RIGHTS SHARE OFFER DOCUMENT

Approval Date: June 18, 2013

Rights Offer of **25,155,900** Ordinary Shares of **Tk. 10.00** each at par totaling **Tk. 251,559,000** offered on the basis of 1 (One) Rights Share for 3 (Three) existing share held on the record date.

Record Date for Entitlement of Rights Offer

July 15, 2013

Subscription	**Opens on: August 01, 2013**
	Closes on: August 26, 2013
Within Banking Hours Both Days Inclusive	

CREDIT RATING STATUS

	Long Term	Short Term
Entity Rating	**A-**	**AR-3**
Outlook	**Stable**	
Date of Rating	**April 22, 2013**	
Validity of Rating	**April 21, 2014**	
Rating assigned by : Alpha Rating		

MANAGER TO THE ISSUE

BANCO FINANCE

We take care of every hand we hold

BANCO FINANCE AND INVESTMENT LIMITED

(A Full Fledged Merchant Bank)

Baitul View Tower (11th Floor), 56/1, Purana Paltan, Dhaka-1000
Phone: 7125703, 7124438, 7125910; **Fax:** 880-2-7125634
E-mail: banco.bd@gmail.com; **Website:** www.bfil.org

FULLY UNDERWRITTEN BY

Banco Finance and Investment Limited
Baitul View Tower (11th Floor),
56/1, Purana Paltan, Dhaka-1000

BANKERS TO THE ISSUE

Southeast Bank Limited Eunoos Center (Level-2), 52-53 Dilkusha C/A, Dhaka-1000	Mutual Trust Bank Limited MTB Centre, 26 Gulshan Avenue, Plot-5, Block-SE(D), Gulshan-1, Dhaka-1212
Investment Corporation of Bangladesh 8, DIT Avenue (12th-15th Floor), Dhaka,	United Commercial Bank Limited House- CWS (A) 1, Road-34, Gulshan Avenue, Dhaka-1212

ISSUER

FIRST LEASE FINANCE & INVESTMENT LIMITED

(A Financial Institution Licensed from Bangladesh Bank)

Registered and Corporate Office
Jahangir Tower (3 rd Floor), 10 Kawran Bazar C/A, Dhaka- 1215
Phone: +88-02-9145487-9, 8189676-7 **Fax:** +88-02-8153971
E-mail: info@first-lease.com.bd; **Website:** www.first-lease.com.bd

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

TABLE OF CONTENTS

Definition and Elaboration of the Abbreviated Words and Technical Terms Used in the Rights Share Offer Document

Allotment	:	Allotment of Shares
BFIL	:	Banco Finance and Investment Limited
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	Companies Act, 1994 (Act No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
FLFIL	:	First Lease Finance & Investment Limited
EPS	:	Earnings Per Share
Issue	:	Rights Issue
Issue Manager	:	Banco Finance and Investment Limited
Issuer Company	:	First Lease Finance & Investment Limited
NAV	:	Net Assets Value
Offering Price	:	Price of the Securities of First Lease Finance & Investment Limited
Registered Office	:	Head Office of the Company
RI	:	Rights Issue
Rights Issue Rule	:	Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	:	Registrar of Joint Stock Companies & Firms
ROD	:	Rights Share Offer Documents
BSEC	:	Bangladesh Securities and Exchange Commission
Securities	:	Shares of First Lease Finance & Investment Limited
Securities Market	:	The Share and Bond Market of Bangladesh
Sponsor	:	The Sponsor Shareholders of First Lease Finance & Investment Limited
Stockholder	:	Shareholders
Subscription	:	Application Money

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

RIGHTS ISSUE OF SHARES

Date: June 23, 2013

Dear Shareholder(s),

We are pleased to offer you an opportunity to participate in the Rights issue of Shares First Lease Finance & Investment limited (FLFIL). The honorable shareholders of First Lease Finance & Investment limited in the 5th Extra Ordinary General Meeting held on April 30, 2013 approved rights issuance of **25,155,900** Ordinary Shares of **Tk. 10.00 each at par**, totaling Tk. 251,559,000 at **1 (One) [R]: 3 (Three)** i.e. 1 (one) rights share for 3 (Three) existing share held on the Record date for entitlement. The purpose of issuance is to fulfill the regulatory requirements of Bangladesh Bank as per DFIM Circular No. 05, dated 24th July 2011, which will enable the Company to reach sustainable growth in business. First Lease Finance & Investment limited has been able to continue its growth in terms of business activities and services through efficient conducting of investible funds by the management under direction of the Board of Directors as well as patronization and active participation of the all our valued shareholders and customers. The Board of Directors of our company consider that FLFIL's prospect for upcoming years are very good and the funds raised by the Rights Issue will enable the Company to grow in terms of all round growth and maximize the wealth of shareholders.

The Board believes that the offer terms are attractive and hope you would come forward with your full support and assistance to make the offer a success.

A self – explanatory Rights Offer Document prepared in the light of the Securities and Exchange Commission (Right Issue) Rules, 2006 of the Bangladesh Securities and Exchange Commission is enclosed herewith for your kind information and evaluation.

Sd/-
Dr. G. M. Baqui Billah, FCMA
Chief Executive Officer

THE RIGHTS OFFER

The Company

First Lease Finance and Investment Limited is a Non-Banking Financial Institution (NBFI) formed in 1993 under the Financial Institution Act, 1993. The incorporation date of the company is June 28, 1993 and the company started its commercial operation at the same date i.e. June 28, 1993. The Company started its business operation as a private limited company with limited vicinity and gradually becomes one of the largest Financial Institutions in Bangladesh. Currently the company has been operating lease financing, term loan financing, fixed deposit receipt (FDR), real estate financing & housing financing, SME financing business with 4 branches in 4 different locations in the country. The company's employed over 100 employees and is well diversified intro Corporate, SME, Retail, Capital Market's segments. Since October 9, 2003, the company's shares are being trade in both stock exchanges of the country in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The company has already fully implemented Corporate Governance Guidelines and Good Governance issued by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank. The company is eager to maintain State-of-Art computerized system to ensure the safety of the data of its clients.

The Company also opened the business activities in Sylhet in the year 2011 for expansion of business. The company has implemented SME scheme from Bangladesh Bank particularly to help empower women in Bangladesh as a self employed individual as to develop the socio economical condition in the country. Company also hired professional SME Team to flourish its SME business.

The Rights Issue

FLEASEINT plans to increase paid-up capital through issuance of rights shares. The Board of Directors at its Board Meeting held on 27 March, 2013 recommended for issuance of Rights Shares at 1(One) [R]: 3(Three) ratio i.e. 1(one) Rights Shares for 3(Three) existing share held on the record date for entitlement of Rights Share. The proposed offer is for issuance of Rights Shares of 25,155,900 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 251,559,000 at 1 (one) [R]: 3 (Three) ratio i.e. 1 (one) Rights Share for 3 (Three) existing share held on the record date. The honorable shareholders of the Company also approved issuance of rights share of 25,155,900 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 251,559,000 in EGM held on April 30, 2013 at 1(One) [R]: 3(Three) ratio i.e. 1(one) Rights Shares for 3(Three) existing share.

Issue Price

The Issue Price per share has been fixed in the EGM of the Company held on April 30, 2013 at Tk.10.00 each at par totaling Tk. 251,559,000 offered on the basis of 1 (One) Rights share for 3 (Three) existing share held on the record date for entitlement.

RISK FACTORS AND MANAGEMENT'S PERCEPTION

The Company operates in a field involving some internal/external risk factors and among those some are avertable; others are beyond control, which may causes of loss. The management of First Lease Finance & Investment Limited perceives the risk factors which are as follows:

Interest Rate Risk

Interest rate risk is the risk to which a financial institution is exposed because of future uncertainty of interest rate. Change in the interest rate may adversely affect the profitability of the company by narrowing the interest spread. Interest rates are typically determined by the supply of and demand for money in the economy. If at any given interest rate, the demand for funds is higher than supply of funds, interest rates tend to rise and vice versa.

