on Corporate Governance.

Maintaining Proper Books of Account

The directors' responsibilities also include overseeing whether adequate accounting records are being maintained with vouchers relevant to any entry in good order. The books of accounts kept at the registered office of the First Finance Limited.

Appropriate Accounting Policy

The directors' responsibilities also include supervision for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these Financial Statements those are free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Effective Internal Control System

An effective internal control system also requires that an appropriate control structure is set up with control activities defined at every business level. Board of Directors have the responsibility for approving the review of overall business strategies and significant policies of the internal control system. Statement of Internal Control described widely in the annual report.

Going Concern

Financial statements are generally prepared under the assumption that the business will remain a "going concern." That is, it's expected to continue to generate a positive return on its assets and meet its obligations in the ordinary course of business. It is the responsibility of the management of a company to determine whether the going concern assumption is appropriate in the preparation of financial statements. First Finance is running well above the level of different parameters set by the respective guidelines of Bangladesh Bank excepts few ratios.

Business Review

Key financial figure of the Balance Sheet is given below:

BDT in Million

Particulars	2017	2016	2015	2014	2013
Assets	11,853.24	10,317.89	10,774.37	9,864.57	7,218.91
Deposit	6,313.97	5,535.08	6,606.36	5,403.05	3,643.45
Loans & Advances	9,554.74	9,150.85	8,890.47	7,978.26	6,095.97
Shareholder's Equity	1,263.91	1,568.81	1,518.69	1,509.32	1,436.04

Analysis of Income Statement

BDT in Million

Particulars	2017	2016	Change
Interest Income	788.83	896.67	-12%
Interest Expense	803.01	703.44	14%
Net Interest Income	-14.19	193.23	-107%
Non-Interest Income	88.94	139.56	-36%
Operating Expenses	245.27	198.68	23%
Profit before Provision	-166.60	133.94	-224%
Profit before Taxes	-297.16	80.28	-470%
Net Profit after Taxes (NPAT)	-304.91	50.12	-708%
Earnings Per Share	(2.62)	0.43	-709%

Dividends

First Finance earned negative income Tk. 30.49 Crore at the end of the year. So that the Board of Directors has recommended no dividend for the year 2017. The Board also suggested the higher management to overcome the loss and to be earned more profit to declare the dividend on next year based on Net Profit.

Business Commitments

It was more than 25 years ago, when the Company established itself on this land of opportunities and possibilities like Bangladesh. The real assets of Bangladesh are all around us with scarcity of demand. Acquiring finance to grow our business might be a challenge, but it had achieved as our commitment. First Finance continuously updates its corporate strategies and commitments. In Bangladesh, First Finance Ltd. is listed on both Dhaka and Chittagong Stock Exchanges. It has always flourished and shall continue to value its remarkable relationship with the Government of Bangladesh, esteemed shareholders and other stakeholders of the Company.

Other Regulatory Disclosures

The Company is aware of its various risks and concerns of regulatory bodies. Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment are disclosed. Related parties' transactions are discussed in notes to the disclosure. The Company's IPO was made in 2003. No further issue of any instrument was made during the year. All significant deviations from the previous year in operating results of the Company have been highlighted and reasons thereof have been explained. The key operating and financial data for the last five years have been disclosed in the Directors' Report. The Board of Directors Meeting, attendance records of the Directors are shown in this report.

Directors' Remuneration

Directors are not eligible for any remuneration other than attendance fee for the Board and its Committee Meeting. As per DFIM Circular letter No. 13, dated November 30, 2015, directors are eligible for remuneration of BDT 8,000 for attending each meeting but numbers of such Meeting are also prescribed in the said circular determining the numbers with or without remuneration.

Shareholders' Value

First Finance remains fully committed to delivery of higher shareholders' value. The higher profitability underpins the value the shareholders derived from investing in the shares of FFL. The Board of Directors is more concern with the Shareholder's value.

Board of Directors

Mr. A.Q.M Faisal Ahmed Chowdhury resigned from the position of Chairman and Mr. Miah Nuruddin Ahmad Apu was elected as the Chairman of the Board at 296th Board Meeting held on February 13, 2018.

Alphabet Associates Ltd, Raqas Trade International Ltd, Oparchor Trade International Ltd and Qasraj Trading Ltd is our Institutional Director of First Finance Limited has shown their intension to change their representatives and nominated Mr. Miah Nuruddin Ahmad Apu, Mr. Md. Mahin, Mr. Md. Jalal Uddin and Mr. M. Rashiduzzaman Millat instead on Mrs. Sadia Akter, Mr. Golam Ahmed, Mr. Rafayel Bin Mahamud Bhuiyan and Mr. Md. Mujibur Rahman Chowdhury on 289th & 292nd Board Meeting held on 14th September 2017 and 4th December 2017 respectively.

Loans to Directors

No loan excepting our honorable Director A.Q.M Faisal Ahmed Chowdhury, Tk. 64,24,472.00 outstanding as on 31st December 2017 allowed to any other Director of the company in the year 2017.

Retirement and Re-election of Directors

As per Companies Act, each year one-third of the Directors retire from office at the AGM and if eligible, may offer themselves for re-election by shareholders at the Annual General Meeting. In line with the requirement of CA-1994, the following Directors will retire at the 25th AGM with seniority basis:

1. Mrs. Qazi Souda Afrin (Representing by Alphabet Systems Limited)
2. Mr. Md. Mahin (Representing by Raqas Trade International Limited)

The above directors are eligible for reelection for their next term.

Meeting of the Board

During the year 2017 total 15 nos of Board of Directors meeting, 4 nos of Audit Committee meeting were held. No Executive Committee Meeting were held during the year 2017.

Retirement and Appointment of Independent Directors

Ms. Ruma Yasmin, Mr. A. K. Nasir Uddin, Mr. Mahmud Ali Bhuiyan and Mr. Rafayel Bin Mahamud Bhuiyan, the Independent Directors of the company has resigned from the position of Independent Director on different Board Meeting due to thier personal reason and casual vacancy has been fulfilled after appointment of new Independent Directors.

As per Bangladesh Securities and Exchange Commission Notification No.SEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 the Board has appointed Mr. Mujibur Rahman Chowdhury, Mr. Md. Aminul Islam and Mr. Khan Mohammad Moinul Hasan, as the Independent Director of the company in different Board Meeting subject to approval of the shareholders in 25th AGM.

Appointment of Auditors

External auditors G. Kibria & Co., Chartered Accountants, Sadharan Bima Sadan, (5th Floor), 24-25, Dilkusha C/A, Dhaka-1000, were appointed in 23rd AGM for the year 2016 and accordingly, they have completed their audit work. As per their EOI, the Board reappointed the firm for the auditor of Financial statement 2017 prior to approval of 24th AGM in 2017. Being eligible under section 212 of the Companies Act, 1994, they have again expressed their willingness for re-appointment for the year, 2018. The 298th Board of Directors of FFL has recommended re-appointment of G. Kibria & Co., Chartered Accountants, as the company's Auditor for the year 2018, at a fee of Tk. 1,35,000.00 only for the approval the 25th Annual General Meeting.

Appointment of Professionals for Compliance Certificate

Arun & Company, Chartered Accountants, House No. 558 (4th Floor), East Kazipara, Kafrul, Mirpur, Dhaka-1216 expressed their interest as Professionals of Compliance Certificate of First Finance Limited for the year 2018. The 301st Board Meeting held on 30th July, 2018 recommended their appointment with annual fee of Tk.20,000/= and placed the matter 25th AGM for shareholders approval (Ref: No. BSEC/CMRRCD/2006-158/207/Admin/80 dated on 03 June 2018 issued by BSEC).

Annual General Meeting

25th Annual General Meeting (AGM) of the company will be held on September 27, 2018 at Trust Milonayaton (Auditorium), Dhaka Cantonment, 545 Old Airport Road, Tejgaon, Dhaka, Bangladesh at 12.00 PM. In this connection financial statements were approved /adopted in the 298th Board Meeting held on April 29, 2018.

Acknowledgment

The members of the Board of Director of First Finance Limited like to express gratitude to all honorable shareholders, valued clients for their patronage and financial support received from the all Nationalized and Private Commercial Banks and all Financial Institutions. The Directors also express their thanks and profound appreciation for the immense support and co-operation received from Bangladesh Bank especially DFIM, Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository Bangladesh Limited (CDBL), National Board of Revenue (NBR), Bangladesh Leasing and Finance Companies Association (BLFCA) and Bangladesh Association of Publicly Listed Companies (BAPLC). The Board Members also pleased to put on record their appreciation for the commitment and dedication extended by the management of the Company.

On behalf of the Board of Directors

Sd/-

Chairman
First Finance Ltd.

| CORPORATE GOVERNANCE REPORT |

First Finance Limited comprises carefully at corporate governance considered rules and practices by which the Board of Directors and the Management ensures accountability, fairness and transparency in the company's relationship with all its stakeholders. The aim of the Board to ensure the interest of shareholder either he/she is minority or majority with attaining the businesses sustainability.

Board of Directors

Board's Size

The number of the Board Members of First Finance Limited consisted of ten including four Independent Directors.

Policy on appointment of Directors

Bangladesh Bank circulars, BSEC notification regarding Code of Corporate Governance, Financial Institutions Act and Company Act are strictly followed to appoint the Board of Directors of First Finance Limited. In order to be a member of the Board, a Director other than a nominated, Independent and alternate Director, must maintain at least two percent shares of the company. As per the Companies Act, 1994, Directors are subject to retirement. At least one-third of the Directors retire by rotation in every AGM. The term of an Independent Director is three years and may be lengthened by another three years. With regards to nomination, removal and casual vacancy of the Directors, FFL follows all relevant rules and regulations of the respective regulatory bodies. The Managing Director is appointed for a minimum period of three years subject to approval of Bangladesh Bank. The office of the Managing Director is not subject to retirement and may be extended for further three years with evaluating performance.

Composition of the Board of Directors – Non-executive Directors and Independent Directors

All the directors of the Board are non-executive directors and at least one-fifth is Independent. Currently, there are four Independent Directors appointed by the Board subject to the approval of the shareholders in the AGM.

Independent Director

As per the BSEC guidelines on Corporate Governance at least one fifth of the total Directors should be Independent Directors. Therefore, in compliance with BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, Board of First Finance nominated four Independent Directors so that the Board contains core skills considered appropriate in the frame work of the company. The four independent directors are:

1. Mr. Md. Mujibur Rahman Chowdhury
2. Mr. Ataul Haque
3. Mr. Md. Aminul Islam
4. Mr. Khan Mohammad Moinul Hassan

Independent Director's independence

The purpose of true independence, Board decided that its Independent Director do not hold any share of the Company; not associated with the Company's Promoters or Directors or Shareholders who maintains one percent or more of the total paid-up share of the Company; not related with the existing Directors or families; does not have any other relationship, not a member, Director or officer of any Stock exchange and who is not a shareholder, Director or officer of any stock exchange or an intermediary of the capital market. The Independent Director is appointed for a period of three years which may be extended by one term and subsequently rules of Corporate Governance.

Role and Responsibilities of the Board

The Board's responsibilities are to reviewing and approving the strategies and business plans for the various operating divisions against their respective business targets; prescribing the minimum standards and establishing policies on the management of credit risks and other key areas of the FFL's operations; ensuring that the operating infrastructure, systems of control, systems for risk identification and management, financial and operational controls, are in place and properly implemented; reviewing the adequacy and integrity of the Bank's internal control systems. But not limited the above mentioned the subject matter.

Code of Conduct for the Board of Directors

The Board of Directors follows a Code of Conduct which was adopted to provide guidance to directors to carry out their duties in an honest, responsible and business like manner and within the scope of their authority, as set forth in the laws of the country as well as in the Memorandum and Articles of Association of the Company. The Members shall act honestly, in good faith and in the best interests of the shareholders and the company. The members shall not make improper use of information acquired and shall not take improper advantage of the position as a director.

Role and Responsibilities of the Chairman

As the Chairman of the Board of Directors (or Chairman of any Committee formed by the Board of Directors) does not personally possess the jurisdiction to apply policy making or executive authority, he shall not participate in or interfere into the administration or operational and routine affairs of the company. The Chairman may conduct on-site inspection of any branch or financing activities under the purview of the oversight responsibilities of the Board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the Board or the Executive Committee and if deemed necessary, with the approval of the Board, he shall take necessary action thereon in accordance with the set rules through the CEO. Besides this, the Chairman may/shall assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the company.

Non-executive Director's independence

All the Directors except the Managing Director are non-executive Directors in the Board. None of the Directors takes part in the day to day affairs of the Company. They attend only the Board Meeting, Audit Committee meeting and Executive Committee Meeting to discuss the agenda reserved for the Board and Committees.

Training Policy of Board of Directors

The Board encouraged the training on the Corporate Governance and other Rules, Regulations and Circular of Bangladesh Bank and BSEC. First Finance is fully committed to maintain highest standards of Corporate Governance & professionalism in driving the progress on the principles of transparency and accountability.

Appraisal of the Board's performance

In a short form First Finance appraised the Board's performance by analyzing the execution of the projects and proposals sanctioned by it. A periodical evaluation of classified and non-performing loans is continuously followed by the Board.

Role and Responsibilities of the CEO

In terms of the financial, business and administrative authorities vested upon him by the board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plans, efficient implementation thereof and prudent administrative and financial management. The CEO shall ensure compliance of the FFL Act and other relevant laws and regulations in discharge of routine functions of the company. The CEO shall include information on violation of any law, rules, regulation while presenting memos before the Board or the committee formed by the board. CEO will provide all sorts of information to Bangladesh Bank about the violation of Financial Institutions Act, rules and regulations.

Board Meetings

The Board meets as required to discuss business strategy, financial performance, matters pertaining to compliance and governance. The Board reviews, amongst others, the financial performance of the company. In addition, Special Board meetings are held when necessary, to deliberate on major transactions and ad-hoc matters that require the Board's urgent attention and decisions. Meeting papers on the proposals and reports are delivered to the Directors prior to the meetings, giving them sufficient time to evaluate the proposals. Paperless meeting has been introduced. There are fifteen Board Meetings were held during the year 2017.

Role of the Company Secretary

- Company Secretary is responsible for advising the Board on issues relating to compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Bangladesh Bank, as well as best practices of governance.
- He is also responsible for advising the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving the company, prohibited to deal in securities and restricted to disclose any price-sensitive information.

- Support the Chairman in the smooth functioning of the Board. Receive agenda items from other Directors/staff and ensure appropriate agenda items are tabled at Board meetings. This is done in consultation with the Chief Executive and the Chair who is responsible for preparing Board meeting agendas.
- Besides the Secretary of the Board, company secretary has to act as the Secretary to the Executive Committee, Audit Committee.
- Make sure that the Directors have information to enable them to comply with the decisions and fulfill their responsibilities. This includes organizing the induction of new Directors also.
- Ensure that Board meetings are held in compliance with sufficient documents and arrangements for the meetings are made.
- Confirms that Annual General Meetings (AGMs) and Extra Ordinary General Meetings (EGMs) are run effectively. This includes confirm that a quorum is present. Also make sure that agenda and minutes of AGMs and EGMs are circulated timely.
- File the annual list of members and summary of share capital together with the authenticated Balance Sheet and the Profit and Loss account. Issue Dividend Warrants, Bonus Share Certificates and make arrangement for disposal of fractional shares, if any.
- Maintain strict confidentiality of information, manage situations like conflict of interest, identify problems and implement or recommend solutions.
- Maintain and liaise with various corporate bodies.

Audit Committee

The Committee is empowered, among other things, to examine any matter relating to the financial affairs of the Company and to review all audit and inspection reports, internal control systems and procedures, accounting policies and adherence to compliance requirements, among others.

Chairman is an independent Non-Executive Director

The Chairman of the Audit Committee is an independent Non-executive Director, who is not involved in the day to day operations of the company. He is an experienced individual and qualified to be the Chairman of the Audit Committee.

Appointment of members and composition of the Audit Committee

FFL's Audit Committee is a sub-committee of the Board formed in compliance with the requirements of DFIM Circular No. 13, dated 26 October 2011 of the Bangladesh Bank and relevant BSEC notification(s) and international best practices on corporate governance. Composition of the Audit Committee consisting of an Independent Director and Non-executive Directors In compliance with the DFIM Circular No. 13, dated 26 October 2011 of the Bangladesh Bank and Corporate Governance guidelines of BSEC, the Committee consists of four (5) non executive members of the Board including two Independent Director, one is the Chairman of the Committee.

Qualification of members including the Chairman

Mr. Ataul Haq, one of the Independent Directors, is the Chairman of the Audit Committee, possessing of vast experience. He was the Deputy Governor of Bangladesh Bank as well as Managing Director of IFIC Bank Ltd. Among others, four members, Mr. Md. Mujibur Rahman Chowdhury, Mr. Jalal Uddin, Mr. A.Q.M Faisal Ahmed Chowdhury and Mr. Md. Mahin is also possess significant experience in finance, accounting and audit. All the members of the Committee are 'financially literate' as defined by the revised corporate governance guidelines.

Head of Internal Audit and Compliance's access in the Audit Committee

The Head of Internal Audit and Compliance always has access to the audit committee and can raise his concerns whenever required.

Terms of reference of Audit Committee

- Reviewing all fraud, forgery and internal control weaknesses discovered by internal, external or regulatory auditors and thereafter keeping the Board of Directors informed of all discoveries and subsequent corrective measures.

- Reviewing whether financial statements were prepared in compliance with all directives and guidelines prescribed by the Bangladesh Bank and other applicable standards
- Reviewing the activities and organizational structure of internal audit and ensuring that there is no barrier or limitation to the performance of an independent internal audit
- Appraising the audit procedures and reviewing the management letter submitted by external auditors
- Reviewing whether the rules and regulations set by regulatory authorities (Bangladesh Bank and other regulatory bodies) as well as internal policies and guidelines approved by the Board of Directors are being complied with.
- Placing quarterly reports before the Board of Directors on rectification /correction status of errors, fraud, forgery and other irregularities identified by internal auditors, external auditors and the Bangladesh Bank inspection teams.
- The Audit Committee is responsible for approving the annual audit plan of ICC and reviewing the plan's subsequent implementation.

Immediate reporting to the Board of Directors

The Audit Committee shall immediately report to the Board of Directors in the following cases:

- On conflict of interest;
- Suspected and presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities-related laws, rules and regulations and
- Any other matter which should be disclosed to the Board of Directors immediately

No such issues arose at FFL during the year ended 31 December 2017.

Immediate reporting to the Bangladesh Securities and Exchange Commission

No such circumstances arose during the year ended 31 December 2017.

Activities during 2017

The Committee met four (4) times during the year 2017 and carried out the following tasks:

- Reviewed draft audited financial statements of First Finance Limited for the year ended December 31, 2017 as per clause no. 3.3 (v) of Corporate Governance Guidelines (CGG) issued by Bangladesh Securities and Exchange Commission;
- Reviewed expression of interest of the Audit Firms and recommended for appointment of G. Kibria & Co., Chartered Accountants as statutory auditors for the year 2017;
- Reviewed the report of Audit Committee for incorporation in the Annual Report 2017;
- Reviewed the Bangladesh Bank Inspection Report on corporate head office of FFL as of December 31, 2017, and management responses to the report;
- Reviewed Audit Plan of Internal Control and Compliance Department for the year 2017;
- Reviewed the internal audit reports issued by the Internal Control and Compliance department during the year 2017;
- Reviewed the Management Letter issued by external auditors, G. Kibria & Co., Chartered Accountants, on annual audit of financial statements of First Finance Limited for the year ended December 31, 2017;
- Reviewed quarterly and half-yearly unaudited financial statements of First Finance Limited for the year 2017;

Quorum of the Audit Committee meetings

The number of Directors required to constitute a quorum is determined by the Board including one shall be an Independent Director. The quorum of the meeting shall not be filled until and unless the Independent Director attends the meeting. The Company Secretary may act as the secretary of the Committee.

Holding of the Audit Committee meeting during 2017

As per the Terms of Reference, the Audit Committee is required to hold at least four (4) meetings in a year. During the year ended 31 December 2017, the Committee held four (4) meetings.

The Audit Committee Meeting, Attendance and Remuneration of Committee Members

Attendance of Directors in the Auddit Committee Meetings in the year 2017

Name of the Directors	Status	Total Meeting Held (during his/her period)	Number of Meetings attended	Gross remuneration	Deduct of AIT	Net Payment	Attendance %
Mr. Ataul Haq	Chairman	4	3	24,000	2400	21,600	75%
Mr. Rafayel Bin Mahamud Bhuiyan	Member	3	3	24,000	2400	21,600	100%
Ms. Ruma Yasmin	Member	4	3	24,000	2400	21,600	75%
Mr. Md. Mujibur Rahman Chowdhury	Member	1	1	8,000	800	7,200	100%
Total				80,000	8000	72,000	

Total 4 no of Audit Committee Meeting has held in the year-2017

Executive Committee (EC)

The matters related to the Company's ordinary business operations and matters that the Board of Directors, from time to time, authorize, are vested in this committee in accordance with taking prompt decisions and reacts swiftly to changes in the marketplace as they occur. The policy of the Executive Committee is outlined by the Board. Executive Committee constitute by four members. They Are: (a) Mr. M. Rashiduzzaman Millat; (b) Mr. Md. Mahin; (c) Mr. Md. Aminul Islam; and (d) Mr. Khan Mohammad Moinul Hasan. Mr. M. Rashiduzzaman Millat is the Chairman of Executive Committee.

Key Terms of Reference

Delegated authority to the Board Executive Committee (BEC) includes the followings maters:

- To review and give approval of loan/lease proposal from the CRM Committee, if deemed to appropriate.
- To give approval on fixation of interest and any other product rate against the facilities.
- To review and monitor the recovery process particularly classified loan/leases.
- To raise the issues that may be assigned by the Board.

The Company Secretary of First Finance Limited may act as Secretary to the Committee and ensure the followings:

- As per Terms of Reference, time to time maintenance of the records of the Committee as approved by the Board.
- Preparation of minutes of the meeting of the Committee and place the same to the following meeting of the Board on regular basis.

Meeting of the Executive Committee

No meetings of the Executive Committee were held during the year 2017.

Disclosure of Remuneration of Directors, Chairman, Chief Executive and Senior Executives

The Directors of the Board are paid only honorarium for attending Board or Committee meetings. On the other hand, the Managing Director is paid salary and allowances as fixed by the Bangladesh Bank.

The Board of Directors Meeting, Attendance of Directors and Remuneration of Board Members

Attendance of Directors in the Board Meetings in the year 2017

Name of the Directors	Status	Total Meeting Held (during his/her period)	Number of Meetings attended	Gross remuneration	TDS	Net Payment	Attendance %
Mr. A.Q.M Faisal Ahmed Chowdhury	Chairman	15	15	108,000	12,000	96,000	100%
Mr. Md. Jalal Uddin (Appointed as Nominated Director on 14.09.2017)	Vice Chairman	5	3	21,600	2,400	19,200	60%
Mr. Mujibur Rahman Chowdhury	Independent Director & Vice Chairman	15	14	100,800	11,200	89,600	93%
Mr. Miah Nuruddin Ahmad (Appointed as Nominated Director on 14.09.2017)	Director	5	5	36,000	4,000	32,000	100%
Mr. M. Rashiduzzaman Millat (Appointed as Nominated Director on 04.12.2017)	Director	2	2	14,400	1,600	12,800	100%
Mr. Md. Mahin (Appointed as Nominated Director on 14.09.2017)	Director	5	5	36,000	4,000	32,000	100%
Mrs. Qazi Sauda Afrin	Director	15	12	86,400	9,600	76,800	80%
Mr. Ataul Haq	Independent Director	15	12	86,400	9,600	76,800	80%
Mr. Md. Aminul Islam (Appointed as Independent Director on 04.12.2017)	Independent Director	2	2	14,400	1,600	12,800	100%
Mr. Golam Ahmed (Withdrawn as Nominated Director on 14.09.2017)	Director	10	10	72,000	8,000	64,000	100%
Mr. Rafayel Bin Mahamud Bhuiyan	Independent Director	15	7	50,400	5,600	44,800	47%
Mr. A.K. Nasir Uddin (Resigned from the position of Independent Director on 04.12.2017)	Independent Director	12	10	72,000	8,000	64,000	83%
Ms. Ruma Yasmin (Resigned from the position of Independent Director on 14.09.2017)	Independent Director	10	10	72,000	8,000	64,000	100%
				770,400	85,600	684,800	

Total 15 no of Board Meeting has held in the year-2017

| STATEMENT OF BOARD OF DIRECTORS |

a. Directors statement regarding Adequacy of Internal Control Systems

The Board has reviewed the policies and manuals of various segments of businesses in order to establish an effective internal control system, which is adequate for achieving sustainable growth through orderly and efficient conduct of business. The directors have also checked the control procedures for ensuring the safeguarding of the company's asset, the prevention and detection of fraud and error, the adequacy and completeness of accounting records, timely preparation of financial information and the efficient management of risk.

The Board of Directors monitors the adequacy and effectiveness of Internal Control systems through the establishment of Audit Committee. While preparing the Audit Committee, all the conditions mentioned in the Bangladesh Bank guidelines, the Corporate Governance guidelines and Bangladesh Securities and Exchange Commission have been properly addressed. The committee has reviewed the system of internal control and management of core risks faced by the company. It has also reviewed the audit process, the FI's process for monitoring compliance with laws and regulations and codes of business conduct.

b. Directors statement for establishing of high level of Ethics and Compliance within the organization

The Board of Director has always been committed to establishing a high level of ethics and compliance among all employees of the institutions. They have always encouraged management to ensure that everyone maintains a high ethical standard within the company. The Board guides management on principles that should be adopted and followed by everyone in the company.

Effective corporate governance can be achieved by adopting a set of principles and best practices. A great deal depends upon fairness, honesty, integrity and the manner in which the FI conduct their affairs. First Finance must make a profit in order to survive and grow; however, the pursuit of profits must stay within ethical bounds. The company has adopted policies that include environmental protection, whistle blowing, ethical training programs and so on. Such compliance mechanisms help develop and build a corporate image and reputation, gain loyalty and trust from clients and heighten commitment to employees.

c. Director's Responsibility to establish appropriate System of Internal Control

The company needs to have in place an appropriate and effective internal control environment under which internal controls are developed, implemented and monitored. The control environment consists of the mechanisms and arrangements that ensure internal and external risks to which the company is exposed to are identified; appropriate and effective internal controls are developed and implemented to soundly and prudently manage these risks; reliable and comprehensive systems are to be put in place to appropriately monitor the effectiveness of these controls.

The Board of Directors has always been extremely active in establishing appropriate systems of internal control. The Board of Directors has no sympathy for any type of fraud in the company, and always promotes a sound and strong internal control system inside the company. The Board of Directors has always appreciated the internal controls that have been set up by management and have also given advice on any matters when required. The Board has always been very responsible and active in establishing an appropriate system of internal control.

On behalf of the Board of Directors
Chairman

| CORPORATE SOCIAL RESPONSIBILITY |

Green Environment

The above outlined indicative allocation guidelines are for direct budgetary CSR expenditures only. Indirect costs associated with promotion of inclusive financing for productive SME initiatives in agriculture, manufacturing and services and for environmentally beneficial 'green' projects are partly mitigated by such policy supports as concessional refinance lines, with the remainder to be viewed as investment costs of expanding into newer client bases.

End use monitoring of CSR expenditure allocations

First Finance Limited will monitor the proper utilization of the CSR support assistances for the intended purposes. In case of CSR assistances to institutions /organizations, it would be advisable for the concerned dedicated CSR units to get into Memorandums of Understanding (MOUs) with the assistance recipients stipulating phased disbursements commensurate with progress in proper end use. In cases of assistances to individuals, the dedicated CSR unit / foundation should collect and file reports /documents sufficient to ascertain proper end use, withholding the assistance in unsatisfactory cases. Boards of First Finance Limited should review reports of CSR allocation end use monitoring annually before approving fresh allocations for subsequent years; and all end use monitoring records should be kept available for inspection by internal and external audit and by BB supervision officials.

Disaster Management and our commitment

Our society is our first preference; be it distributing blankets to cold-hit people of the country, reaching out relief to flood-affect people, or responding to any national emergency. In 2017, FFL's employees donated their one day's salary for cold affected people in the northern region of the country.

| COMMUNICATION TO THE SHAREHOLDERS |

Principles governing shareholder communication

FFL is committed to promoting effective and open communication with all shareholders, ensuring consistency and clarity of disclosure at all times. We aim to engage with our shareholders transparently and regularly in order to facilitate a mutual understanding of our respective objectives. We strive to be accessible to both institutional and private investors, and proactively encourage all shareholders to participate at our Annual General Meeting (AGM).

Early Notification of Annual General Meeting

FFL sends the AGM notices at least two weeks in advance of the scheduled date of the Annual General Meeting to shareholders in order to enable them to have sufficient time to deliberate on the proposed Agenda of Items.

AGM participation

FFL understand the importance of communicating effectively with shareholders and are committed to the constructive use of the AGM for the Chairman and Directors to meet with shareholders, hear their views and to answer their questions. We proactively encourage shareholder participation in the AGM, both by attending the meeting and voting, either in person or by proxy.

Information available on the website

FFL provides updated information in its website regularly for the shareholders and other stakeholders of the Institutions.

Information through the newspapers:

According to DSE Listing Regulation 2015, the notice and PSI about AGM should be published in One English and One Bengali newspaper. Besides any other PSI have been published during 2017 and complied with this rule.

Posting of Financial Statements in the Website [Section 21 of DSE Listing Rules]

The detail of the published Financial Statements is available in the Website of the First Finance Limited. The address of the Website is www.first-finance.com.bd

Communication with Shareholders and Other Stakeholders

The Share Department, Company Secretariat of FFL, plays an instrumental role in ensuring effective communication with its shareholders and other stakeholders. Shareholders and other stakeholders of FFL may contact this department during office hours for any information and queries. The share department performs all kinds of share related tasks, e.g. allotment of bonus and right shares, process of share transfer, monitoring share movement through CDBL, share re-materialization & de-materialization, distribution of fractional dividend, conducting AGM, etc. In addition to that, the department corresponds with various Regulatory and Government bodies from time to time on matters related to the shareholders.