Though First Lease Finance & Investment Limited cannot avoid all adverse impacts of change in interest rate arises due to change in economic conditions or government regulation but can takes all available measures to insulate its profitability. Asset Liability Committee (ALCO) of First Lease Finance & Investment Limited regularly analyzes interest rate sensitivity and maintains interest rate risk at a minimum level with minimum fluctuation by carrying out asset liability gap analysis. ALCO sits periodically to assess the changes in the market and along with other strategies, recommends re-pricing of interest rate of existing products to minimize and control the interest rate risk.

Foreign Exchange Rate Risk

Foreign Exchange Rate Risk is a form of financial risk that arises from the potential change in the exchange rate of one currency in relation to another. Foreign Exchange Rate Risk may occur at the time of translation as well as transaction. The market directly affects each country's bond, equities, private property, manufacturing and all assets that are available to foreign investors. Foreign exchange rates also play a major role in determining who finances government deficits, which buys equities in companies and literally affects and influences the economic scenario.

Foreign Exchange of FLFIL is minimal as most of the transactions are carried on local currency. FLFIL is confident to significantly cushion the foreign currency risk through hedging by forward booking.

Industry Risk

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to prices, revenues, profit margins, market share etc. which could have an adverse impact on the business, financial condition and results of operation. Financial industry of our country is facing tremendous competition and challenges. 29 NBFIs are operating business in our country and a number of organizations have applied for licenses to Bangladesh Bank.

To cope up industry risk, management of First Lease Finance & Investment Limited is paying attention to increase its market shares. By the identification of customers' need and developing new products and services, FLFIL is emphasizing on penetrating new market shares.

Furthermore FLFIL always believe that diversification of products & services and revenue streams are the best way to march forward. FLFIL also concentrating on capacity building by enhancing professional capabilities of the employees, upholding professional ethics and modern infrastructural facility to compete with peer companies.

Market and Technology Related Risk

Market Risk

Market risk is the risk of loss arising from changes or adverse movements in the level of market prices of rates of financial instruments. Market risk comprises of interest rate risk, exchanges rate risk and equity risk.

FLFIL's key objective of market risk management is managing the effects of adverse market movements on the company's earnings and capital effectively. FLFIL's trading market risk rises mainly from the market making, arbitraging and proprietary trading activities to earn benefits from market opportunities.

Technology Risk

In the global market of 21st century developed technology obsoletes the old services/product strategy. So the existing technology is not sufficient enough to cope up with future trends and needs.

The management of FLFIL puts strong importance on upgrading ICT continuously. Integrated leasing and accounting software for the operation of leasing and term finance, credit card software are also in place in FLFIL. The company is planning to establish Digester Recovery System to recover database of the company if any natural digester happened.

Potential or existing government regulations

The business activities of FLFIL is fully controlled by policies, rules and regulation framed by government, that is policies related to electricity price fixation, demand & supply and distribution is fully under the control of Government. So, government policies in this regard may impact business operation of FLFIL.

The Company operates under Company's Act-1991, Financial Institution Act, 1993, Taxation Policy adopted by NBR, Security and Exchange Commission (SEC)'s Rule and Rules adopted by other regulatory organizations. Any abrupt changes of the policies formed by those bodies will impact the business of the Company adversely. Unless adverse policies are taken, which may materially affect the industry as a whole; the business of the Company will not be affected.

Potential changes in the global or national policies

The performance of the company may be affected due to unavoidable circumstances in Bangladesh, as such political turmoil, war, terrorism, political unrest in the country may adversely affect the economy in general. Moreover, Natural disasters like Cyclone, Tide, and Earthquake may hamper normal performance of power generation.

The risk due to changes in global or national policies is beyond control for any company. Yet the company is well prepared for adoption of policies and preventive measures as and when required to reduce the risk. But severe natural calamities, which sometimes are unpredictable and unforeseen, have the potential to disrupt normal operations of FLFIL.

Political unrest leading to strikes; hortals etc. certainly plays negative impact in any business. But electricity service being considered a daily necessity & in consideration of its use by all irrespective of their political thoughts is always kept out of obstructions.

History of Non-Operation, if any

First Lease Finance & Investment Limited commenced its business in 1993 and it has no history of non-operation till now. The Company has an independent body that is operated by its Memorandum & Articles of Association and other applicable laws Implemented by the Government. Besides, the company's financial strength is satisfactory. It has very experienced Board of Directors and Management team to make the company more efficient and stronger for commercial operations. So, the chance of becoming non-operative for FLFIL is minimum.

Operational Risk

Operational risk is the potential of loss resulting from failed or inadequate internal processes, people, systems and management, or from external events. FLFIL's operational risk management aims to minimize unexpected and catastrophic losses and to manage expected losses. This enables new business opportunities to be pursued in a risk-conscious and controlled manner.

FLFIL manages operational risks through a framework that ensures that operational risks are properly identified, managed, monitored and reported in a structured and consistent manner. The framework is underpinned by an internal control system that reinforces the control culture by establishing clear roles and responsibilities for staff and preserving their rights in executing their control functions without fear of intimidation. FLFIL recognizes the importance of establishing a risk-awareness culture in managing operational risk through embedding risk management in the core processes.

Credit Risk

Credit risk is the risk arising from the uncertainty of an obligor's ability to perform its contractual obligations. Credit risk could stem from both on- and off-balance sheet transactions. An institution is also exposed to credit risk from diverse financial instruments such as trade finance products and acceptances, foreign exchange, financial futures, swaps, bonds, options, commitments and guarantees.

First Lease Finance & Investment Limited as a financial institution cannot fully eliminate credit risk but risk can be managed to optimize the risk adjusted return. FLFIL manages the credit risk both at individual account level as well as at portfolio level. FLFIL established multi-tier approval process, Independent Credit Risk Management (CRM) Unit. CRM Unit ensure in depth analysis of the borrower in view of managerial capacity, financial strength, industry prospect and macroeconomic scenario. The credit committee regularly meets to review new credit proposal as well as performance of existing portfolio.

Liquidity Risk

Liquidity is the risk that the organization may not be able to meet cash flow obligation within a stipulated time. FLFIL may lose liquidity if its credit rating falls, it experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with or lending to the institution.

FLFIL has a liquidity risk management system, dedicated to maintain suitable and sufficient funds to meet present and future liquidity obligations whilst utilizing the funds appropriately to take advantage of market opportunities as they arise. FLFIL manages its liquidity mainly through domestic money and capital markets including repurchase markets. FLFIL seeks to minimize its liquidity costs in line with the market situation by closely managing the liquidity position on a daily basis and restricting the holding of cash held above an appropriate level at any given time. As part of liquidity management, FLFIL adheres to its funding plan, and exercises due care in using medium-term borrowings.

DATE OF OPENING AND CLOSING OF SUBSCRIPTION LISTS

Subscription opens for the rights shares offer on **August 1, 2013** and subscription closes for the rights shares offer on **August 26, 2013**

UTILIZATION OF INITIAL PUBLIC OFFERING FUND

First Lease Finance & Investment Limited utilized the IPO fund in the business operations namely lending, leasing refinancing and investment of the company. It is also stated that the company was fully utilized the entire fund raised through public issue for business augmentation and future growth which already reflected in the audited accounts of the company.

Sd/-	Sd/-
Dr. G. M. Baqui Billah, FCMA	**M. A. Matin**
Chief Executive Officer	SEVP & Chief Financial Officer

PURPOSE OF THE RIGHTS ISSUE

First Lease Finance & Investment Limited envisage to issue the Rights Shares to fulfill the regulatory requirements of Bangladesh Bank as per DFIM Circular No. 05, dated 24th July 2011, which will enable the Company to reach sustainable growth in business.

Accordingly First Lease Finance & Investment Limited is going for issuance of Rights Share of 25,155,900 Ordinary Shares of Tk.10.00 (Ten) each at per totaling Tk. 251,559,000 (Taka Twenty Five Crore Fifteen Lac and Fifty Nine thousand) only subject to the approval of regulatory authority

Sd/-

Dr. G. M. Baqui Billah, FCMA

Chief Executive Officer

5 YEARS INFORMATION REGARDING AGM HELD AND DIVIDEND DECLARED

Accounting Year	AGM Title	Date of AGM held & Dividend declared	Declared Dividend	
			Rate (%)	Total Amount Taka
2008	16th AGM	May 6, 2009	Cash- 10%	20,314,270
			Stock- 10%	20,908,800
2009	17th AGM	May 24, 2010	Cash- Nil	-
			Stock- 75%	172,497,600
2010	18th AGM	April 21, 2011	Cash- Nil	-
			Stock- 25%	100,623,600
2011	19th AGM	May 8,, 2012	Cash- Nil	-
			Stock- 20%	100,623,600
2012	20th AGM	April 30, 2013	Cash- Nil	-
			Stock- 25%	150,935,400

Sd/-

Dr. G. M. Baqui Billah, FCMA

Chief Executive Officer

HIGHLIGHTS OF THE COMPANY

Date of Incorporation	28th June, 1993
Date of Commencement	28th June, 1993
Authorized Capital	5000, 000, 000.Tk
Paid-up- Capital (Considering 25% stock dividend on 2012)	754,677,000.Tk
Listing with Dhaka Stock Exchange	9th October 2003
Listing with Chittagong stock Exchange	9th October 2003
Licensed as Financial Institution by Bangladesh Bank	15th October 1999

Total equity structure of the Company as on Dec 31, 2012 is shown below:-

(Amount in Taka)

Particulars	31 December, 2012	December 31, 2011
Paid-up Capital	603,741,600	503,118,000
Statutory Reserve	289,770,915	254,423,184
Retained earnings	157,793,509	117,026,186
Total	**1,051,306,024**	**874,567,370**

Note: Considering 25% stock dividend for the year ended 31 December, 2012.

FINANCIAL HIGHLIGHTS OF THE PREVIOUS YEAR

Amounts in BDT

Particulars		31.12.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007
Paid-up Capital		754,741,600	503,118,000	402,494,400	229,996,800	209,088,000	174,240,000
Total Equity		1,051,306,024	874,567,370	792,267,757	653,594,180	570,322,123	458,705,954
Profit After Tax		176,738,654	82,299,613	138,673,577	104,180,856	111,616,169	102,794,335
Number of Shares		60,374,160	50,311,800	4,024,944	2,299,968	2,090,880	1,742,400
Face Value		10	10	100	100	100	100
NAV Per Share		17.4	14.49	196.84	276.34	272.76	263.26
EPS		2.93	1.64	34.45	45.30	53.38	59.0
Dividend	Cash	-	-	-	-	10%	-
	Stock	25%	20%	25%	75%	10%	20%
Cash Flow from operating activities		(321,639,382)	(405,949,064)	(295,411,284)	138,178,816	290,024,721	198,402,119

Note: Considering 25% stock dividend for the year ended 31 December, 2012.

Market price per Share of the Company for last 6 (six) months:

Date	Face Value	Market Price (in BDT)
Market Price at December 30, 2012	Tk. 10	40.00
Market Price at January 31, 2013	Tk. 10	44.00
Market Price at February 28, 2013	Tk. 10	45.20
Market Price at March 31, 2013	Tk. 10	40.40
Market Price at April 30, 2013	Tk. 10	26.10
Market Price at May 30, 2013	Tk. 10	37.00
Average Market Price Per Share		**38.78**

Source: DSE Monthly Review

EXISTING PRODUCTS RENDERED BY THE COMPANY

1) Lease financing

FLFIL provides lease finance under simple terms and conditions for acquisition of capital machineries for industrial Undertakings, industrial equipment, office equipments, medical equipments and construction equipments etc.

2) Transport financing

FLFIL is one of the fastest growing financing Company's whose investments in transport financing are substantial. Besides the commercial vehicles, corporate clients may also apply to acquire vehicles for official purpose under this scheme.

3) Term financing

FLFIL provides loan to the customers within the period series from one year to five years in the manufacturing industries. The Company also extends financing in the processing industries of the agricultural products depending on the nature of a product, profitability of the project and socio-economic factors. The range of finance can be between one to five years or more.

4) Project financing

FLFIL offers financing of long term infrastructure and industrial projects based upon a complex financial structure under its project financing scheme. Where the projects seem to be financially sound, the company contributes as sponsor or syndicate member of the projects.

5) House financing (Real Estate Finance)

FLFIL provide competitive interest rate in flat loan. At present, the Company is providing loan facility to the client for a maximum period of ten years. FLFIL also provide financing for the construction of a project.

6) Small and Medium Enterprise (SME) refinancing

FLFIL provides refinance in the SME sectors after compliance with the terms and conditions of the company. It also encourages women entrepreneurs by providing loan facilities under this scheme as per the rules and regulations given guidelines by Bangladesh Bank as per ACSPD circular no. 08, dated 26 May 2008.

7) Working capital financing

The company also offers working capital financing. It is essential to any business for operation and development. It helps to keep the business current and competitive within the market. Any commercial real estate or equipment that produces an income for the business, can obtain working capital financing from FLFIL that can help pay down credit lines or accounts payable, freeing up money for growth opportunities.

8) Factoring

FLFIL is offering to purchase accounts receivable (i.e. invoice) at discount under its purchasing option of financial assets.

9) Deposit mobilization

FLFIL provides attractive interest rate for long term and short term deposit of their client money.

BOARD OF DIRECTORS

Sl.	Name	Designation	Educational Qualification	Address	
				Present (Business)	Permanent
1	Mr. A Q M Faruk Ahmed Chowdhury	Chairman	B. Sc. EE & M. Sc. EE degree from USA	22/9, Block # B, (4th Floor) Babar Road, Mohammadpur, Dhaka-1207	22/9, Block # B, (4th Floor) Babar Road, Mohammadpur, Dhaka-1207
2	Mr. Ashraf Uddin Ahmed	Vice-Chairman	MBA & Doctor of Business Administration from USA	22/9, Block # B, (3rd Floor) Babar Road, Mohammadpur, Dhaka-1207	22/9, Block # B, (3rd Floor) Babar Road, Mohammadpur, Dhaka-1207
3	Mr. A Q M Faisal Ahmed Chowdhury	Vice-Chairman	Graduation from Dhaka University	22/9, Block # B, (Ground Floor) Babar Road, Mohammadpur, Dhaka – 1207	22/9, Block # B, (Ground Floor) Babar Road, Mohammadpur, Dhaka – 1207
4	Mrs. Rajia Khanam	Director	S.S.C	22/9, Block # B, Babar Road, Mohammadpur, Dhaka-1207	22/9, Block # B, Babar Road, Mohammadpur, Dhaka-1207
5	Mr. Md. Mujibur Rahman Chowdhury	General Public Shareholder Director	B.A	Theme Tower(3rd Floor), 64/B, West Razabazar, Indira Road, Dhaka	Theme Tower(3rd Floor), 64/B, West Razabazar, Indira Road, Dhaka
6	Enggr. Md. Abul Ahsan	General Public Shareholder Director	B. Sc. in Leather Engineering, Diploma in Industrial Chemical & Leather Process, India.	Ashura Monjil Housing, Vill- Shamserabad, Laxipur Municipality Area, PS - Laxipur Sadar, Dist # Laxipur	Ashura Monjil Housing, Vill- Shamserabad, Laxipur Municipality Area, PS - Laxipur Sadar, Dist # Laxipur
7	Mr. Mostafa Haider Khan	General Public Shareholder Director	M. A. in economics, D.U	B - 2, E - 8, CGS Officers Quarter, Agargaon, Dhaka.	B - 2, E - 8, CGS Officers Quarter, Agargaon, Dhaka.
8	Mr. Md. Mustafijur Rahman	Independent Director	MBA & B. Com (Honors.) & M. Com (Management), N. U	321/2, Ahmed Nagar, Paikpara, Mirpur, Dhaka	321/2, Ahmed Nagar, Paikpara, Mirpur, Dhaka
9	Alphabet Associates Limited (Represented by Mrs. Sadia Akter)	Institutional Director	M A in Economics from National University	22/11, Block # B, Babar Road, Mohammadpur, Dhaka	22/11, Block # B, Babar Road, Mohammadpur, Dhaka
10	Mr. Theotonius Biplob Roy	Independent Director	M. Com in Management	16, East Razabazar, Tejgaon, Dhaka-1215	16, East Razabazar, Tejgaon, Dhaka-1215

			from National University		
11	Oparchor Trade International Ltd. (Represented by Mr. Rafayel Bin Mahamud Bhuiyan)	Institutional Director	BS in Financial Mathematics from University of Toronto, Canada	Plot # NE(H) 30, Holding # 19, Road 79, Gulshan, Dhaka	Plot # NE(H) 30, Holding # 19, Road 79, Gulshan, Dhaka
12	Mr. Almohit Safat Hossain	Independent Director	MBA in Information Systems and Management from UK & M. Com (Management), D.U	Presidency University, H# 11/A, Rd. # 92, Gulshan # 2, Dhaka.	30/10, Block-D, Sher Shah Suri Road, Dhaka-1207,