Investors' inquiries

Any queries relating to shareholdings for example transfer of shares, changes of name and address, and payment of dividend should be sent to the following address:

Share Department

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

| REDRESSAL OF INVESTORS' COMPLAINT |

First Finance Limited is strongly committed to equitable treatment of every shareholder, whether they are major or minority shareholders, or institutional investors. To ensure equal treatment of all shareholders the FFL created various mechanisms, such as:

- Shareholders who are unable to attend the shareholders' meeting, the FFL provide proxy forms which allow shareholders to specify their vote on each agenda. The proxy forms, which are in accordance with the standard format, are sent along with the annual report.
- The shareholders' meetings proceed according to the order of the agenda, without adding new and unformed agenda, in order to give the opportunity to shareholders to study the information on the given agenda before making a decision. Moreover, there are no changes to the important information in the shareholders' meeting.
- The FFL provides a channel for minority shareholders to propose issues deemed important and appropriate to include in the agenda of the FFL's annual general meeting of shareholders and to nominate candidates with appropriate knowledge, abilities and qualifications to be considered for the position of Director.

Complaint redressal is supported by a review mechanism, to minimize the recurrence of similar issues in future.

The FFL's Grievance Redressal policy follows the following principles

- Investors must be treated fairly at all times without biasness;
- All issues raised by investors must be dealt with courtesy and in a timely manner;
- Investors are informed of avenues to raise their complaints within the organization;
- Complaints are treated efficiently and fairly;
- Towards the interests of the investors, FFL employees work in good faith and without prejudice.

Way of Redress Investor Complaints

- Investor can complain through email **share@first-finance.com.bd** which is the designated investor grievance email ID of FFL;
- An investor can make a written complaint through letter, or complaint box of Head office;
- We have 2 designated persons look after the investor grievances in due time;
- The full detail of the written complaint must be passed onto the concerned department and inform the compliance officer of the Company as soon as it is received;
- A letter or mail must be written to all the investors who have submitted written complaints by the designated person or compliance officer acknowledging receipt of the complaint and informing them it will be dealt with.
- Compliance Department will obtain all information available on the complaint which is considered necessary for a proper investigation and resolve the same as soon as possible.
- There is standing policy of the company to resolve the investor complaint within seven days of the receipt of the same except cases which are complicated in nature.
- A serious complaint (where the written response does not settle the issue) must be referred to the director of the company.
- The compliance officer of the company shall review the investor complaint register on a weekly basis to find out whether complaint has been resolved within time or not.

The FFL continues to have regular communication with the shareholders through periodic updates of performance and at any other time when it believes it to be in the best interest of shareholders generally

| DECLARATRION BY CEO & CFO |

29th April 2018

The Board of Directors
First Finance Limited
Jahangir Tower
10, Kawranbazar C/A
Dhaka-1215.

We have reviewed accompanying financial statements of First Finance Limited as on December 31, 2017, profit and loss account, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

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

- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) 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;
- iii) No transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
- iv) Proper books of account as required by law have been kept by the Company;
- v) The expenditure incurred was for the purposes of the Company's business;
- vi) Adequate provisions have been made for leases/loans and advances, investments and other assets which are, in our opinion, doubtful of recovery.

Sd/-
Md. Nazrul Hossain
Managing Director & CEO

Sd/-
Md. Wahid Murad FCA
Chief Financial Officer

| CREDIT RATING REPORT |

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 Finance Limited 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.

The credit rating of "First Finance Limited" which declared as on 16th August, 2017 & validity date on 15th August, 2018.

Long term Rating : "BBB-3"
Short term Rating : "ST-4"
Outlook : Stable

The rating prepared by "WASO Credit Rating Company (BD) Ltd." based on the Financial Statements up to 31st December 2016 (Audited).

| MEMBERSHIP CERTIFICATE WITH BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES (BAPLC) |

First Finance Limited submitted a renewal copy of membership certificate of Bangladesh Association of Publicly Listed Companies (BAPLC) to the Exchange and published through the Annual Report.



| CERTIFICATE OF CORPORATE GOVERNANCE |



Certificate on Compliance with Conditions of Corporate Governance Guidelines to the Shareholders of First Finance Limited

(Issued under Condition No. 7 (i) of Corporate Governance Guidelines of “BSEC” vide notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012)

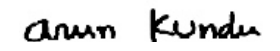
We have examined the compliance with conditions of the corporate governance guidelines **First Finance Limited** (the “Financial Institution”) for the year ended 31 December 2017. These conditions of corporate governance were issued by the Bangladesh Securities and Exchange Commission (BSEC) vide its notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013.

Those charged with governance and the management of the Financial Institution is responsible for complying with the conditions of corporate governance guidelines were issued by the Bangladesh Securities and Exchange Commission (BSEC). Those charged with the governance of the Company are also responsible for stating in the Director’s report whether the Company has complied with the conditions of corporate governance guidelines.

Our responsibility is to provide a certificate about whether the Financial Institution is in compliance with the said conditions of corporate governance based on our examination. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Financial Institution for ensuring the compliance of the conditions of corporate governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statement of the Financial Institution.

To the best of our information and according to the explanations provided to us by the Financial Institution, we certify that, except as reported on the attached status of compliance Statement, **First Finance Limited** has complied with the conditions of corporate governance stipulated in the above mentioned BSEC notification dated 07 August 2012 for the year ended 31 December 2017.

Dated, Dhaka;
7 May, 2018


ArunKumer Kundu, FCA
Managing Partner
Arun & Company
Chartered Accountants

| REPORT ON COMPLIANCE OF BSEC'S NOTIFICATION ON CORPORATE GOVERNANCE |

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

SEC Checklist: (Report under Condition No.7)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.	Board of Directors			
1.1	Board's Size shall not be less than 5 and more than 20	✓		
1.2	Independent Directors			
1.2 (i)	Independent Director(s) - at least one fifth (1/5) of the total number of directors	✓		03 Independent Directors out of 09, all are appointed by the Board.
1.2 (ii) a)	Independent director does not hold any share or holds less than one percent (1%) shares of total paid up capital	✓		03 Independent directors does not hold any shares of total paid up capital
1.2 (ii) b)	Independent Director is not a sponsor of the company and is not connected with the company's Sponsor or Director or Shareholder who holds 1% or more shares of the company (certain family members are also required to comply with this requirement)	✓		
1.2 (ii) c)	Independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies	✓		
1.2 (ii) d)	Independent directors are not the members, directors or officers of any stock exchange	✓		
1.2 (ii) e)	Independent director is not the shareholder, director or officers of any member of Stock Exchange or an Intermediary of the capital market	✓		
1.2 (ii) f)	Independent director is/was not the partners or executives during preceding 3 (three) years of concerned company's statutory audit firm	✓		
1.2 (ii) g)	Independent directors is not the independent director in more than 3 (three) listed companies	✓		
1.2 (ii) h)	Independent director is 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)	Independent director has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	The independent director shall be appointed by the Board of Directors and approved by the Shareholders in the AGM	✓		
1.2 (iv)	The post of independent directors cannot remain vacant for more than 90 days	N/A		No such vacancy created
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 Directors shall be for a period of 3 (three) years which may be extended for 1 (one) term only	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
1.3 (ii)	The person should be a Business Leader/ Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences along with other requisites	✓		
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			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		
1.5	Directors' Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	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	✓		
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	N/A		During 2017 there were no public or right issue of share
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	N/A		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)	Keeping proper books of accounts	✓		
1.5 (xiii)	Application of appropriate accounting policies consistently in preparation of Financial Statements	✓		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	✓		
1.5 (xv)	Soundness of Internal Control System	✓		
1.5 (xvi)	Ability of the Financial Institution to continue as going concern	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (xvii)	Significant deviations from last year in operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		
1.5 (xviii)	Summary of key operating and financial data for the last (05) five years	✓		
1.5 (xix)	Reasons for non-declaration of Dividend (cash or stock) for the year	✓		
1.5 (xx)	Disclosure about number of Board meeting held during the year and attendance by each Director	✓		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:			
1.5 (xxi) a)	Shareholding pattern of Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5 (xxi) b)	Shareholding pattern of Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children	✓		
1.5 (xxi) c)	Shareholding pattern of Executives	✓		
1.5 (xxi) d)	Shareholding pattern of Shareholders holding ten percent (10%) or more voting interest in the company	✓		
1.5 (xxii)	In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders:			
1.5 (xxii) a)	a brief resume of the director	✓		
1.5 (xxii) b)	nature of his/her expertise in specific functional areas	✓		
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
2.	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1	Appointment of CFO, Company Secretary & Head of Internal Audit and defining their responsibilities	✓		
2.2	Attendance of CFO & Company Secretary in the Board of Directors meeting	✓		
3	Audit Committee			
3 (i)	Audit Committee as a sub-committee of the Board of Directors	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	Constitution of the Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	✓		
3.1 (ii)	Constitution of Audit Committee with Board Members including one Independent Director	✓		
3.1 (iii)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience	✓		
3.1 (iv)	Casual Vacancy of the Audit Committee fill up immediately	✓		There was no such vacancy
3.1 (v)	The company secretary shall act as the secretary of the Committee	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.2	Chairman of the Audit Committee			
3.2 (i)	Selection of the chairman of the audit Committee	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	✓		No AGM held during the year 2017
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval	✓		
3.3 (vi)	Review along with the 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 issued 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	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The Audit Committee shall report on activities to the Board of Directors	✓		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			
3.4.1 (ii) a)	Report on conflicts of interest	N/A		No such event occurred
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	N/A		No such event occurred
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations	N/A		No such event occurred
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	N/A		No such event occurred
3.4.2	Reporting of anything having material financial impact to the Commission	N/A		No such event occurred
3.5	Reporting to the Shareholders and General Investors	✓		No such event occurred
4.	External/Statutory Auditors should not be engaged in :			
4 (i)	Appraisal or valuation services or fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book – keeping or other services related to accounting records or Financial Statements	✓		
4 (iv)	Broker – dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Any other services that the Audit Committee determines	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company	✓		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5.	Subsidiary Company			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company	N/A		No subsidiary company
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company	N/A		No subsidiary company
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	N/A		No subsidiary company
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	N/A		No subsidiary company
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	N/A		No subsidiary company
6.	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
6 (i)	They have reviewed financial Statements for the year and that to the best of their knowledge and belief:	✓		
6 (i) a)	These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
6 (i) b)	These financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7.	Reporting and Compliance of Corporate Governance			
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/Cost & Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
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	✓		

| 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:	
1. (a) (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
1. (a) (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
1. (a) (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:	
(b) (a)	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:	
(c) (i)	Annual budget and statutory financial statement shall be adopted finally with the approval of the Board..	Complied
(c) (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
(c) (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
(c) (iv)	The Board shall adopt the operation of bank accounts. Groups may be formed the management to operate bank accounts under joint signatures..	Complied
(d)	Management of loan/lease/investments:	
(d) (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.	Complied

Sl. No.	Particulars	Compliance Status
(d) (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.	Complied
(d) (iii)	Any syndicated loan/lease/investment proposal must be approved by the Board.	Complied
(e)	Risk Management	
(e) (i)	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
(f)	Internal Control and Compliance Management:	
(f) (i)	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.	Complied
(g)	Human Resource Management	
(g) (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.	Complied
(g) (ii)	Only the authority for the appointment and promotion of the Managing Director & Chief Executive Officer/ Additional Managing Director/ Deputy Managing Director/ 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.	Complied
(h)	Appointment of Managing Director & CEO	
	The Board shall appoint a component Managing Director & CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his/her salary and allowances.	Complied
(i)	Benefits offer to the Chairman	
(i) (i)	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..	Complied
2.	Responsibilities of the Chairman of the Board of Directors:	
2. (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;	Complied
2. (b)	The minutes of the Board meetings shall be signed by the Chairman;	Complied
2. (c)	Chairman shall sign-off the proposal for appointment of Chief Executive Officer and increment of his salaries & allowances;	Complied
3.	Responsibilities of Chief Executive Officer :	
3. (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
3. (b)	Chief Executive Officer shall ensure compliance of Financial Institution Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities;	Complied
3. (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
3. (d)	Chief Executive Officer may re-schedule job responsibilities of employees;	Complied
3. (e)	Chief Executive Officer may take disciplinary actions against the employees except Sr. Executive Vice President,	Complied
3. (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

| INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FIRST FINANCE LIMITED |

We have audited the accompanying financial statements of First Finance Limited, which comprise the Balance Sheet as at 31 December, 2017, the Profit and Loss Account, Statement of Changes in Shareholders' Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Financial Institution Act 1993, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements are free from material misstatements, 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 independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes 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 financial statements presentation.

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

Basis for Qualified Opinion

As detailed in note 3.01.01 (a) of the notes to the financial statements, Cash Reserve Requirement (CRR) has not maintained as per Section 19 of Financial Institution Act, 1993, Rule 5 of Financial Institution Rules 1994 and FID circular no-06 dated 06 November 2003 of Bangladesh Bank.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the First Finance Limited as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), and comply with the Financial Institution Act 1993, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Emphasis of Matter

We draw attention to the following matters, though our opinion is not qualified in respect of the same:

- Referring to the note 7 of the notes to the financial statements, in respect of Leases, loans and advances, there was a difference between balances in general ledger of Loans and Advances and FICL statement amounting to Tk. 205,804,139. The matter should be resolved as soon as possible, subject to the permission of Bangladesh Bank.
- As detailed in note 10.02, First Finance Ltd. has created a deferred interest expenses in the financial statements for interest not provided and will write off within 3 years. Accordingly they adjusted Tk. 77,690,789 during the year, we suggest to follow the instructions of Bangladesh Bank properly in years to come.
- As detailed in note 41 of the notes to the financial statements, regarding related party transaction, First Finance Ltd. sanctioned a loan to one of its director amounting to Tk. 70 lac, having no approval from the shareholders. And we recommend getting it approved in next AGM.
- The Company needs to establish the Workers Profit Participation Fund (WPPF) complying the Labour Act 2006 and as amended.

Report on Other Legal and Regulatory Requirements

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account;
- d) the expenditure incurred and payment made were for the purpose of the Company's business;
- e) the financial statements have been drawn up in conformity with the rules and regulations issued by Bangladesh Bank to the extent applicable for the Company;
- f) the Company has followed the instructions issued by Bangladesh Bank in matters of loan/advance classification, provisioning and suspension of interest;
- g) the Company has complied with the relevant laws pertaining to reserves and maintenance of liquid assets;
- h) Statutory Liquidity Reserve (SLR) with Bangladesh Bank have been maintained as per rule;
- i) proper measures have been taken to eliminate the irregularities mention in the inspection report of Bangladesh Bank and the instructions issued by Bangladesh Bank and other regulatory authorities have been complied properly.
- j) the information and explanations required by us have been received and found satisfactory.
- k) we are not aware of any other matters, which are required to be brought to the notice of the shareholders of the Company;
- l) 80% of the risk-weighted assets of the Company have been audited by us and we have spent around 524 person hours.

Date, Dhaka: 29 April, 2018

Sd/-

G. Kibria & Co.
Chartered Accountants

First Finance Limited

Balance Sheet

As at 31 December 2017

	Notes	As at 31 December	
		2017 Taka	2016 Taka
PROPERTY AND ASSETS			
Cash	3.00	3,915,296	86,144,477
In hand (including foreign currencies)		55,420	75,237
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		3,859,876	86,069,240
Balance with other banks and financial institutions	4.00	1,357,543,052	374,568,738
Inside Bangladesh	4.01	1,357,543,052	374,568,738
Outside Bangladesh	4.02	-	-
Money at call and on short notice	5.00	-	-
Investments	6.00	45,204,089	43,026,130
Government		-	-
Others		45,204,089	43,026,130
Lease, Loans and advances		9,554,739,490	9,139,174,021
Loans, cash credits, overdrafts, etc.	7	9,554,739,490	9,139,174,021
Bills purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	1,39,227,421	147,038,314
Other assets	10	622,445,219	393,945,988
Non-banking assets	11	130,161,753	133,989,484
Total Assets		11,853,236,320	10,317,887,152
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	2,050,414,103	1,441,084,777
Deposits and other accounts	13	6,313,974,028	5,535,081,811
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed/term deposits		6,302,467,028	5,528,431,811
Monthly Savings Scheme		11,507,000	6,650,000
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	14	2,224,943,100	1,772,909,243
Total Liabilities		10,589,331,230	8,749,075,831
Capital/ Shareholders' Equity			
Paid-up capital	15	1,162,202,580	1,162,202,580
Statutory reserve	16	342,960,175	342,960,175
General reserve	17	-	-
Retained earnings	18	(241,257,665)	63,648,566
Total Shareholders' Equity		1,263,905,090	1,568,811,321
Total Liabilities and Shareholders' Equity		11,853,236,320	10,317,887,152

	<u>Notes</u>	<u>As at 31 December</u>	
		<u>2017</u> <u>Taka</u>	<u>2016</u> <u>Taka</u>
Off-Balance Sheet Items			
Contingent liabilities	19.00	-	-
Acceptances and endorsements		-	-
Letters of guarantee	19.01	-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		<hr/>	<hr/>
Commitments	19.02	-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		<hr/>	<hr/>
Total off-Balance Sheet items including contingent liabilities		<hr/> - <hr/>	<hr/> - <hr/>
Net Asset Value Per Share (NAV)		10.88	13.50

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

for First Finance Limited

Sd/-	Sd/-	Sd/-	Sd/-
<hr/>	<hr/>	<hr/>	<hr/>
Sarwar Shafiq Company Secretary	Md. Nazrul Hossain Managing Director & CEO	M. Rashiduzzaman Millat Director	Miah Nuruddin Ahmad Apu Chairman

Signed in terms of our report of even date annexed

Sd/-

G. Kibria & Co.
 Chartered Accountants

Dated, Dhaka
 29 April, 2018

First Finance Limited
Profit & Loss Account
 For the year ended 31 December 2017

	Notes	For the year ended 31 December	
		2017	2016
		Taka	Taka
Interest income	21.00	788,826,478	896,671,007
Interest paid on deposits, borrowings, etc.	22.00	(803,012,958)	(703,439,242)
Net interest income		(14,186,480)	193,231,766
Investment income	23.00	3,923,506	(131,990)
Commission, exchange and brokerage	24.00	-	-
Other operating income	25.00	88,935,784	139,525,587
		92,859,290	139,393,598
Total operating income (a)		78,672,810	332,625,363
Salary and allowances	26.00	114,785,841	75,951,771
Rent, taxes, insurance, electricity, etc.	27.00	21,361,541	18,861,876
Legal expenses	28.00	3,496,366	647,456
Postage, stamps, telecommunication, etc.	29.00	5,569,249	7,773,145
Stationery, printing, advertisement, etc.	30.00	8,885,376	7,327,896
Chief Executive Officer's salary and fees	31.00	5,267,742	3,089,161
Directors' fees	32.00	873,600	556,000
Auditors' fee	33.00	135,000	135,000
Charges on loan losses		-	-
Depreciation and repair of company's assets	34.00	30,755,960	30,751,718
Other expenses	35.00	54,139,819	53,587,810
Total operating expenses (b)		245,270,095	198,681,833
Profit before provision (c = a-b)		(166,597,684)	133,943,530
Provision against leases, loans and advances	36.00	130,170,510	57,378,175
Provision for diminution in value of investments	37.00	391,921	(3,715,711)
Other Provision		-	-
Total provision (d)		130,562,431	53,662,464
Profit before taxation (e = c-d)		(297,160,115)	80,281,066
Provision for taxation (f):			
Current tax	14.04	10,290,115	33,416,406
Deferred tax	14.05	(2,544,000)	(3,259,949)
		7,746,115	30,156,457
Profit after taxation (g = e - f)		(304,906,230)	50,124,609
Retained earnings, brought forward		63,648,566	23,548,879
Profit available for appropriation		(241,257,665)	73,673,487

	Notes	For the year ended 31 December	
		2017 Taka	2016 Taka
Appropriations:			
Statutory reserve		-	10,024,922
Bonus shares		-	-
Cash dividend		-	-
General reserve		-	-
		-	10,024,922
Retained earnings, carried forward		(241,257,665)	63,648,566
Earnings Per Share (EPS)		(2.62)	0.43

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

for First Finance Limited

Sd/-	Sd/-	Sd/-	Sd/-
_____ Sarwar Shafiq Company Secretary	_____ Md. Nazrul Hossain Managing Director & CEO	_____ M. Rashiduzzaman Millat Director	_____ Miah Nuruddin Ahmad Apu Chairman

Signed in terms of our report of even date annexed

Dated, Dhaka
29 April, 2018

Sd/-

G. Kibria & Co.
Chartered Accountants

First Finance Limited
Statement of Cash Flows
For the year ended 31 December 2017

Particulars	For the year ended 31 December	
	2017 Taka	2016 Taka
A) Cash Flows from Operating Activities		
Interest received	781,937,025	814,794,371
Interest paid	(742,412,958)	(732,422,384)
Dividend received	542,260	573,305
Paid to employees	(120,053,583)	(79,040,932)
Income taxes paid	(50,943,999)	(38,478,108)
Received from other operating activities	81,346,324	139,525,587
Paid for other operating activities	(105,251,928)	(98,672,972)
Cash generated from operating activities before changes in operating assets and liabilities	(154,836,858)	6,278,867
Increase/(decrease) in operating assets liabilities		
Loans and advances to customers	(415,565,469)	(260,377,794)
Other assets	(170,665,779)	40,863,713
Deposit from customers	778,892,216	(1,071,274,614)
Other liabilities	263,974,771	262,350,160
	456,635,739	(1,028,438,535)
Net cash from/(used in) operating activities	301,798,880	(1,022,159,668)
B) Cash Flows from Investing Activities		
Purchase of fixed assets	(12,032,845)	(5,373,658)
Proceeds from sale of vehicle	-	-
Proceeds from other investments	(2,17,959)	3,605,314
Proceeds from sale of non financial institutional assets	3,827,731	-
Net cash from/(used in) investing activities	(10,383,073)	(1,768,344)
C) Cash Flows from Financing Activities		
Dividend paid	-	-
Receipt from borrowing and issuance of debt securities	609,329,325	285,295,395
Net cash from/(used in) financing activities	609,329,325	285,295,395
D) Net increase in cash and cash equivalents (A+B+C)	900,745,132	(738,632,618)
E) Effect of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	460,713,216	1,199,345,834
G) Cash and cash equivalents at end of the year (D+E+F)	1,361,458,348	460,713,216
Cash and cash equivalents at the end of the year:		
Cash in hand	55,420	75,237
Balance with Bangladesh Bank and its agents bank(s)	3,859,876	86,069,240
Balance with other banks and financial institutions	1,357,543,052	374,568,738
	1,361,458,348	460,713,216
Net operating Cash flow per share	2.60	(8.80)

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

for First Finance Limited

Sd/-
Sarwar Shafiq
Company Secretary

Sd/-
Md. Nazrul Hossain
Managing Director & CEO

Sd/-
M. Rashiduzzaman Millat
Director

Sd/-
Miah Nuruddin Ahmad Apu
Chairman

Signed in terms of our report of even date annexed
Sd/-

G. Kibria & Co.
Chartered Accountants

Dated, Dhaka
29 April, 2018

First Finance Limited
Statement of changes in shareholders' equity
 For the year ended 31 December 2017

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Retained Surplus	Total
	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2016	1,162,202,580	332,935,253	-	23,548,879	1,518,686,712
Bonus Share Issued for 2015	-	-	-	-	-
Right Shares Issued	-	-	-	-	-
Net Profit for the year ended 31 December, 2016	-	-	-	50,124,609	50,124,609
Addition made during the year	-	10,024,922	-	(10,024,922)	-
Appropriation made during the year	-	-	-	-	-
Balance as on 31 December 2016	1,162,202,580	342,960,175	-	63,648,566	1,568,811,321
Balance as on 01 January 2017	1,162,202,580	342,960,175	-	63,648,566	1,568,811,321
Bonus Share Issued for 2016	-	-	-	-	-
Right Shares Issued	-	-	-	-	-
Net Profit for the year ended 31 December, 2017	-	-	-	(304,906,230)	(304,906,230)
Addition made during the year	-	-	-	-	-
Appropriation made during the year	-	-	-	-	-
Balance as on 31 December 2017	1,162,202,580	342,960,175	-	(241,257,665)	1,263,905,090

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

for First Finance Limited

Sd/-	Sd/-	Sd/-	Sd/-
Sarwar Shafiq Company Secretary	Md. Nazrul Hossain Managing Director & CEO	M. Rashiduzzaman Millat Director	Miah Nuruddin Ahmad Apu Chairman

Signed in terms of our report of even date annexed

Dated, Dhaka
29 April, 2018

Sd/-
G. Kibria & Co.
 Chartered Accountants

First Finance Limited
Statement of Liquidity Analysis
(Assets and Liability maturity Analysis)

As at 31 December 2017

Amount in Taka

Particulars	Upto 1 month	1 - 3 months' maturity	3 - 12 months' maturity	1 - 5 years' maturity	More than 5 years'	Total
Assets						
Cash	55,420	-	-	-	-	55,420
Balance with Bangladesh Bank and its agent bank(s)	3,859,876	-	-	-	-	3,859,876
Balance with other banks and financial institutions	86,418,052	-	1,271,125,000	-	-	1,357,543,052
Money at call and on short notice	-	-	-	-	-	-
Investments	-	-	30,777,879	-	-	30,777,879
Leases, loans and advances	2,105,242,596	2,816,524,700	1,603,803,162	2,292,281,701	736,887,331	9,554,739,490
Fixed assets including assets taken on lease	-	-	-	-	139,227,421	139,227,421
Other assets	-	-	-	-	622,445,219	622,445,219
Non-Banking assets	-	-	-	-	130,161,753	130,161,753
Total Assets	2,195,575,944	2,816,524,700	2,905,706,041	2,292,281,701	1,628,721,724	11,838,810,109
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	1,200,000,000	-	452,304,705	398,109,398	-	2,050,414,103
Deposits and other accounts	963,724,050	2,870,691,590	2,304,959,127	150,132,842	24,466,419	6,313,974,028
Provision and other liabilities	-	-	64,768,791	2,111,852,154	33,895,945	2,210,516,890
Total Liabilities	2,163,724,050	2,870,691,590	2,822,032,623	2,660,094,394	58,362,364	10,574,905,021
Net Liquidity Excess/(Shortage)	31,851,894	(54,166,890)	83,673,418	(367,812,693)	1,570,359,360	1,263,905,088

for First Finance Limited

Sd/-

Sarwar Shafiq
Company Secretary

Sd/-

Md. Nazrul Hossain
Managing Director & CEO

Sd/-

M. Rashiduzzaman Millat
Director

Sd/-

Miah Nuruddin Ahmad Apu
Chairman

Signed in terms of our report of even date annexed

Sd/-

Dated, Dhaka
29 April, 2018

G. Kibria & Co.
Chartered Accountants

FIRST FINANCE LIMITED
Notes to the Financial Statements
 For the year ended 31 December 2017

1.00 The Company and Its Activities:

First Finance 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 renamed to First Lease Finance and Investment Limited on 22 February, 2009 thereafter again the name of the company was renamed to First Finance Limited on 29 June, 2014.

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 six (6) branches each at Corporate Branch (Kawran Bazar), Gulshan Branch, Chittagong Branch, Sylhet Branch, Board Bazar Branch & Wari Branch.

1.01 Objective of the Company:

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.

2.00 Summary of Significant Accounting Policies and basis of preparation of the Financial Statements:

2.01 Statement of compliance

The financial statements of the Financial Institution have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and the requirements of the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994. In case any requirement of the Financial Institutions Act 1993 and provisions and circulars issued by Bangladesh Bank differ with those of BFRSs, the requirements of the financial Institutions Act 1993, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

i) Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per FID circular 08 dated 03 August, 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

ii) Provision on loans and advances/investments

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per FID circular No. 8 dated 03 August 2002, FID circular No.3 dated 03 May 2006 and DFIM circular No. 03, dated 29 April 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub standard loans, doubtful loans and bad losses loans has to be provided at 20%, 50% and 100% respectively (Note-2.5) for loans and advances depending on the duration of overdue.

iii) Recognition of interest in suspense

BFRS: Leases, loans and advances to customers are generally classified as ‘loans and receivables’ as per BAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit & loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per FID circular No.8 dated 03 August 2002, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest suspense account, which is presented as liability in the balance sheet.

iv) Other comprehensive income

BFRS: As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all Financial Institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Financial Institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

v) Financial instruments-presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in financial statements.

vi) Cash and cash equivalents

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Cash and cash equivalent items such as prize bond is not shown as cash and cash equivalent. Prize bond is shown in investments.

vii) Statement of cash flows

BFRS: The statement of cash flows can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per DFIM Circular 11 dated 23 December 2009, cash flow is the mixture of direct and indirect methods.

viii) Balance with Bangladesh Bank: (Cash Reserve Requirement)

BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

2.02 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 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.

2.02.01 Going Concern:

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

2.02.02 Functional Currency and Presentation Currency:

The financial statements have been prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

2.02.03 Use of estimates and judgments:

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards (BFRSs) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and contingent liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statement in line with the Bangladesh Accounting Standard (BAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when-

- the Company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

2.02.04 Materiality and Aggression:

Each material item considered by management as significant has been presented separately in financial statements. No amount has been set off unless the company has a legal right to set off the amount and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.02.05 Foreign Currency Translation:

Transactions in foreign currencies are translated to Bangladesh Taka at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities are converted at the rates prevailing at the Balance Sheet date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction.

2.02.06 Reporting Period:

The financial statements cover one year from 01 January, 2017 to 31 December, 2017.

2.03 Revenue recognition:

2.03.01 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 Balance Sheet as lease investment and rental on that investments receivable beyond Balance Sheet date up to the lease period have been shown as unearned lease rental with corresponding debit in lease investment.