MANAGEMENT & EXECUTIVES

Sl.	Name of Executives	Address	Educational Qualification	Designation	Occupation	Place of Posting
1.	Dr. G. M. Baqui Billah, FCMA	118 East Rayer Bazar, Dhanmondi, Dhaka-1209	B.Com (Hons.) M.Com (Accounting), DAIBB, FCMA, PHD	CEO	Service	Head Office, Dhaka
2.	M.A. Matin	669, Shaheenbagh, R# 6,Tejgaon, Dhaka-1215	B.Com from Chittagong University, CA Course Complete	SEVP & CFO	Service	Head Office, Dhaka
3.	M.M. Rahmatullah	116/1 Senpara, Mirpur, Dhaka-1216	B.Sc, MBA (Finance & Banking)	SEVP & COO	Service	Head Office, Dhaka
4.	Sarwar Shafiq	House # 11,Road # 4/A, Dhanmondi R/A,Dhaka 1209	ICMAB (Course completed)	VP & Company Secretary	Service	Head Office, Dhaka
5.	Md. Israfil Alam	274/1, Sherebangla Road, Flat#D-2, Rayer Bazar, Dhaka.	B.Com (Hons), M.Com, D.U	VP & Head of Credit Division	Service	Head Office, Dhaka
6.	A.K.M.Ashfaqur Rahman	1053/3 (2nd floor), Shewrapar, Dhaka	M.Com (Accounting), DAIBB & ACMA	VP & Head of Accounts, Finance & Treasury	Service	Head Office, Dhaka
7.	Mr. Sajib Gosfrey Purification	Ka-116/1 South Mohakhali, Dhaka-1212	M.Com, MBA	VP & Head of Monitoring & Recovery	Service	Head Office, Dhaka
8.	Md. Shamsul Alam	92/1, Cresent Road, Dhanmondi, Dhaka	M.A	SAVP & In Charge, Legal Department	Service	Head Office, Dhaka

CORPORATE INFORMATION: DECEMBER 31, 2012

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

Registered and Corporate Office
Jahangir Tower (3 rd Floor), 10 Kawran Bazar C/A, Dhaka- 1215
Phone: +88-02-9145487-9, 8189676-7 **Fax:** +88-02-8153971
E-mail: info@first-lease.com.bd; **Website:** www.first-lease.com.bd

Date of Incorporation	28th June, 1993
Date of Commencement	28th June, 1993
Listing with Dhaka Stock Exchange	9th October 2003
Listing with Chittagong stock Exchange	9th October 2003
Authorized Capital	Tk. 5000, 000, 000
Paid-up- Capital (Considering 25% stock dividend on 2012)	Tk. 754,677,000
Shareholders' Equity	Tk. 1,051,306,024
Total Operating Income	Tk. 314,308,568
Total Assets	Tk. 4,928,900,168
Number of Employees	110
Number of Shareholders	7,736

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

VP & COMPANY SECRETARY
Sarwar Shafiq

AUDITOR
M/s M J Abedin & Co.
Chartered Accountants
National Plaza (3rd Floor)
109, Bir Uttam C.R. Datta Road
Dhaka – 1205, Bangladesh

BANKERS TO THE ISSUE OF RIGHTS ISSUE

Investment Corporation of Bangladesh (ICB)

Head Office, Dhaka	Rajshahi Branch	Sylhet Branch
Local Office Branch, Dhaka	Kulna Branch	Bogra Branch
Chittagong Branch	Barishal Branch	

Southeast Bank Limited

Principal Branch ,Dhaka	Mohammadpur Branch, Dhaka	Madambibir Hat Br, Chittagong
Corporate Branch ,Dhaka	Islampur Branch , Dhaka	Agrabad Branch, Chittagong
Imamgonj Branch, Dhaka	Kotwali Branch, Dhaka	Khatungonj Branch, Chittagong
Dhanmondi branch, Dhaka	Motijheel Branch, Dhaka	Jubilee Road Branch, Chittagong
Uttara branch, Dhaka	Dhania Branch, (Rural)	Halishahor Branch,Chittagong
New Elephant Road Br, Dhaka	Hemayetpur Branch (Rural)	CDA Avenue Branch, Chittagong
Gulshan Branch, Dhaka	Madhabdi Branch Norshingdi	Pahartali Branch, chittagong
Kakrail Branch, Dhaka	Narshingdi SME Branch	Momin Road Branch, Chittagong
Banani Branch Dhaka	Narayangonj Br, Narayangonj	Chowmuhani Branch, Noakhali
Bangshal Branch, Dhaka	Konabari Branch , Gazipur	Basurhat Branch, Noakhali
New Eskaton Branch, Dhaka	Joydebpur Branch (Rural)	Cox's Bazar Branch, Cox's Bazar
Paagati Sarani Branch, Dhaka	Tongi Branch, Gazipur	Chhagalnaiya Branch, Feni
Agargaon Branch, Dhaka	Bandar Bazar Branch , Sylhet	Feni Branch, Feni
Sat masjid Road Branch, Dhaka	Chowhatta Branch , Sylhet	Rangpur Branch, Rangpur
Shyamoli Branch, Dhaka	Laldighirpaar Branch, Sylhet	Bagra Branch, Bogra
Aganagar Branch, Dhaka	Shahjalal Uposhahor Br, Sylhet	Jessore SME Branch
Kawran Bazar Branch, Dhaka	Pathantula Branch, Sylhet	Barishal Branch, Barishal
Ashulia Branch (Rural) Dhaka	Moulovibazar Br, Moulovibazar	Naogaon Branch, Naogaon
Rokeya Sarani Branch, Dhaka	Satkhira SME Branch	Rajshahi Branch, Rajshahi
Savar Branch, Dhaka	Comilla Branch, Comilla	Tangail SME Branch
Mouchak Branch, Dhaka	Munshigonj Branch	Chapainawabgonj Branch
Bashundhara Branch, Dhaka	Khulna Branch	Dinajpur Branch