2.03.02 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.

2.03.03 Interest on bank deposit

Interest income on balances with other banks and financial institutions are recorded on accrual basis of accounting.

2.03.04 Other operational income

Other operational income is recognized as and when accrued. Such income comprises of service charge, transfer fee, income during construction period (IDCP), delinquent charge and miscellaneous receipts.

2.03.05 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 Profit & Loss Account. 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-14.3**).

2.04 Books of accounts

The Company maintained books of account for main business electronically through soft automation.

2.05 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.

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

S.L	Category of fixed assets	Rate
1	Land and building	Nil
2	Motor vehicles	20%
3	Furniture and fixtures	10%
4	Office equipment	15%

2.06 Provision for bad and doubtful debts/investment

Provisions for leased assets have been made on the basis of Bangladesh Bank FID circular nos. 14, 08 and 01, dated 26 June 2000, 03 August 2002 respectively FID Circular No.11 of 2005, FID Circular No. 03 of 2006, 03 January 2007 and DFIM circular No. 03, dated 29 April 2013 issued by Bangladesh Bank. The provision made up to Balance Sheet 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 (SME)	0.25%
Unclassified (Term Loan)	1%
Special Mentioned Account (SMA)	5%
Sub Standard	20%
Doubtful	50%
Bad/loss	100%

2.07 Income tax

Current tax

a) Provision for corporate income tax is made in the accounts after considering taxable allowances, disallowances and previous assessed loss (if any) as per income tax laws. The rate of corporate income tax applicable for the Company is 40.00%. However, any short/ excess provision, if any, is accounted for the year of finalization of assessment.

b) Total required provision for taxation up to 2017 has been calculated at BDT 39.24 crore and there against an amount of BDT 28.62 crore has been accounted for in the Financial Statements. Full provision was not made due to court cases pending with Appellate Division of Supreme Court for resolution.

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 Balance Sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in Profit and Loss Account as per BAS-12 "Income Taxes".

2.08 Non-banking assets

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

2.09 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.

2.10 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.

2.11 Interest on bank loan

Interest on bank loan is accounted for on an accrual basis and charged to Profit & Loss Account under the head "Interest paid on deposits, borrowing etc." at the implicit rate of interest.

2.12 Statement of Cash Flows

Statement of Cash Flows has been prepared in accordance with BAS-7 (direct method) following the format given by the Bangladesh Bank vide DFIM Circular No-11 dated 23 December 2009.

2.13 Consolidation procedure

A separate set of records for consolidation of the Financial statements of the branches are maintained at Head Office of the Company at Dhaka from which these accounts are drawn up.

2.14 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 2017.

2.15 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.

2.16 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.

2.16.01 Asset/Liability management

The Company has an Asset-Liability Committee (ALCO) to monitor financial risk and liquidity risk of the Company. The financial 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, deposits and lending pricing strategy and the liquidity contingency plan on a regular basis.

2.16.02 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.

2.16.03 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 an effective Anti-Money Laundering Program in line with Anti-Money Laundering Act and Bangladesh Bank guidelines. The Company employed a Chief Anti-Money Laundering Compliance Officer (CAMLCO) at Head Office and Compliance Officers (BAMLCO) 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.

2.17 Head Office and Branches

The Company's Head Office is located at Jahangir Tower (3rd Floor), 10 Kawran Bazar, Dhaka- 1215. The branches are located at:

i. Corporate Branch :

Jahangir Tower (3rd Floor), 10 Kawran Bazar, Dhaka-1215.

ii. Chittagong Branch :

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

iii. Gulshan Branch :

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

iv. Sylhet Branch :

Lovely complex (2nd & 3rd Floor), East Dargah Gate, Sylhet.

v. Board Bazar Branch

Member Complex (3rd & 4th Floor), Board Bazar, Gazipur-1704.

vi. Wari Branch

Bakul Tola Complex (2nd Floor), Plot No-6, Folder Street, Wari, Dhaka-1203.

2.18 Components of financial statements

These financial statements consist of Balance Sheet, Profit & Loss Account, Statement of Cash Flows, Statement of changes in shareholders' equity and notes thereto.

2.19 Auditors' working hours

The external auditors, G. Kibria & Co, Chartered Accountants, of the Company worked more than 524 hours covering more than 80% of the Company's risk weighted assets at the reporting date.

2.20 Regulatory and legal compliance

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

3.00 Cash

Cash in hand (including foreign currencies)

	<u>As at 31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>Taka</u>	<u>Taka</u>
In local currency	55,420	75,237
In foreign currency	-	-
	<u>55,420</u>	<u>75,237</u>

Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)

In local currency	3,859,876	86,069,240
In foreign currency	-	-
	<u>3,859,876</u>	<u>86,069,240</u>
	<u>3,915,296</u>	<u>86,144,477</u>

3.01 Statutory deposits

3.01.01 Cash reserve requirement (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 (CRR)

Required reserve (2.5% of term and other deposits)	86,647,890	69,934,490
Actual reserve maintained	39,230,003	86,069,240
Surplus	<u>(47,417,887)</u>	<u>16,134,750</u>

According to section 19 of Financial Institution Act 1993, the company required for a Cash Reserve Requirement (CRR) and could not comply the same during the month for October 2017 and December 2017 for an amount of total shortfall Tk. 2,417,149,231 for which Bangladesh Bank has imposed penalty for Tk. 24,171,492. The company has applied for condonation of the penalty vide letter no FFL/Accounts & Finance/BB/2018-121 and FFL/Accounts & Finance/BB/2018-583 dated 09 January, 2018 and 22 February, 2018 respectively. The matter is still pending with Bangladesh Bank. So no provision was made in the financial statements.

(b) Statutory liquidity ratio (SLR)

Required reserve (5% of total liabilities)	265,141,523	251,796,244
Actual reserve maintained	1,361,458,348	460,713,216
Cash in hand	55,420	75,237
Balance with Bangladesh Bank and its agent bank(s)	3,859,876	86,069,240
Balance with other banks and financial institutions	1,357,543,052	374,568,738
Surplus	<u>1,096,316,824</u>	<u>208,916,972</u>
Total required reserve	351,789,414	321,730,734
Total actual reserve maintained	1,361,458,348	460,713,216
Total surplus	<u>1,009,668,934</u>	<u>138,982,482</u>

4.00 Balance with other banks and financial institutions

Inside Bangladesh (note 4.01)	1,357,543,052	374,568,738
Outside Bangladesh (note 4.02)	-	-
	<u>1,357,543,052</u>	<u>374,568,738</u>

4.01 Inside Bangladesh

Current accounts with:

	<u>As at 31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>Taka</u>	<u>Taka</u>
Bangladesh Commerce Bank Limited, Principal Branch, Dhaka	-	3,250
IFIC Bank Limited, Agrabad Branch, Chittagong	114,981	114,981
National Bank Limited, Kawran Bazar Branch, Dhaka	49,505	50,425
Jamuna Bank Limited, Motijheel Branch, Dhaka	-	5
Al-Arafah Islami Bank Limited, Progati Sarani Branch, Dhaka	792,761	794,871
Prime Bank Limited, Ring Road Branch, Dhaka	2,115	4,070
Bangladesh Development Bank Limited, Principal Branch, Dhaka	6,522	7,212
South Bangla Agricultural Bank Limited, Principal Branch, Dhaka	43,020	44,285
Standard Bank Limited, Imamgonj Branch, Dhaka	-	1
One Bank Limited, Kawran Bazar Branch, Dhaka	89,843	327,775
Social Islami Bank Limited, Mouchak Branch, Dhaka	25	14,320
Midland Bank Limited, Principal Branch, Dhaka	31,824	32,974
BASIC Bank Limited, Bashundhara Branch	895	2,045
IFIC Bank Limited, Kawran bazar Branch, Dhaka	38,866	-
IFIC Bank Limited, Ambarkhana Branch, Sylhet	21,612	-
Bank Asia Limited, Dhaka	104,209	-
Shahjalal Islami Bank Limited, Sylhet	94,997	-
Sub-total	1,391,174	1,396,213

Short-term deposit accounts with:

United Commercial Bank Limited, Kawran Bazar Branch, Dhaka	827,637	811,778
IFIC Bank Limited, Dhanmandi Branch, Dhaka	50,035,154	730,679
IFIC Bank Limited, Dhanmandi Branch, Dhaka	2,200,628	2,166,776
ICB Islami Bank Limited, Kawran Bazar Branch, Dhaka	11,245	11,475
Social Islami Bank Limited, Principal Branch, Dhaka	336,379	328,111
Shajalal Islami Bank Limited, Foreign Exchange Branch, Dhaka	18,090	19,240
Shajalal Islami Bank Limited, Kawran Bazar Branch, Dhaka	798,974	780,599
Mercantile Bank Limited, Elephant Road Branch, Dhaka	6,155	7,535
Uttara Bank Limited, Local Office, Dhaka	2,924	3,957
United Commercial Bank Limited, Kawran Bazar Branch, Dhaka	108,827	8,217,545
Mutual Trust Bank Limited, Principal Branch, Dhaka	55,557	55,447
IFIC Bank Limited, Sheikh Mujib Road Branch, Chittagong	12,485,581	4,699,391
Bank Asia Limited, Mohakhali Branch, Dhaka	1,164,501	774,786
Bangladesh Commerce Bank Limited, Bangshal Branch, Dhaka	22,981	23,595
Southeast Bank Limited, Dhanmondi Branch, Dhaka	-	27
Bank Asia Limited, Sylhet Main Branch, Sylhet	1,809,763	2,251,259
IFIC Bank Limited, Gulshan Branch, Dhaka	2,132,097	4,052,198
IFIC Bank Limited, Kawranbazar Branch, Dhaka	1,135,894	55,320,399
NRB Commercial Bank Limited, Principal Branch, Dhaka	6,000	7,150
One Bank Limited, Kawranbazar Branch, Dhaka	9,035	1,217,975
Mutual Trust Bank Limited, Principal Branch, Dhaka	350,374	343,232
Mutual Trust Bank Limited, Pricipal Branch, Dhaka	64,313	63,989
Premier Bank Limited, Board Bazar Branch	2,205,750	3,791,009
Brac Bank Limited, Asadgate Branch, Dhaka	1,657,178	597,922
Eastern Bank Limited, Sonargoan Road Branch, Dhaka	11,040	1,952,590
IFIC Bank Limited, Board Bazar Branch	56,935	169,089
IFIC Bank Limited, Motijheel Branch, Dhaka	1,348,105	5,221,854
Bank Asia Limited, Corporate Branch, Dhaka	5,594,411	9,544,303
Modhumoti Bank Limited, Kanchan Branch, Narayangong	7,694	8,615
Mutual Trust Bank Limited, Panthapath Branch, Dhaka	563,659	-
Sub-total	85,026,878	103,172,526

Fixed deposit accounts with:

People's Leasing and Financial Services Limited	100,000,000	100,000,000
Reliance Finance Limited	-	100,000,000
FAS Finance Limited	-	-

	As at 31 December	
	2017	2016
	Taka	Taka
International Leasing and Financial Services Limited	70,000,000	70,000,000
Mutual Trust Bank Limited	101,125,000	-
Union Bank Limited	1,000,000,000	-
Sub-total	1,271,125,000	270,000,000
Grand Total	1,357,543,052	374,568,738
4.02 Outside Bangladesh	-	-
4.03 Maturity grouping of balances with other banks and financial institutions		
On demand	86,418,052	104,568,738
Upto 3 months	-	-
Over 3 months but upto 1 year	1,271,125,000	270,000,000
	1,357,543,052	374,568,738

As at 31 December

2017	2016
Taka	Taka

5.00 Money at call and on short notice

-	-
---	---

6.00 Investments

6.01 Government securities

Treasury bills
National Investment Bond
Bangladesh Bank Bill
Government notes/bonds
Prize bonds
Others

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

6.02 Other investments (note 6.02.01)

45,204,089	43,026,130
45,204,089	43,026,130

6.02.01 Other investments - in shares and debentures

Shares:

Name of company	No. of shares	Cost Value/ Taka	Cost price/Taka	
			31 Dec 2017	31 Dec 2016
Aamra Networks Limited	16,575	111.32	1,845,089	-
AB Bank Limited	233,879	27.35	6,396,527	4,768,870
Bay Leasing and Investment Limited	106,950	77.58	8,297,181	8,297,181
Bangladesh Building Systems	60,500	45.00	2,722,577	-
CVO Petrochemical Refinery Limited	2,350	277.89	653,046	653,046
Dhaka Electric Supply Company Limited	42,429	63.01	2,673,451	2,673,451
EBL NRB Mutual Fund	378,270	7.06	2,669,249	-
Evince Textiles Limited	77,000	21.43	1,649,935	-
FAR Chemical Industries Limited	66,000	21.93	1,447,239	-
GSP Finance Company (Bangladesh) Limited	30,000	33.90	1,016,959	-
Keya Cosmetic Limited	63,561	14.99	952,718	537,000
Lanka Bangla Finance Limited	40,000	49.62	1,984,937	-
M.I Cement Factory Limited	10,000	101.51	1,015,146	-
Pragati Insurance Limited	68,444	96.38	6,596,722	6,596,722
Power Grid Company of Bangladesh Limited	35,000	57.15	2,000,359	1,144,600
RAK Ceramics (Bangladesh) Limited	31,748	65.40	2,076,345	1,391,270
Uttara Bank Limited	30,000	40.22	1,206,609	-
Beximco Limited	-	-	-	3,081,330
Islamic Finance & Investment Limited	-	-	-	1,567,849
Lafarge Surma Cement Limited	-	-	-	1,211,816
National Bank Limited	-	-	-	901,515
National Credit and Commerce Bank Limited	-	-	-	437,143
People's Leasing and Financial Services Limited	-	-	-	550,900
Shahjalal Islami Bank Limited	-	-	-	770,765
Summit Power Limited	-	-	-	1,086,466
Union Capital Limited	-	-	-	551,685
United Airways (BD) Limited	-	-	-	327,250
The Acme Laboratories Limited	-	-	-	1,917,896
Aftab Automobiles Limited	-	-	-	1,431,623
Agni Systems Limited	-	-	-	63,342
Bangladesh Steel Re-Rolling Mills Limited	-	-	-	947,100
Beximco Pharmaceuticals Limited	-	-	-	439,550
Delta Spinners Limited	-	-	-	149,910
First Bangladesh Fixed Income Fund	-	-	-	643,200
IFAD Autos Limited	-	-	-	31,727
Orion Pharma Limited	-	-	-	852,924
Total			45,204,089	43,026,130

As at 31 December 2017

Cost Price Realisable Value
Taka Taka

6.03 Valuation of investments

Government securities:

Treasury bills	-	-
Government bonds	-	-
T & T bonds & Prize Bonds	-	-
Debentures - House Building	-	-
Finance Corporation	-	-

Others: Shares (quoted)

Aamra Networks Limited	1,845,089	1,619,378
AB Bank Limited	6,396,527	5,168,726
Bay Leasing and Investment Limited	8,297,181	2,930,430
Bangladesh Building Systems	2,722,577	2,311,100
CVO Petrochemical Refinery Limited	653,046	486,450
Dhaka Electric Supply Company Limited	2,673,451	1,926,277
EBL NRB Mutual Fund	2,669,249	2,496,582
Evince Textiles Limited	1,649,935	1,262,800
FAR Chemical Industries Limited	1,447,239	1,287,000
GSP Finance Company (Bangladesh) Limited	1,016,959	921,000
Keya Cosmetic Limited	952,718	781,800
Lanka Bangla Finance Limited	1,984,937	1,912,000
M.I Cement Factory Limited	1,015,146	847,000
Pragati Insurance Limited	6,596,722	2,039,631
Power Grid Company of Bangladesh Limited	2,000,359	1,827,000
RAK Ceramics (Bangladesh) Limited	2,076,345	1,901,705
Uttara Bank Limited	1,206,609	1,059,000
Total	45,204,089	30,777,879

Total market value of quoted shares is less than cost price against which provision was made for Taka 14,426,210 (note 14.03).

	As at 31 December	
	2017	2016
	Taka	Taka
7.00 Leases, loans and advances		
Inside Bangladesh		
Lease finance	1,692,056,086	1,921,224,272
Term finance	7,853,153,033	7,205,839,229
Home loan refinancing scheme	9,530,371	12,110,520
	<u>9,554,739,490</u>	<u>9,139,174,021</u>
Outside Bangladesh	-	-
	<u>9,554,739,490</u>	<u>9,139,174,021</u>

In respect of the above balance, there was a difference with the figure shown in Financial Institution Classified Loan (FICL) which shows Tk. 9,348,935,351 and difference is Tk. 205,804,139. The balance carried forward from last year which was Tk. 231,619,230 and during the year Tk. 25,815,091 has been adjusted. The Company urged for five years time to adjust the difference of the balance to Bangladesh Bank vide letter no. FFL/Accounts & Finance/BB/2018-35 dated 01 January, 2018 and the matter is under consideration of the later.

7.01 Maturity grouping of leases, loans and advances

Repayable		
- on demand	2,105,242,596	1,077,929,205
- over 1 month but not more than 3 months	2,816,524,700	1,388,924,124
- over 3 months but not more than 1 year	1,603,803,162	3,218,338,301
- over 1 year but not more than 5 years	2,292,281,701	2,337,226,871
- over 5 years	736,887,331	1,116,755,520
	<u>9,554,739,490</u>	<u>9,139,174,021</u>

7.02 Significant concentration of leases, loans and advances

Advance to allied concerns of Directors	-	-
Advance to the Chief Executive	-	-
Advance to other senior executives	-	-
	<u>-</u>	<u>-</u>

7.03 Sector-wise distribution

Agriculture sector	319,908,000	108,657,540
Readymade garments	188,242,009	162,768,000
Jute and jute related goods	100,000,000	-
Plastic industry	5,422,887	43,924,800
Leather and leather goods	13,363,000	57,152,330
Service sector (hotel, hospital and clinic)	4,426,471,709	3,546,267,630
Textile industry	52,529,319	150,165,000
Food and allied	484,914,805	473,828,414
Chemical and pharmaceuticals	87,248,089	263,932,220
Cement	-	14,253,230
Electronics	68,909,122	72,470,540
Steel	592,791,160	666,845,310
Paper	97,688,226	108,200,660
Real estate	1,858,170,463	1,791,197,710
Telecommunication and IT industry	183,625,195	317,718,290
Glass and ceramic industry	6,501,378	125,955,230
Shipping and ship building industry	102,172,000	416,978,000
Transport and communication	300,540,000	432,197,790
Power, gas, water and sanitary	77,925,101	72,078,000
Others	588,317,027	314,583,327
Total	<u>9,554,739,490</u>	<u>9,139,174,021</u>

7.04 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	6
Amount of outstanding advances	658,433,172	1,126,390,000
Amount of classified advances	-	-
Amount of recovery/rescheduling thereon	-	-

7.05 Geographical location-wise leases, loans and advances

In Bangladesh:		
Dhaka division	7,017,787,155	6,529,102,189
Chittagong division	2,261,124,890	2,277,008,727
Sylhet division	275,827,445	333,063,105
	<u>9,554,739,490</u>	<u>9,139,174,021</u>
Outside Bangladesh	-	-
	<u>9,554,739,490</u>	<u>9,139,174,021</u>

	<u>As at 31 December</u>	
	2017	2016
	<u>Taka</u>	<u>Taka</u>
7.06 Particulars of loans and advances		
(i) Financing considered good in respect of which the Company is fully secured;	8,122,400,000	7,496,922,994
(ii) Financing considered good against which the Company holds no security other than the debtors' personal security;	1,432,339,490	1,642,251,027
(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 there against;	-	-
(v) Financing due by directors or employees of the Company or any of them either separately or jointly with any other persons;	-	-
(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;	-	-
(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;	-	-
(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;	-	-
(ix) Amount due from banking companies and other financial institutions	-	-
(x) Amount of classified leases, loans and advances on which interest has not been credited to income	3,074,364,623	2,976,156,518
(a) Increase/decrease in provision (specific)	-	-
Amount of loans written off	-	-
Amount realized against loans previously written off	-	-
(b) Provision kept against loans classified as bad /loss on the date of statement of financial position	303,754,835	282,827,786
(c) Interest charged to interest suspense account	828,350,574	830,421,026
(xi) Written off leases, loans and advances	-	-
During the year	-	-
Cumulative to-date	-	-
Amount realized against loans previously written off	-	-
Total amount of written off leases, loans and advances for which lawsuits filed	-	-
7.07 Classification of loans and advances		
<u>Unclassified</u>		
Standard	5,272,395,313	5,294,390,597
Special mention account	1,207,979,554	603,766,621
	<u>6,480,374,867</u>	<u>5,898,157,218</u>
<u>Classified</u>		
Substandard	554,930,458	690,764,874
Doubtful	382,577,671	876,378,573
Bad/Loss	2,136,856,494	1,673,873,356
	<u>3,074,364,623</u>	<u>3,241,016,803</u>
	<u>9,554,739,490</u>	<u>9,139,174,021</u>

		As at 31 December	
		2017	2016
		Taka	Taka
7.08	Particulars of required provision for loans and advances		
	Status of classification		
	Base for provision		
	Unclassified (general provision)		
	Standard	5,272,395,313	47,032,570
	Special mention account	1,095,619,034	43,930,029
		<u>54,780,952</u>	<u>27,633,736</u>
		<u>101,813,522</u>	<u>71,563,765</u>
	Classified (specific provision)		
	Sub-standard	257,870,835	51,574,167
	Doubtful	128,726,322	64,363,161
	Bad/Loss	303,754,835	67,176,710
		<u>303,754,835</u>	<u>282,827,786</u>
		<u>419,692,163</u>	<u>386,859,274</u>
	Required provision for loans and advances	521,505,685	458,423,039
	Total provision maintained (notes 14.01.01 and 14.01.02)	521,505,685	391,335,175
	Excess/(short) provision	<u>-</u>	<u>(67,087,864)</u>
8.00	Bills purchased and discounted		
	Inside Bangladesh	-	-
	Outside Bangladesh	-	-
		<u>-</u>	<u>-</u>
9.00	Fixed assets including premises, furniture and fixtures (excluding accumulated depreciation)		
	Cost		
	Office equipment	116,703,879	116,149,695
	Motor vehicles	43,543,095	32,466,294
	Furniture and fixtures	81,896,401	81,494,541
	Software in progress	13,330,000	13,330,000
		<u>255,473,375</u>	<u>243,440,530</u>
	Less: Accumulated depreciation	116,245,954	96,402,216
	Net book value at the end of the year	<u>139,227,421</u>	<u>147,038,314</u>
	Details are shown in Annex-A		
10.00	Other assets		
	Income generating		
	Investment in shares of subsidiary companies:		
	Inside Bangladesh	-	-
	Outside Bangladesh	-	-
		<u>-</u>	<u>-</u>
	Others		
	Interest receivable on FDR	6,889,453	-
		<u>6,889,453</u>	<u>-</u>
	Non-income generating		
	Advance office rent	4,718,932	7,974,487
	Advance parking rent	75,000	-
	Security deposit	300,000	300,000
	Others (note 10.01)	610,461,834	385,671,501
		<u>615,555,766</u>	<u>393,945,988</u>
		<u>622,445,219</u>	<u>393,945,988</u>
10.01	Others		
	Advance Income Tax	418,495,506	367,551,507
	Receivable others (Legal expenses for clients)	13,559,199	11,678,483
	Receivable from BLI Securities Limited	549	2,443,710
	Advance against expenses	4,232,569	3,455,241
	Receivable from Sheltech Brokerage Limited	2,789,627	542,559
	Receivable from employees	7,589,460	-
	Deffered interest expenses	163,794,924	-
		<u>610,461,834</u>	<u>385,671,501</u>

		As at 31 December	
		2017	2016
		Taka	Taka
10.02	Deffered interest expenses	163,794,924	-
	The above amount represents the interest not provided in financial statements till December 31, 2016 and gradually making provision within 31st March, 2020 as per permission from Bangladesh Bank (vide the letter no. DFIM(C)/1054/42/2017-1453, dated 14.06.2017. The amount was made up as under:		
	Amount not provided as on 31.12.2016	241,485,713	-
	Less: Adjustment during the year	77,690,789	-
		163,794,924	-
10.03	Classification		
	Classification of other assets is as follows:		
	Standard	609,589,834	384,799,501
	Bad/Loss	872,000	872,000
		610,461,834	385,671,501
11.00	Non-Banking assets	130,161,753	133,989,484
	This represents assets acquired by the company as per judgment of Honorable court against loan/lease. The above assets are non-earning assets.		
12.00	Borrowings from other banks, financial institutions and agents		
	Inside Bangladesh (note 12.01)	2,050,414,103	1,441,084,778
	Outside Bangladesh	-	-
		2,050,414,103	1,441,084,778
12.01	Inside Bangladesh		
	Social Islami Bank Limited	438,346,634	467,446,762
	Uttara Bank Limited	152,448,602	261,057,767
	Bangladesh Bank Refinance scheme	72,036,821	147,795,691
	Mutual Trust Bank Limited	89,245,725	-
	Mercantile Bank Limited	98,336,321	84,889,525
	Midland Bank Limited	170,000,000	-
	SBAC Bank Limited	100,000,000	-
	Premier Leasing & Finance Limited	50,000,000	-
	Union Capital Limited	70,000,000	-
	National Finance Limited	40,000,000	-
	GSP Finance Company (Bangladesh) Limited	100,000,000	-
	NRB Global Bank Limited	50,000,000	-
	Sonali Bank Limited	130,000,000	130,000,000
	Bangladesh Development Bank Limited	250,000,000	150,000,600
	Agrani Bank Limited	60,000,000	100,000,000
	Janata Bank Limited	180,000,000	-
	Rupali Bank Limited	-	100,000,000
	Bank Asia Limited	-	(105,567)
		2,050,414,103	1,441,084,778
12.02	Analysis by security		
	Secured	2,050,414,103	1,441,084,778
	Unsecured	-	-
		2,050,414,103	1,441,084,778
12.03	Repayment pattern		
	Repayable		
	- on demand	370,000,000	130,000,000
	- within one month	830,000,000	150,000,600
	- more than one month but less than six months	-	-
	- more than six months but less than one year	452,304,705	84,783,958
	- more than one year but less than five years	398,109,398	1,076,300,220
	- more than five years but less than ten years	-	-
	- more than ten years	-	-
		2,050,414,103	1,441,084,778

	<u>As at 31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>Taka</u>	<u>Taka</u>
13.00 Deposit and other accounts		
Term deposit	6,302,467,028	5,528,431,811
Fixed deposit	-	-
Short term deposit	-	-
Staff security deposit	-	-
Deposit pension scheme	-	-
Monthly savings scheme	11,507,000	6,650,000
	<u>6,313,974,028</u>	<u>5,535,081,811</u>
13.01 Maturity analysis of deposits		
From banks, financial institutions and other institutions :		
Repayable		
- on demand	-	-
- within one month	892,094,982	485,807,700
- more than one month but less than six months	3,770,155,096	2,338,579,106
- more than six months but less than one year	571,813,305	1,446,828,423
- more than one year but less than five years	5,556,898	227,406,459
- more than five years but less than ten years	10,611,608	-
- unclaimed deposits for ten years or more	-	-
	<u>5,250,231,889</u>	<u>4,498,621,688</u>
Other than banks, financial institutions and other institutions :		
Repayable		
- on demand	-	-
- within one month	71,629,068	41,962,505
- more than one month but less than six months	418,907,543	321,294,437
- more than six months but less than one year	414,774,773	371,979,751
- more than one year but less than five years	144,468,333	258,388,160
- more than five years but less than ten years	13,962,422	42,835,270
- unclaimed deposits for ten years or more	-	-
	<u>1,063,742,139</u>	<u>1,036,460,123</u>
	<u>6,313,974,028</u>	<u>5,535,081,811</u>

	Note	2017 Taka	2016 Taka
14.00 Other liabilities			
Provision for loans and advances	14.01	521,505,685	391,335,175
Interest suspense account	14.02	828,350,574	830,421,026
Provision for Investment	14.03	14,426,210	14,034,289
Provision for income tax	14.04	296,494,763	286,204,648
Provision for other assets		872,000	872,000
Deferred tax liability/(assets)	14.05	(3,996,397)	(1,452,398)
Lease deposit		33,895,945	37,233,649
Unclaimed dividend		594,530	594,530
Share money deposits		159,916	159,916
Interest payable	14.06	226,258,750	1,863,826
Sundry creditors	14.07	306,381,124	211,642,580
		2,224,943,100	1,772,909,243
14.01 Provision for-loans and advances			
14.01.01 Provision for unclassified loans and advances			
Opening balance		71,563,765	84,595,659
Add: Provision for the year		30,249,757	(13,031,894)
Less: Transferred to provision for other assets during the year		-	-
General provision for the year		-	-
Closing balance		101,813,522	71,563,765
14.01.02 Provision against classified loans and advances			
Opening balance		319,771,410	249,361,341
Less: Interest fully waived during the year		-	-
Add: Recovery of advances previously written off		-	-
Add: Specific provision for the year		99,920,753	70,410,069
Closing balance		419,692,163	319,771,410
		521,505,685	391,335,175
14.02 Interest suspense account			
Opening balance		830,421,026	748,544,390
Addition during the year		(2,070,452)	81,876,636
Recovered during the year		-	-
Closing balance		828,350,574	830,421,026
14.03 Provision for Investment			
Opening balance		14,034,289	17,750,000
Add: Provision for the year		391,921	-
Less: Adjustment during the year		-	3,715,711
Closing balance		14,426,210	14,034,289
14.04 Provision for income tax			
Opening balance		286,204,648	252,788,242
Add: Provision made during the year	14.04.01	10,290,115	33,416,406
		296,494,763	286,204,648
Less: Settlement during the year		-	-
Closing balance		296,494,763	286,204,648
14.04.01 Current tax			
The company recognizes the current tax @ 0.60% of the gross receipts in the financial statements complying with section 82C. Minimum Tax; sub-section-4 of Income Tax Ordinance 1984.			
Gross receipts:			
(i) Interest income		788,826,478	-
(ii) Investment income		3,923,506	-
(iii) Other operating income		88,935,784	-