United Commercial Bank Limited

Principal Branch, Dhaka	Mymensingh Br., Mymensingh	Chapainawabgonj Br.,
Islampur Branch, Dhaka	Narsingdi Branch, Narsingdi	Chapainawabgonj
Elephant Road Branch, Dhaka	Narayangonj Br., Narayangonj	Chandpur Branch, Chandpur
Shantinagar Branch, Dhaka	Tangail Branch, Tangail	Brahmanbaria Br., Brahmanbaria
Bangshal Branch, Dhaka	Faridpur Branch, Faridpur	Feni Branch, Feni
Nawabpur Branch, Dhaka	Savar Branch, Savar	Comilla Branch, Comilla
Kawran Bazar Branch, Dhaka	Gazipur Chowrasta Br., Gazipur	Cox's Bazar Br., Cox's Bazar
Mohammadpur Branch, Dhaka	Tongi Branch, Tongi	Anderkilla Br., Chittagong
Nayabazar Branch, Dhaka	Moulvi Bazar Branch, Sylhet	Port Branch, Chittagong
Gulshan Branch, Dhaka	Sylhet Branch, Sylhet	O.R Nizam Road Br., Chittagong
Mirpur Branch, Dhaka	Amborkhana Branch, Sylhet	Station Road Br., Chittagong
North Brook Hall Rd. Br., Dhaka	Zindabazar Branch, Sylhet	Jubilee Road Br., Chittagong
Mohakhali Branch, Dhaka	Shahajalal Uposhahar Br., Sylhet	Kadamtali Br., Chittagong
Uttara Branch, Dhaka	Dinajpur Br., Dinajpur	Agrabad Branch, Chittagong
Dhanmondi Branch, Dhaka	Rangpur Br., Rangpur	Chawkbazar Br., Chittagong
Banani Branch, Dhaka	Barishal Br., Barishal	Khatungonj Br., Chittagong
Corporate Branch, Dhaka	Natore Branch, Natore	Maizdee Court Br., Noakhali
New Eskaton Branch, Dhaka	Bogra Branch, Bogra	Chowmuhani Br., Noakhali
Tejgaon Branch, Dhaka	Rajshahi Branch, Rajshahi	Chuadanga Branch, Chuadanga
Bijoy Nagar Branch, Dhaka	Naogaon Branch, Naogaon	Jessore Br., Jessore
Foreign Exchange Br., Dhaka	Pabna Branch , Pabna	Khulna Br., Khulna
Moulvi Bazar Road Br., Dhaka	Serajgonj Br., Serajgonj	Kushtia Br., Kushtia

Mutual Trust Bank Limited		
Babu Bazar Br., Dhaka	Principal Br., Dhaka	Khatungonj Br., Chittagong
Banani Br., Dhaka	Progoti Sarani Br., Dhaka	Feni Br., Feni
Dhanmondi Br., Dhaka	Savar Br., Dhaka	Rajshahi Br., Rajshahi
Dholaikhal Br., Dhaka	Shanir Akhra Br., Dhaka	Rangpur Br., Rangpur
Dilkusha Br., Dhaka	Uttara Model Town Br., Dhaka	Bogra Br., Bogra
Elephant Rd. Br., Dhaka	Tongi Br., Gazipur	Pabna Br., Pabna
Fulbaria Br., Dhaka	Narayangonj Br., Narayangonj	Kushtia Br., Kushtia
Gulshan Br., Dhaka	Sonargaon Br., Narayangonj	Sylhet Br., Sylhet
Mohammadpur Br., Dhaka	Agrabad Br., Chittagong	Moulovi Bazar Br., Sylhet
MTB Corp. Center Br., Dhaka	Alankar Mour Br., Chittagong	Gournadi Br., Barisal
Pallabi Br., Dhaka	CDA Avenue Br., Chittagong	Jessore Br., Jessore
Panthapath Br., Dhaka	Jubilee Road Br., Chittagong	Habigonj Br., Habigonj

JUSTIFICATION FOR THE ISSUE PRICE OF THE RIGHTS SHARES

Methods-1: Net Assets value per Share as on December 31, 2012

PARITICULARS	AMOUNT(BDT)
ASSETS:	
Cash In hand (Including foreign currencies) Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	34,056,19
Balance with other banks and financial institutions	316,564,808
Investment	64,747,166
Loans, advances and leases	3,265,898,182
Fixed assets including premises, furniture and fixtures	69,727,027
Other assets	1,131,615,293
Non- Financial institution's assets	46,312,072
Total Assets(A)	**4,928,900,168**
LIABILITIES:	
Borrowings from other banks, financial institution and agents	1,653,854,370
Deposits and Other Accounts	1,745,568,659
Other liabilities	478,171,115
Total liabilities (B)	**3,877,594,144**
Net Asset Value (A-B)	**1,051,306,024**
Number of Shares Tk. 10.00 each outstanding	**60,374,160**
Net Asset Value (NAV) per share	**17.41**

Methods-2: Historical Earning Based Value per Share

Period	No. of Share	Net Profit After Tax	Weight No. Share	Weighted Average Net profit After Tax
2008	2,090,880	111,616,169	0.017555409	1,959,468
2009	2,299,968	104,180,856	0.01931095	2,011,831
2010	4,024,944	138,673,577	0.033794163	4,686,357
2011	50,311,800	82,299,613	0.422427035	34,765,582
2012	60,374,160	176,738,654	0.506912442	89,591,023
Total	**119,101,752**	**613,508,869**	**1**	**133,014,261**
Number of Shares before Right Issue considering 25% stock dividend				**75,467,700**
Weighted EPS based on Weighted Average Net Profit After Tax				**1.76**
Present Market PE on March 2013 (DSE General Index)				**10.74**
Historical Earning based value per Share				**18.90**

Methods-3: Market price per Share of the Company for last 6 (six) months:

Date	Face Value	Market Price (in BDT)
Market Price at December 30, 2012	Tk. 10	40.00
Market Price at January 31, 2013	Tk. 10	44.00
Market Price at February 28, 2013	Tk. 10	45.20
Market Price at March 31, 2013	Tk. 10	40.40
Market Price at April 30, 2013	Tk. 10	26.10
Market Price at May 30, 2013	Tk. 10	37.00
Average Market Price Per Share		**38.78**

Source: DSE Monthly Review

LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [Rule-8(j)]

First Lease Finance & Investment Limited was incorporated as a Private Limited Company on June 28, 1993 and converted into Public Limited Company on July 18, 1996 under the Companies Act, 1913. It was enlisted as a publicly listed company on September 1, 2003 and start trading October 9, 2003 in Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited respectively.

The Company started its commercial operation on June 1993 and has completed 19 years of operation successfully.

IMPLEMENTATION SCHEDULE [Rule-8(k)]

The additional paid up capital will be invested in the following manner:

Purpose	Amount in TK.	Implementation Period
Lease Finance	150,000,000.00	3 months after receiving the fund
Term Finance/SME Finance	101,559,000.00	3 months after receiving the fund

Sd/-
Dr. G. M. Baqui Billah, FCMA
Chief Executive Officer

-Sd/-
M. A. Matin
SEVP & Chief Financial Officer

QUANTITY OF SHARES HELD BY EACH DIRECTOR ON THE DATE OF RIGHTS SHARE OFFER DOCUMENT

Sl.	Name of the Sponsor Share Holder and Directors	Status	No. of Shares held*	Percentage (%)
1	Mr. A Q M Faruk Ahmed Chowdhury	Chairman	2,091,300	2.7711
2	Mr. Ashraf Uddin Ahmed	Vice-Chairman	1,529,280	2.0264
3	Mr. A Q M Faisal Ahmed Chowdhur	Vice-Chairman	2,091,600	2.7715
4	Mrs. Rajia Khanam	Director	2,752,200	3.6469
7	Mr Md. Mujibur Rahman Chowdhury	General Public Shareholder and Director	106,680	0.1414
8	Enggr Md. Abul Ahsan	General Public Shareholder and Director	3,600	0.0048
6	Mr. Mostafa Haider Khan	General Public Shareholder and Director	103,200	0.1367
5	Mr. Md. Mustafijur Rahman	Independent Director	104,550	0.1385
9	Alphabet Associates Limited (Represented by Mrs. Sadia Akter)	Institutional Director	3,682,200	4.8792
10	Operchar Trade International Limited (Represented by Mr. Rafayel Bin Mahamud Bhuiyan)	Institutional Director	5,403,585	7.1601
11	Mr. Thetonius Biplob Roy	Independent Director	-	-
12	Mr. Almohit Safat Hossain	Independent Director	-	-
Total			**17,868,195**	**23.6766**

*Considering 25% bonus issue and after record date April 8, 2013

COMPOSITION OF SHARE HOLDING POSITION OF THE COMPANY

(As on June 9, 2013)

Sl.	Particulars	No. of Shares	Percentage %
1	Sponsor & Directors	30,790,365	40.80
2	Institutional Investors	17,475,335	23.16
3	General Public	27,202,000	36.04
	Total	**75,467,700**	**100.00**

BENEFICIAL OWNERS HOLDING SHARES 5% OR ABOVE [Rule-8(l)]

As per [Rule-8(l)] of the Securities and Exchange Commission (Rights Issue) Rules, 2006; there are no beneficiary owners holding 5% or above shares of the Company except the following:

Qasraj Trading Ltd	**Institutional Shareholder**	**2,515,510**	**9.9997%**

PUBLICLY LISTED COMPANY UNDER COMMON MANAGEMENT [Rule-8(n)]

As per the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Publicly Listed Companies under the common management of FLFIL.