	Note	2017 Taka	2016 Taka
Total		881,685,768	-
Minimum tax @		0.60%	-
Current tax		5,290,115	-
Add: Provision made for 2016		5,000,000	-
		10,290,115	-
<p>The company made provision for additional amount of Tk. 5,000,000 for the year 2016-2017. The assessment of the said year is still pending with the income tax authority.</p>			
14.05 Deferred tax liability/(assets)			
Opening balance		(1,452,398)	1,807,552
Less: Adjustment during the year		(2,544,000)	(3,259,949)
Closing balance		(3,996,397)	(1,452,398)
14.05.01 Deferred tax			
Carrying amount of Fixed Assets		139,227,422	147,038,313
Tax base value of Fixed Assets		149,218,416	155,188,186
Deductible temporary difference		(9,990,993)	(8,149,873)
Tax Rate		40.00%	40.00%
		(3,996,397)	(3,259,949)
14.06 Interest payable		226,258,750	1,863,826
<p>As per Bangladesh Bank Letter No. DFIM(C)/1054/42/2017 dated 14 June 2017, Taka 6.06 crore has been accounted for as interest expense during the three quarters (Tk. 2.02 crore in each quarter of June, September and December) of 2017.</p>			
14.07 Sundry creditors			
Income tax payable		6,904,051	804,359
VAT payable		1,212,186	1,109,129
Salary & allowance payable		44,445	15,445
Office rent payable		465,135	67,405
Utility payable		325,338	135,703
Audit fee payable		135,000	121,500
Other payable		1,575,549	221,085
Sundry accounts (Party)		277,953,491	203,618,739
Sundry accounts (Others)		3,753,022	3,470,497
Excise Duty payable		565,290	441,260
Sundry account (Documents)		1,331,431	1,007,011
Security money payable (Vendor/Supplier)		160,830	630,446
Telephone and internet bill payable		190,350	-
Delinquent charge suspense account		9,831,352	-
IDCP charge suspense account		411,958	-
Premature charge suspense account		1,247,016	-
Sundry accounts (MSS)		274,679	-
		306,381,124	211,642,580
15.00 Share Capital			
15.01 Authorized capital			
500,000,000 shares of Taka 10 each		5,000,000,000	5,000,000,000
15.02 Issued, subscribed and paid-up capital			
10,000,000 ordinary shares of Taka 10 each issued for cash		100,000,000	100,000,000
1,000,000 bonus shares of Taka 10 each issued for 2003		10,000,000	10,000,000
1,100,000 bonus shares of Taka 10 each issued for 2004		11,000,000	11,000,000
2,420,000 bonus shares of Taka 10 each issued for 2005		24,200,000	24,200,000
2,904,000 bonus shares of Taka 10 each issued for 2006		29,040,000	29,040,000
3,484,800 bonus shares of Taka 10 each for 2007		34,848,000	34,848,000
2,090,880 bonus shares of Taka 10 each issued for 2008		20,908,800	20,908,800

	Note	2017	2016
		Taka	Taka
17,249,760 bonus shares of Taka 10 each issued for 2009		172,497,600	172,497,600
10,062,360 bonus shares of Taka 10 each issued for 2010		100,623,600	100,623,600
10,062,360 bonus shares of Taka 10 each issued for 2011		100,623,600	100,623,600
15,093,540 bonus shares of Taka 10 each issued for 2012		150,935,400	150,935,400
25,155,900 Right shares of Taka 10 each issued for 2013		251,559,000	251,559,000
1,00,62,360 bonus shares of Taka 10 each issued for 2010		100,623,600	100,623,600
55,34,298 bonus shares of Taka 10 each issued for 2014		55,342,980	55,342,980
		1,162,202,580	1,162,202,580

15.03 Percentage of shareholding

Category	As at 31 December			
	2017		2016	
	No. of shares	%	No. of shares	%
Sponsors	49,228,268	42.36%	49,283,846	42.41%
General public including NRB	45,612,183	39.25%	46,479,023	39.99%
Financial institutions	21,379,807	18.40%	20,457,389	17.60%
Investment companies	-	0.00%	-	0.00%
Foreigners	-	0.00%	-	0.00%
Total	116,220,258	100%	116,220,258	100%

15.04 Classification of shareholders by holding

Holding	No. of shareholders		Total holding percentage (%)	
	2017	2016	2017	2016
Less than 5000	5,887	7,818	5.37	6.10
5001 to 50,000	1,194	1,548	14.27	16.41
50,001 to 100000	82	104	4.90	5.92
100001 to 200000	43	41	5.18	6.52
200001 to 300000	10	6	1.96	1.35
300001 to 400000	6	3	1.91	0.95
400001 to 500000	8	3	3.08	0.72
500001 to 1000000	6	6	3.59	4.66
Over 1,000,001	17	18	59.74	57.35
Total	7,253	9,547	100	100

15.05 Name of Directors and their shareholdings as on 31 December 2017

Sl. No.	Name of Director	Status	2017	2016
1	Mr. A.Q.M. Faisal Ahmed Chowdhury	Chairman/Sponsor	2,721,064	2,721,064
2	Mr. Md. Mujibur Rahman Chowdhury	Independent Director & Vice Chairmen	164,287	-
3	Mr. Mohammed Jalal Uddin (Representative of Oparchor Trade International Ltd.)	Nominated Director & Vice Chairmen	8,321,520	8,321,520
4	Mr. M. Rashiduzzaman Millat (Representative of Qasraj Trading Limited)	Nominated Director	11,621,656	11,621,656
5	Mr. Md. Mahin (Representative of Raqas Trade International Limited)	Nominated Director	5,794,796	5,794,796
6	Mr. Miah Nuruddin Ahmed Apu (Representative of Alphabet Associates Limited)	Nominated Director	5,670,588	5,670,588
7	Mrs. Qazi Souda Afrin (Representative of Alphabet Systems Ltd)	Nominated Director	5,673,868	5,673,868
8	Mr. Ataul Haq	Independent Director	-	-
9	Mr. Md. Aminul Islam	Independent Director	-	-
10	Mr. Rafayel Bin Mahamud Bhuiyan	Independent Director	1,051,858	-

As at 31 December

2017	2016
Taka	Taka

15.06 Capital adequacy Ratio:

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

Tier-1 (Core Capital)	1,263,905,090	1,568,811,321
Paid-up Capital	1,162,202,580	1,162,202,580
Statutory Reserve	342,960,175	342,960,175
General Reserve	-	-
Retained Surplus	(241,257,665)	63,648,566
Tier-2 (Supplementary Capital):	101,813,522	71,563,765
General provision maintained against unclassified loans	101,813,522	71,563,765
Other Reserves	-	-
Total Capital Held (Tier 1 + Tier 2)	1,365,718,612	1,640,375,086
Total Risk Weighted Assets (Note 15.06.01)	11,342,645,966	11,009,253,663
Required capital (10% of risk-weighted assets or Tk. 100.00 Crore whichever is higher)	1,134,264,597	1,100,925,366
Total Capital Held	1,365,718,612	1,640,375,086
Capital adequacy ratio	12.04	14.90
Core capital	11.14	14.25
Supplementary capital	0.90	0.65

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

Gross Risk-Weighted Assets (RWA) of 2017 in the various categories of risk weights are detailed below :

15.06.01 Total Risk Weighted Assets

(a) Risk Weights for Credit Risk

Risk Weights (both B/S & Off-B/S)	As at 31 December 2017	
	Principal	Risk Weighted Asset
0%	422,915,296	-
20%	1,572,191,024	314,438,205
50%	1,291,900,000	645,950,000
75%	508,000,000	381,000,000
100%	2,824,630,000	2,824,630,000
125%	4,078,900,000	5,098,625,000
150%	1,154,700,000	1,732,050,000
Total	11,853,236,320	10,996,693,205

(b) Risk Weights for Market Risk	61,555,757
(c) Risk Weights for Operational Risk	284,397,004
Total Risk Weighted Assets (a+b+c)	11,342,645,966

	<u>As at 31 December</u>	
	<u>2017</u>	<u>2016</u>
	<u>Taka</u>	<u>Taka</u>
16.00 Statutory reserve		
Opening balance	342,960,175	332,935,253
Addition during the year	-	10,024,922
Closing balance	<u>342,960,175</u>	<u>342,960,175</u>
This was created in terms of clause- 6 of Financial Institution Regulation 1994, as 20% of net profit after tax.		
17.00 General reserve	<u>-</u>	<u>-</u>
18.00 Retained earnings		
Opening balance	63,648,566	23,548,879
Addition during the year	(304,906,230)	50,124,609
Less: Transfer to statutory reserve	-	(10,024,922)
Less: Issue of bonus shares	-	-
Closing balance	<u>(241,257,665)</u>	<u>63,648,566</u>
19.00 Contingent liabilities and commitments		
19.01 Letters of guarantee		
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>
19.02 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>
20.00 Profit and Loss Statement		
Income		
Interest, discount and similar income	788,826,478	896,671,007
Dividend income	542,260	573,305
Fees, commission and brokerage	-	-
Gains less losses arising from dealing securities	-	-
Gains less losses arising from investment securities	3,381,246	(705,294)
Gains less losses arising from dealings in foreign currencies	-	-
Income from non-company's assets	-	-
Other operating income	88,935,784	139,525,587
Profit less losses on interest rate changes	-	-
	<u>881,685,768</u>	<u>1,036,064,605</u>
Expenses		
Interest, fees and commission	803,012,958	703,439,242
Losses on loans and advances	-	-
Administrative expenses	160,374,716	114,342,305
Other operating expenses	54,139,819	53,587,810
Depreciation on banking assets	30,755,960	30,751,718
	<u>1,048,283,452</u>	<u>902,121,075</u>
Profit Before Provision	<u>(166,597,684)</u>	<u>133,943,530</u>

	For the year ended 31 December	
	2017	2016
	Taka	Taka
21.00 Interest Income		
Interest on leases, loans and advances:		
Lease finance	309,633,512	233,548,178
Term finance	442,858,449	580,047,651
Home loan/Margin loan	855,554	711,421
	<u>753,347,515</u>	<u>814,307,250</u>
Interest on:		
Accounts with foreign banks	-	-
Balances with other banks and financial institutions	35,478,963	82,363,757
	<u>788,826,478</u>	<u>896,671,007</u>
22.00 Interest Paid on Deposits, Borrowings, etc.		
Interest on deposits:		
Fixed/term deposits	605,634,352	601,947,197
Savings deposits	554,096	320,740
	<u>606,188,448</u>	<u>602,267,937</u>
Interest on borrowings:		
Local banks including Bangladesh Bank	196,824,510	101,171,305
Foreign banks	-	-
	<u>803,012,958</u>	<u>703,439,242</u>
23.00 Investment Income		
Dividend on shares	542,260	573,305
Gain on Sale of Marketable Securities	3,381,246	(705,294)
	<u>3,923,506</u>	<u>(131,990)</u>
24.00 Commission, Exchange and Brokerage		
Commission on trading security	-	-
Exchange gains/losses arising from dealings in foreign currencies	-	-
	<u>-</u>	<u>-</u>
25.00 Other Income		
Interest during construction period	31,900,438	35,870,505
Delinquent charge	36,362,353	76,945,756
Service charge	4,643,289	8,285,282
Transfer fee	1,172,684	3,864,873
Gain on sale of vehicle	-	-
Other Operating Income	14,857,020	14,559,171
	<u>88,935,784</u>	<u>139,525,587</u>
26.00 Salary and Allowances		
Salary and allowance	100,163,689	67,510,111
Provident fund contribution	3,500,720	1,425,801
Festival Bonus	9,636,587	6,261,092
Casual staff salary	-	3,733
Overtime	1,483,147	751,034
Medical & Welfare Expenses	1,698	-
	<u>114,785,841</u>	<u>75,951,771</u>
27.00 Rent, Taxes, Insurance, Lighting, etc.		
Rent, rates and taxes	17,358,480	14,838,200
Utilities	3,786,524	3,740,752
Insurance	216,537	282,924
	<u>21,361,541</u>	<u>18,861,876</u>

	For the year ended 31 December	
	2017	2016
	Taka	Taka
28.00 Legal Expenses		
Legal expenses	2,931,957	563,840
Consultancy fees	564,409	83,616
	3,496,366	647,456
29.00 Postage, Stamps, Telecommunication, etc.		
Phone, fax and internet	3,477,751	2,844,920
Court fees and stamps	1,881,294	4,779,855
Postage and courier	210,204	148,370
	5,569,249	7,773,145
30.00 Stationery, Printing, Advertisements, etc		
Advertisement	3,834,909	2,295,456
Stationery and printing	5,050,467	5,032,440
	8,885,376	7,327,896
31.00 Chief Executive Officer's Salary and Fees		
Basic salary	2,883,065	1,800,000
Allowances	1,834,677	1,049,161
Festival Bonus	550,000	240,000
	5,267,742	3,089,161
32.00 Directors' Fees		
Taka 8,000 per Director per meeting	873,600	556,000
	873,600	556,000
Directors' fees for attending each board meeting during the year was Taka 8,000 for each board member as per Bangladesh Bank DFIM circular no. 13, dated 30 November 2015. No other fees/remuneration were paid to the Directors for any special services rendered.		
33.00 Auditors' Fees	135,000	135,000
34.00 Depreciation and Repairs of Company's Assets		
Repairs		
Furniture and fixtures and equipments	3,472,470	5,619,040
Vehicles	7,318,506	4,164,749
Software development	-	-
	10,790,976	9,783,789
Depreciation		
Office equipment	9,902,127	11,434,761
Motor vehicles	4,781,332	3,821,426
Furniture and fixtures	5,281,524	5,711,742
	19,964,984	20,967,929
	30,755,960	30,751,718
35.00 Other Expenses		
Share issue expenses	1,064,882	1,429,882
AGM expenses	590,256	207,845
Business development expenses	28,235,817	14,066,478
Vehicle expenses	1,713,539	1,065,469
Entertainment	1,702,790	1,029,166
Meeting expenses	64,000	153,360
Bank charges and excise duty	907,918	1,262,467
Travelling expenses	3,359,990	3,314,343
Office maintenance	1,307,081	1,031,390

	For the year ended 31 December	
	2017	2016
	Taka	Taka
Books and periodicals	59,941	52,137
Miscellaneous expenses	7,310,026	6,671,673
Corporate social responsibility (CSR)	10,000	550,000
Fees, fine and subscription	6,823,932	22,646,918
Annual Business Conference	214,321	-
Income tax expense	741,074	-
Loss on disposal of fixed asset	34,252	106,682
	54,139,819	53,587,810
36.00 Provision against leases, loans and advances		
Provision against unclassified leases, loans and advances	101,813,522	71,563,765
Provision against classified leases, loans and advances	419,692,163	319,771,410
	521,505,685	391,335,175
Less: Provision as on 31 December of previous year		
Provision against unclassified leases, loans and advances	71,563,765	84,595,659
Provision against classified leases, loans and advances	319,771,410	249,361,341
	391,335,175	333,957,000
Provision made during the year	130,170,510	57,378,175
37.00 Provision for diminution in value of investments		
Provision for investment	14,426,210	14,034,289
Less: Provision as on 31 December of previous year	14,034,289	17,750,000
Provision made/(adjustment) during the year	391,921	(3,715,711)
38.00 Earnings per Share		
Earnings Attributable to the Ordinary Shareholders (Net profit after tax)	(304,906,230)	50,124,609
Number of ordinary shares outstanding during the year	116,220,258	116,220,258
Earnings per share	(2.62)	0.43
38.01 No diluted earnings per share is required to be calculated for the year as there was no dilution during the year.		
39.00 Net operating cash flow per share		
39.01 Operating profit before changes in operating assets and liabilities	(154,836,858)	6,278,867
Number of ordinary shares outstanding during the year	116,220,258	116,220,258
Net operating profit before changes in operating assets and liabilities	(1.33)	0.05
39.02 Cash used in operating activities	301,798,880	(1,022,159,668)
Number of ordinary shares outstanding during the year	116,220,258	116,220,258
Net cash used in operating activities	2.60	(8.80)
Net operating cash flow per share (NOCFPS) for the period ended 31 December 2017 is 2.60 whereas the same period of earlier year was (8.80). This is because of good number of deposits from customers have increased.		
40.00 Net asset value per share		
Net Assets	1,263,905,090	1,568,811,321
Number of ordinary shares outstanding	116,220,258	116,220,258
Net asset value per share	10.88	13.50

For the year ended 31 December

2017 **2016**
Taka **Taka**

41.00 Related party transactions

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

<u>Name of related parties</u>	<u>Relationship</u>	<u>Value of transactions</u>	<u>Receivable at 31 Dec 2017</u>	<u>Receivable at 31 Dec 2016</u>
A.Q.M. Faisal Ahmed Chowdhury	Director	3,848,805	6,424,472	8,811,379
		3,848,805	6,424,472	8,811,379

The above transaction has started in the financial year 2015. Subsequently the effect of this transaction has properly been disclosed in the previous years financial statements. The borrower- director has mortgaged his own property valuing Tk.89,332,112 to the Company. The Honorable Shareholders of the Company has been acknowledged of this transaction in the 23rd AGM and as there is no subsequent AGM held by the order of the Honorable High Court, the security given by the director could not be acknowledged by the Honorable Shareholders. All documents have been prepared to present the matter for retrospective approval of the Honorable Shareholders in the next AGM.

42.00 Board Meeting

During the year under reporting, fifteen (15) board meetings were held.

43.00 Audit Committee

<u>Name of committee member</u>	<u>Status with the Company</u>	<u>Status with Committee</u>	<u>Educational Qualification</u>
Mr. Ataul Haq	Independent Director	Chairman	Master in Philosophy, Dhaka University.
Mr. Md. Mahin	Nominated Director	Member	Bachelor of Arts and two years Management Course from Japan.
Mr. Rafayel Bin Mahamud Bhuiyan	Independent Director	Member	BS in Financial Mathematics, University of Toronto, Canada.

During the year 2017 the audit committee has performed the following activities:

- review of the company's draft financial statements for the year ended 31 December 2017 for their presentation to the board for approval;
- recommendation on the appointment of external auditors for the year ending 31 December 2017 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 2017; 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.

Four (04) meetings of audit committee were held during the year 2017 where CEO and CFO were invited to participate.

For the year ended 31 December

	2017	2016
	<u>Taka</u>	<u>Taka</u>
44.00 Others		
44.01 Contracts and disbursements		
Contracted/Sanction	1,689,307,500	2,213,683,900
Execution/Disbursement	1,634,457,500	1,742,991,900
44.02 Credit facility not availed		
There was no such credit facility available to the Company as on 31 December 2017 except trade credit available in the ordinary course of business.		
44.03 Contingent liabilities		
There was no such liabilities for which the Company is contingently liable as on 31 December 2017.		
44.04 Payment in foreign currency		
During the year 2017, no amount was paid for import of capital machinery for lease. No payment has been made in foreign currency on account of royalty, technical know-how and professional advisor fees, interest, dividend, etc.		
44.05 Authorization for issue of the financial statements		
The Board of Directors of the Company has authorized these financial statements for issue on April 30, 2018.		
44.06 Number of employees		
During the year 193 employees have been given Taka 6,000 or more (monthly) as salary and allowances.		
44.07 Subsequent event		
There is no material adjusting or non-adjusting events after the balance sheet date.		
45.00	The Board of Directors' in its 283rd Meeting declared stock dividend @ 5% on the basis of financial statements of 2016. This issue has not been approved by the Honorable Shareholders as the 24th Annual General Meeting of the company yet to hold by the order of the Honorable High Court.	
46.00	Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.	
47.00	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.	
48.00	These notes form an integral part of these financial statements and accordingly are to be read in conjunction therewith.	

for First Finance Limited

Sd/-	Sd/-	Sd/-	Sd/-
_____ Sarwar Shafiq Company Secretary	_____ Md. Nazrul Hossain Managing Director & CEO	_____ M. Rashiduzzaman Millat Director	_____ Miah Nuruddin Ahmad Apu Chairman

First Finance Limited
Schedule of Fixed Assets
As at 31 December 2017

Annexure-A

Particulars	Cost				Depreciation				Written down value at 31 Dec 2017	
	At 01 Jan 2017	Addition during the year	Disposal made during the year	Total at 31 Dec 2017	Rate	At 01 Jan 2017	Charge for the year	Adjustment made during the year		At 31 Dec 2017
	Taka	Taka	Taka	Taka		Taka	Taka	Taka		Taka
Office equipment	116,149,695	724,184	170,000	116,703,879	15%	50,208,045	9,902,127	121,248	59,988,924	56,714,955
Motor vehicles	32,466,294	11,076,801	-	43,543,095	20%	17,180,590	4,781,332	-	21,961,922	21,581,173
Furniture and fixtures	81,494,541	401,860	-	81,896,401	10%	29,013,582	5,281,524	-	34,295,106	47,601,295
Sub Total	230,110,530	12,202,845	170,000	242,143,375		96,402,217	19,964,984	121,248	116,245,953	125,897,422
Software in Progress	13,330,000	-	-	13,330,000	0%	-	-	-	-	13,330,000
Total at 31 December 2017	243,440,530	12,202,845	170,000	255,473,375	-	96,402,217	19,964,984	121,248	116,245,953	139,227,422
Total at 31 December 2016	238,066,872	5,656,958	283,300	243,440,530	-	75,544,606	20,967,929	110,318	96,402,217	147,038,313

First Finance Limited
Schedule of Fixed Assets based on Income Tax Ordinance 1984
 As at 31 December 2017

Annexure-B

Particulars	At 01 January 2017	Addition during the year	Disposal made during the year	Total at 31 December 2017	Depreciation charged for the year	Written down value at 31 December 2017
	Taka	Taka	Taka	Taka	Taka	Taka
Office equipment	74,750,493	724,184	170,000	75,304,677	7,530,468	67,774,209
Motor vehicles	15,058,331	11,076,801	-	26,135,132	5,227,026	20,908,106
Furniture and fixtures	52,049,363	401,860	-	52,451,223	5,245,122	47,206,101
Software in Progress	13,330,000	-	-	13,330,000	-	13,330,000
Total	155,188,187	12,202,845	170,000	167,221,032	18,002,616	149,218,416

Written down value at 31 December 2017 as per accounts (a)	139,227,422
Written down value at 31 December 2017 as per Income Tax Ordinance 1984 (b)	149,218,416
Difference (c=a-b)	<u>(9,990,993)</u>
Deferred tax liability/(Asset) at 31 December 2017	<u><u>(3,996,397)</u></u>

First Finance Limited
Details of Highlights
 As at 31 December 2017

Annexure B

Sl. No.	Particulars	As at 31 December	
		2017	2016
		Taka	Taka
1	Paid-up capital	1,162,202,580	1,162,202,580
2	Total capital /equity	1,263,905,090	1,568,811,321
3	Total assets	11,853,236,320	10,317,887,152
4	Total deposit	6,313,974,028	5,535,081,811
5	Total loan, lease and advance	9,554,739,490	9,139,174,021
6	Total contingent liabilities and commitments	-	-
7	Credit deposit ratio (%)	86.12	60.56
8	Percentage of classification of loan (%)	32.88	33.37
9	Operating profit	(166,597,684)	133,943,530
10	Profit after tax and provision	(304,906,230)	50,124,609
11	Amount of classified loan/ lease	3,074,364,623	3,241,016,803
12	Provision kept against classified loan/ lease	521,505,685	391,335,175
13	Provision surplus/(deficit)	-	(67,087,864)
14	Cost of fund (%)	9.19	9.28
15	Interest earning assets	9,554,739,490	9,139,174,021
16	Non-interest earning assets	2,298,496,829	1,178,713,131
17	Return on investment (ROI) (%)	(3.19)	0.55
18	Return on assets (ROA) (%)	(2.57)	0.49
19	Income from Investments	3,923,506	(131,990)
20	Earning per share (EPS)	(2.62)	0.43
21	Operating profit per share	(1.43)	1.15
22	Price earning ratio (times)	-	23.19

First Finance Limited
Statement of Tax Assessment Status
 As at 31 December 2017

Sl #	Accounting Year	Assessment year	Provision in A/C	Tax Claim	Excess/(Short) Provision	Remarks
1	2006	2007-2008	Nil	(9,614,920)	9,614,920	The Honab'le High Court gave the order in favor of the Company but National Board of Revenue (NBR) has applied against such decision which is still pending.
2	2007	2008-2009	9,292,014	(7,428,363)	16,720,377	
3	2008	2009-2010	30,707,986	(4,127,500)	34,835,486	
4	2009	2010-2011	43,000,000	(9,006,752)	52,006,752	The Honab'le High Court gave the order in favor of the Company
5	2010	2011-2012	20,000,000	11,088,521	8,911,479	The Honab'le High Court gave the order in favor of the Company
6	2011	2012-2013	34,500,000	58,441,988	(23,941,988)	Appeal in High Court under process.
7	2012	2013-2014	-	49,619,521	(49,619,521)	Assessment fully completed.
8	2013	2014-2015	40,000,000	119,492,427	(79,492,427)	Appeal in High Court under process.
9	2014	2015-2016	48,064,000	57,457,620	(9,393,620)	Assessment under process
10	2015	2016-2017	27,224,242	71,129,607	(43,905,365)	Assessment under process
11	2016	2017-2018	33,416,406	55,377,498	(21,961,092)	Assessment under process
12	2017	2018-2019	10,290,115	5,290,115	5,000,000	Assessment under process
	Total		286,204,648	392,429,647	(101,224,999)	

List of Acronyms

ABS	Asset Backed Securities	Fls	Financial Institutions
AD	Authorized Dealer	FY	Financial Year
ALCO	Asset-Liability Management Committee	IM	Information Memorandum
BAPLC	Bangladesh Association of Publicly Listed Companies	IT	Information Technology
BB	Bangladesh Bank	ICAB	Institute of Chartered Accountants of Bangladesh
BEFTN	Bangladesh Electronic Fund Transfer Network	ICMAB	Institute of Cost & Management Accountants of Bangladesh
BIDA	Bangladesh Investment Development Authority	ICSB	Institute of Chartered Secretaries of Bangladesh
BLFCA	Bangladesh Leasing and Finance Companies Association	ICCD	Internal Control & Compliance Division
BSEC	Bangladesh Securities and Exchange Commission	IPO	Initial Public Offering
BAS	Bangladesh Accounting Standard	LCR	Liquidity Coverage Ratio
BSA	Bangladesh Standard on Auditing	MANCOM	Management Committee
BSS	Bangladesh Secretarial Standard	MCR	Minimum Capital Requirement
CG	Corporate Governance	MIS	Management Information System
CAMLCO	Chief Anti Money Laundering Officer	MSS	Monthly Savings Scheme
CAMELS	Capital Adequacy, Asset Quality Management, Earnings, Liquidity and Sensitivity to Market Risk	NBFI	Non-Banking Financial Institutions
CAR	Capital Adequacy Ratio	NBR	National Board of Revenue
CIB	Credit Information Bureau	NRB	Non-Resident Bangladeshi
CDBL	Central Depository Bangladesh Limited	NPL	Non-Performing Loan
CDR	Credit Deposit Ratio	PV	Present Value
CPI	Customer Price Index	ROA	Return on Assets
CRAB	Credit Rating Agency of Bangladesh Limited	ROE	Return on Equity
CRISL	Credit Rating Information and Services Limited	ROI	Rate of Interest
CRM	Credit Risk Management	RJSC	The Register of Joint Stock Companies and Firms
CRR	Cash Reserve Requirement	RMC	Risk Management Committee
CSR	Corporate Social Responsibility	RSA	Rate Sensitive Asset
CRG	Credit Risk Grading	RSL	Rate Sensitive Liabilities
CSE	Chittagong Stock Exchange Limited	RWA	Risk Weighted Assets
DP	Depository Participants	SME	Small and Medium Enterprise
DSE	Dhaka Stock Exchange Limited	SOP	Standard Operating Procedure
DFIM	Department of Financial Institutions and Market	SLR	Statutory Liquidity Ratio
EPS	Earning Per Share	TDR	Term Deposit Receipt
EMI	Equal Monthly Installment	TDS	Term Deposit Scheme
ECRL	Emerging Credit Rating Limited	VAT	Value Added Tax
FFL	First Finance Limited		

PROXY FORM



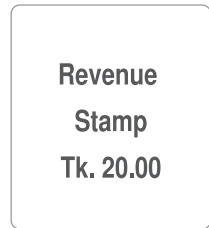
Registered Office: Jahangir Tower (3rd Floor), 10, Kawranbazar C/A, Dhaka- 1215

I/We..... of

being a Shareholder of FIRST FINANCE LIMITED do hereby appoint Mr./Mrs. of

as my/our Proxy to attend and vote for me/our behalf of the pending 25th ANNUAL GENERAL MEETING of the Company to be held on Thursday the 25th July, 2019 at 11.30a.m. in Trust Milonayaton (Auditorium) Dhaka Cantonment, 545 Old Airport Road, Tejgaon, Dhaka -1206, Bangladesh.

As witness my hand thisday2019



Signature of the Proxy

Dated :

Signature of the Shareholder

Dated:

BO Account / Register Folio No. :

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

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.



SHAREHOLDER'S ATTENDANCE

25th Annual General Meeting

I hereby recorded my attendance at the pending 25th Annual General Meeting held on Thursday the 25th July 2019 at 11.30 a.m. in Trust Milonayaton (Auditorium) Dhaka Cantonment, 545 Old Airport Road, Tejgaon, Dhaka -1206, Bangladesh.

Name of the Shareholder/Proxy :

BO Account / Register Folio No.:

Holder ofnumber of Ordinary Shares of First Finance Limited.

N. B. Present this slip at the Reception Desk.

Children and non-member will not be allowed at the meeting.

Signature of Shareholder/Proxy

Head Office:

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

Dhaka-1215,Bangladesh

09678888999,9145487-9,8189676-7

www.first-finance.com.bd