CLASSIFIED INFORMATION & UNDERWRITERS [Rule-8(o)]

A.	**Issue manager:**	**Banco Finance and Investment Limited** Baitul View Tower (11th Floor) 56/1, Purana Paltan Dhaka-1000	
B.	**Auditors:**	**M/s M J Abedin & Co.** Chartered Accountants National Plaza (3rd Floor) 109, Bir Uttam C.R. Datta Road Dhaka – 1205, Bangladesh	
C.	**Bankers to the issue:**	• Mutual Trust Bank Limited • ICB	• UCBL • Southeast Bank Limited
D.	**Legal Advisers:**	**Rani Akthar (Advocate)** Bangladesh Supreme Court, Dhaka Jahangir Tower (3 rd Floor), 10 Kawran Bazar C/A, Dhaka- 1215	
E.	**Compliance Officer of Issuer:**	**Md. Anisur Rahman** Principal officer	
F.	**Compliance Officer of Issuer Manager:**	**Kh. Hossain Ganzil Arash** Executive	

FLEASEINT is going to offer rights shares of 25,155,900 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 251,559,000 offered on the basis of 1 (one) Rights share for 3 (Three) existing share held. As per Securities and Exchange Commission's guidelines, the issuer of a listed security making rights issue shall appoint one or more underwriters licensed under wmwKDwiwUR I G·‡PÄ Kwgkb (gv‡P©›U e¨vsKvi I †cvU©‡dvwjI g¨v‡bRvi) wewagvjv, 1996 to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ 0.25% on the underwritten amount and there will no additional commission for take-up unsubscribed portion of shares, if any.

Name of underwriter	No. of Shares to be Underwritten	Offer Price (BDT)	Total Amount of Underwritten (BDT)
Banco Finance & Investment Limited	25,155,900	10.00	251,559,000
Total	**25,155,900**	**10.00**	**251,559,000**

UNDERWRITERS' OBLIGATION

If and to the extent that, the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10 (ten)** days of the closure of subscription call upon the underwriters (**for full unsubscribed amount**) in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for shares not subscribed at the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that, the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen) days,** the Company shall send proof of subscription and payment by the underwriters, to the Securities & Exchange Commission.

DIRECTORS' TAKE-UP IN THE RIGHTS OFFER [RULE-8(Q)]

Directors Take-Up in the Rights Offer [Rule-8(Q)] is as under:

Name of the Sponsor Share Holder and Directors	Status	No. of Shares held*	No. of Rights Share Offered	No of Rights Share Renounced
Mr. A Q M Faruk Ahmed Chowdhury	Chairman	2,091,300	697,100	Nil
Mr. Ashraf Uddin Ahmed	Vice-Chairman	1,529,280	509,760	Nil
Mr. A Q M Faisal Ahmed Chowdhur	Vice-Chairman	2,091,600	697,200	Nil
Mrs. Rajia Khanam	Director	2,752,200	917,400	Nil
Mr Md. Mujibur Rahman Chowdhury	General Public Shareholder and Director	106,680	35,560	Nil
Enggr Md. Abul Ahsan	General Public Shareholder and Director	3,600	1,200	Nil
Mr. Mostafa Haider Khan	General Public Shareholder and Director	103,200	34,400	Nil
Mr. Md. Mustafijur Rahman	Independent Director	104,550	34,850	Nil
Alphabet Associates Limited (Represented by Mrs. Sadia Akter)	Institutional Director	3,682,200	1,227,400	Nil
Operchar Trade International Limited (Represented by Mr. Rafayel Bin Mahamud Bhuiyan)	Institutional Director	5,403,585	1,801,195	Nil
Mr. Thetonius Biplob Roy	Independent Director	-	-	Nil
Mr. Almohit Safat Hossain	Independent Director	-	-	Nil
Shareholding position of Directors		**17,868,195**	**5,956,065**	
Alphabet Systems limited	Institutional Sponsor Shareholder	3,684,330	1,228,110	Nil
Raquas Textiles Limited	Institutional Sponsor Shareholder	3,762,855	1,254,285	Nil
Shareholding position of Sponsor Shareholders		**7,447,185**	**2,482,395**	
Qasraj Trading Ltd	**Institutional Shareholder**	**7,546,530**	**2,515,510**	Nil
Total no of right share take-up by the Directors, Sponsor and Institutional Shareholders		**32,861,910**	**10,953,970**	

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

Basis of the Offer

The Company records its share register of members on **July 15, 2013** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk.10.00 each at par in the ratio of 1(One) [R]: 3 (Three) i.e. 1 (One) rights share for 3 (Three) existing share held.

Entitlement

As a shareholder of the Company on the record date **July 15, 2013**, the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

Acceptance of the Offer

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of **August 26, 2013**.

Renunciation

A shareholder may renounce all or part of the shares he/she is entitled to in favor of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

General

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

Condition of Subscription

1 (One) Rights share of Tk. 10.00 each at par is offered against 3 (Three) share held by existing Shareholder(s) whose name(s) appeared in the Company's Share Register or in the Depository register at the record date as on **July 15, 2013**.

Payment of Share Price

Payments for the full value of Shares applied for shall be made with designated branches of Bankers to the Issue by Cash/Pay Order/Demand Draft payable to "First Lease Finance & Investment Limited" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a bank in the same town to which the application form has been submitted.

Subscription	**Opens on: August 01, 2013**
	Closes on: August 26, 2013
Within Banking Hours Both Days Inclusive	

Any changes or extension regarding subscription period will be notified through national dailies.

Lock-In on Rights Share

The Rights Shares of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three (3) years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

Name Share Holders	Status	Shareholdings	Percentage %	Date of Subscription Close	Expiry date of Lock-in
Mr. A Q M Faruk Ahmed Chowdhury	Chairman	697,100	2.7711	August 26, 2013	August 25, 2016
Mr. Ashraf Uddin Ahmed	Vice-Chairman	509,760	2.0264	August 26, 2013	August 25, 2016
Mr. A Q M Faisal Ahmed Chowdhur	Vice-Chairman	697,200	2.7715	August 26, 2013	August 25, 2016
Mrs. Rajia Khanam	Director	917,400	3.6469	August 26, 2013	August 25, 2016
Mr Md. Mujibur Rahman Chowdhury	General Public Shareholder and Director	35,560	0.1414	August 26, 2013	August 25, 2016
Enggr Md. Abul Ahsan	General Public Shareholder and Director	1,200	0.0048	August 26, 2013	August 25, 2016
Mr. Mostafa Haider Khan	General Public Shareholder and Director	34,400	0.1367	August 26, 2013	August 25, 2016
Mr. Md. Mustafijur Rahman	Independent Director	34,850	0.1385	August 26, 2013	August 25, 2016
Alphabet Associates Limited (Represented by Mrs. Sadia Akter)	Institutional Director	1,227,400	4.8792	August 26, 2013	August 25, 2016
Operchar Trade International Limited (Represented by Mr. Rafayel Bin Mahamud Bhuiyan)	Institutional Director	1,801,195	7.1601	August 26, 2013	August 25, 2016
Mr. Thetonius Biplob Roy	Independent Director	-	-	N/A	N/A
Mr. Almohit Safat Hossain	Independent Director	-	-	N/A	N/A
Shareholding position of Directors		**5,956,065**	**23.6766**		
Qasraj Trading Ltd	**Institutional Shareholder**	**2,515,510**	**9.9997**	August 26, 2013	August 25, 2016
Total no of right share take-up by the Directors, Sponsor and Institutional Shareholders			**33.6763%**		

Others

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by August 26, 2013 or by such later date as may be notified through national dailies to that effect.

MATERIAL CONTRACTS

BANKERS TO THE ISSUE

Southeast Bank Limited, United Commercial Bank Limited, Investment Corporation of Bangladesh (ICB) and Mutual Trust Bank Limited are the Bankers to the Issue who will collect the subscriptions money of the Rights Offer will be entitled to receive commission @ 0.10% from FLEASEINT for the services to be rendered by them. The Rights Issue subscriptions money collected from the shareholders by the Bankers to the Issue will be remitted to the Company's **Local Currency (SND) A/C no. 0002-0320002660** with **Mutual Trust Bank Limited,** Principal Branch, WW Tower, 68 Motijheel C/A, Dhaka, Bangladesh.

UNDERWRITERS

Full amount of Rights Offer of FLEASEINT have been underwritten by only 1 (One) underwriters as shown in the classified information part of ROD. The underwriter will be paid underwriting commission @ 0.25% of the nominal value of shares underwritten by them out of the Rights Issue. Simultaneously, with the calling upon an underwriter to subscribe and pay for any number of shares, the Company will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

MANAGER TO THE ISSUE

Banco Finance and Investment Limited is appointed as Manager to the Issue of the Rights Issue of the Company. Accordingly, an agreement was made between the Issue Manager and the Company. The Company will pay a lump-sum issue management fee amounting to Tk. 1,000,000.00 to the Issue Manager.

VENDORS' AGREEMENT

No specific contract exists with any particular supplier for any materials either fixed or working in nature. Normally the operation of the commercial activities of the Company is running through Letter of Credit and work orders.

ACQUISITION AGREEMENT

The Company acquired no property or made any agreement with any party for acquisition of property after the balance sheet date **31.12.2012**.

FORM – A

[rule 5 and rule 8(t)]

Declaration (due diligence certificate) about responsibility of the Issue Manager in respect of the rights share offer document of First Lease Finance & Investment Limited

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

Place: Dhaka
Dated: April 15, 2013

For BANCO FINANCE AND INVESTMENT LIMITED

Sd/-
(Tahid Ahmed Chowdhury, ACCA)
Managing Director & CEO
Current Charge

FORM – B

[rule 6 and rule 8(t)]

Declaration (due diligence certificate) about responsibility of the Underwriter(s) in respect of the rights share offer document of First Lease Finance & Investment Limited

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For Underwriters

Sd/-

(Managing Director/Chief Executive Officer)

Banco Finance and Investment Limited

FORM – C

AUDITORS' REPORT
TO THE SHAREHOLDERS
Under Rules 8 (h) (i) (t) of Securities and Exchange Commission (Rights Issue) Rules, 2006

We have audited the accompanying financial statements for the year ended 31 December 2012 of **First Lease Finance & Investment Limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

(a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rule, 1987 as amended, the Companies Act, 1994 and other relevant laws where applicable and the International Accounting Standards, as applicable in Bangladesh.

(b) These financial statements which are in agreement with the books of account of the company give a true and fair view of the state of its affairs as at 31 December 2012 and of the result of its operation and cash flows for the period then ended.

(c) Proper books of account have been kept by the Company as required by the relevant laws.

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

We also certify that the above company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights issue) Rules, 2006 and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year:

Financial Year	Date of Dividend Declaration	Rate (%)		Declared Dividend Total Amount (Tk.)	Total Paid
		Stock	Cash		
2008	28.04.2009	10%	10%,	Cash 2,09,08,800 Stock 2,09,08,800	Paid Tk. 20,314,270 Unclaimed Tk. 594,530 & Shares Issued
2009	22.04.2010	75%	-	172,497,600	Shares Issued
2010	19.03.2011	25%	-	100,623,600	Shares Issued
2011	11.03.2012	20%	-	100,623,600	Shares Issued
2012	27.03.2013	25%		150,935,400	

Note:
25% Stock Dividend for 31 December 2012 was proposed by Board on 27th March, 2013 subject to approval by the shareholders in the 20th AGM to be held on 30 April 2013.

-Sd-

Dated, Dhaka
15 April 2013

M. J. ABEDIN & CO
Chartered Accountants

FORM-D

[rule 8(t)]

Due diligence certificate by the Directors about their personal responsibility in respect of the rights share offer document

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made.

In case of any default or failure on our part, civil, criminal or administrative action may be taken against me.

-Sd- (A Q M Faruk Ahmed Chowdhury) Chairman	-Sd- (Md. Mujibur Rahman Chowdhury) Director	-Sd- Alphabet Associates Limited (Represented by Ms. Sadia Akter) Institutional Director
-Sd- (Ashraf Uddin Ahmed) Vice- Chairman	-Sd- (Enggr. Md. Abul Ahsan) Director	-Sd- Oparchor Trade International Ltd. (Represented by Mr. Rafayel Bin Mahamud Bhuiyan) Institutional Director
-Sd- (A Q M Faisal Ahmed Chowdhury) Vice- Chairman	-Sd- (Mostafa Haider Khan) Director	-Sd- (Theotonius Biplob Roy) Independent Director
-Sd- (Rajia Khanam) Director	-Sd- (Md. Mustafijur Rahman) Independent Director	-Sd- (Almohit Safat Hossain) Independent Director

AUDITORS' REPORT TO THE SHAREHOLDERS OF First Lease Finance & Investment Limited

AUDITORS' REPORT

TO THE SHAREHOLDERS

OF

FIRST LEASE FINANCE AND INVESTMENT LIMITED

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

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

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

(ii) in our opinion, proper books of accounts as required by law have been kept by FLFIL so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

(iii) the FLFIL's Statement of Financial Position and Statement of Comprehensive Income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(iv) the expenditure incurred was for the purpose of the FLFIL's business;

(v) the financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) applied in Bangladesh;

(vi) the financial statements have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;

(vii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;

(viii) FLFIL has followed the instructions issued by Bangladesh Bank in matters of loan/ advance classification, provisioning and suspension of interest;

(ix) the information and explanations required by us have been received and found satisfactory and

(x) FLFIL has complied with the relevant laws pertaining to reserves and maintenance of liquid assets.

(xi) Paid up Capital of the FLFIL should be raised to Tk. 100 crore as per DFIM circular No. 05, Date 24th July 2011 against which the Paid up Capital as at 31 December 2012 was Tk. 60.37 crore

-Sd-

Dated, Dhaka

27 March 2013

M. J. ABEDIN & CO

Chartered Accountants

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

	Notes	Amount in Taka 31-Dec-12	Amount in Taka 31-Dec-11
PROPERTY AND ASSETS			
Cash	3	34,035,619	14,191,051
In hand (including foreign currencies)		40,007	47,234
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		33,995,612	14,143,817
Balance with other banks and financial institutions	4	316,564,808	43,844,334
In Bangladesh	4.1	316,564,808	43,844,334
Outside Bangladesh	4.2	-	-
Money at call and on short notice	5	-	-
Investments	6	64,747,166	76,968,586
Government securities		-	-
Others		64,747,166	76,968,586
Leases, loans and advances		3,265,898,182	2,642,677,557
Loans, cash credits, overdrafts, etc	7	3,265,898,182	2,642,677,557
Bills purchased and discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	69,727,027	44,803,811
Other assets	10	1,131,615,293	409,267,343
Non-financial institution assets (Note # 2.6)		46,312,072	46,312,072
Total Assets		**4,928,900,168**	**3,278,064,754**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agent	11	1,653,854,370	1,016,356,643
Deposits and other accounts	12	1,745,568,659	955,016,730
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed/term deposits		1,745,568,659	955,016,730
Bearer certificate of deposit		-	-
Other deposits		-	-
Other liabilities	13	478,171,115	432,124,012
Total Liabilities		3,877,594,144	2,403,497,385
Capital/ Shareholders' Equity			
Paid-up capital	14	603,741,600	503,118,000
Statutory reserve	15	289,770,915	254,423,184
General reserve	16	-	-
Retained earnings	17	157,793,509	117,026,185
Total Shareholders' Equity		**1,051,306,024**	**874,567,369**
Total Liabilities and Shareholders' Equity		**4,928,900,168**	**3,278,064,754**

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

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

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

for First lease Finance and Investment Limited

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

-Sd-
Rajia Khanam
Director

-Sd-
Faruk Ahmed
Chairman

Signed in terms of our report of even date annexed

-Sd-
M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
27 March 2013

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

	Notes	Amount in Taka	
		31-Dec-12	31-Dec-11
Operating Income			
Interest income	19	479,195,458	325,261,106
Interest paid on deposits, borrowings, etc	20	(359,426,544)	(169,003,426)
Net interest income		119,768,914	156,257,680
Investment income	21	455,728	640,000
Commission, exchange and brokerage	22	-	-
Other operating income	23	194,083,926	46,186,473
		194,539,654	46,826,473
Total operating income (a)		**314,308,568**	**203,084,153**
Operating Expenses			
Salary and allowances	24	31,307,842	22,452,152
Rent, taxes, insurance, electricity, etc	25	7,647,614	6,123,190
Legal expenses	26	4,685,335	3,468,935
Postage, stamps, telecommunication, etc	27	3,439,422	1,925,823
Stationery, printing, advertisement, etc	28	9,462,388	9,790,773
Chief Executive Officer's salary and fees	29	2,600,000	1,400,000
Directors' fees	30	1,045,000	965,000
Auditors' fee	31	130,000	120,000
Depreciation and repair of company's assets	32	14,861,005	11,600,988
Other expenses	33	37,439,290	17,874,755
Total operating expenses (b)		**112,617,896**	**75,721,616**
Profit before provision (c = a-b)		**201,690,672**	**127,362,537**
Provision against loans and advances		(29,255,280)	-
Provision for diminution in value of Investment	13.3	5,300,000	(9,704,000)
Provision for off balance sheet items/ exposure		-	-
Total provision (d)		**(23,955,280)**	**(9,704,000)**
Profit before taxation (e = c-d)		**177,735,392**	**117,658,537**
Provision for Taxation (f):			
Current tax	13.4	-	(34,500,000)
Deferred tax expenses	13.5	(996,738)	(858,925)
		(996,738)	(35,358,925)
Profit after taxation (g = e - f)		**176,738,654**	**82,299,612**
Retained earnings, brought forward		117,026,186	151,810,096
Profit available for appropriation		293,764,840	234,109,708
Appropriations			
Statutory reserve		35,347,731	16,459,923
Bonus shares		100,623,600	100,623,600
Cash dividend		-	-
General reserve			-
		135,971,331	117,083,523
Retained earnings, carried forward		**157,793,509**	**117,026,185**
Earnings per share (EPS)	34	2.93	1.36

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

for First Lease Finance and Investment Limited

-Sd-	-Sd-	-Sd-
Dr. G. M. Baqui Billah, FCMA	**Rajia Khanam**	**Faruk Ahmed**
Chief Executive Officer	**Director**	**Chairman**

Signed in terms of our report of even date annexed

-Sd-

Dated, Dhaka
27 March 2013

M. J. ABEDIN & CO
Chartered Accountants

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

	Amount in Taka	
	31-Dec-12	**31-Dec-11**
Cash Flows from Operating Activities		
Interest receipts	479,195,458	263,903,662
Interest payments	(352,534,924)	(168,804,907)
Dividend receipts	455,728	640,000
Fee and commission receipts	-	-
Payments to employees	(33,907,842)	(23,852,152)
Income taxes paid	(94,419,636)	(7,215,578)
Receipts from other operating activities	194,539,654	52,014,646
Payments for other operating activities	(135,934,230)	(57,378,137)
Operating profit before changes in operating assets and liabilities	**57,394,208**	**59,307,534**
Changes in operating assets and liabilities		
(Increase)/decrease in operating assets		
Statutory deposit	-	-
Loan, lease and advanced to customers	(623,220,625)	(927,231,925)
Other assets	(627,928,314)	(138,247,782)
Deposit from customers	790,551,929	540,737,699
Other liabilities	81,563,420	64,207,650
	(379,033,590)	**(460,534,358)**
Net cash from/(used in) operating activities (a)	**(321,639,382)**	**(401,226,824)**
Cash Flows from Investing Activities		
Purchase of fixed assets	(35,514,724)	(68,694,504)
Proceeds from sale of securities	174,207,005	134,265,996
Payment for purchase of securities	(161,985,584)	(126,654,860)
Proceeds from sale of fixed assets	-	-
Net cash from/(used in) investing activities (b)	**(23,293,303)**	**(61,083,368)**
Cash Flows from Financing Activities		
Dividend paid	-	-
Receipt from borrowing and issuance of debt securities	6,118,490,958	726,795,905
Repayment of borrowing and issuance of debt securities	(5,480,993,231)	(333,977,760)
Net cash from/(used in) financing activities (c)	**637,497,727**	**392,818,145**
Net increase in cash and cash equivalents (a+b+c)	**292,565,042**	**(69,492,047)**
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	58,035,385	127,527,432
Cash and cash equivalents at end of the year (*)	**350,600,427**	**58,035,385**
(*) Cash and cash equivalents:		
Cash in hand	40,007	47,234
Balance with Bangladesh Bank and its agents bank(s)	33,995,612	14,143,817
Balance with other banks and financial institutions	316,564,808	43,844,334
	350,600,427	**58,035,385**
Operating Cash Flow per share	**0.95**	**0.98**

for First Lease Finance and Investment Limited

-Sd-	-Sd-	-Sd-
Dr. G. M. Baqui Billah, FCMA	**Rajia Khanam**	**Faruk Ahmed**
Chief Executive Officer	**Director**	**Chairman**

Signed in terms of our report of even date annexed

-Sd-

Dated, Dhaka
27 March 2013

M. J. ABEDIN & CO
Chartered Accountants

FIRST LEASE FINANCE AND INVESTMENT LIMITED

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

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

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

for First Lease Finance and Investment Limited

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

-Sd-
Rajia Khanam
Director

-Sd-
Faruk Ahmed
Chairman

Signed in terms of our report of even date annexed

-Sd-
M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
27 March 2013

FIRST LEASE FINANCE AND INVESTMENT LIMITED

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

Amount in Taka

Particulars	Upto 1 month	1 - 3 months' maturity	3 - 12 months' maturity	1 - 5 years' maturity	More than 5 years'	Total
Assets						
Cash	40,007	-	-	-	-	40,007
Balance with Bangladesh Bank and its agent bank(s)	33,995,612	-	-	-	-	33,995,612
Balance with other banks and financial institutions	-	221,595,366	94,969,442	-	-	316,564,808
Money at call and on short notice	-	-	-	-	-	-
Investments	-	-	64,747,166	-	-	64,747,166
Loans and advances	121,717,427	243,434,854	852,021,989	1,582,326,551	466,397,361	3,265,898,182
Fixed assets including assets taken on lease	-	-	-	16,762,255	52,964,772	69,727,027
Other assets	684,727,460	9,855,287	136,732,546	300,000,000	300,000	1,131,615,293
Non-financial institution assets	-	-		-	46,312,072	46,312,072
Total Assets	840,480,506	474,885,507	1,1481,471,144	1,899,088,806	565,972,205	4,928,900,167
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	304,397,935	365,402,657	227,015,375	757,038,403	-	1,653,854,370
Deposits and other accounts	156,587,412	9,927,109	704,992,423	852,135,536	21,926,179	1,745,568,659
Provision and other liabilities	27,120,604	69,341,813	137,500,000	39,208,698	205,000,000	478,171,115
Total Liabilities	**488,105,951**	**444,671,579**	**1,069,507,798**	**1,648,382,637**	**226,926,179**	**3,877,594,144**
Net Liquidity Excess/(Shortage)	**352,374,555**	**30,213,928**	**78,963,346**	**250,706,169**	**339,048,026**	**1,051,306,023**
Percentage of Net Liquidity Difference	**41.93**	**6.36**	**6.88**	**13.20**	**59.91**	**21.33**

for First Lease Finance and Investment Limited

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

-Sd-
Raj... ....m
Director

-Sd-
Faruk Ahmed
Chairman

Signed in terms of our report of even date annexed

-Sd-
M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
27 March 2013

FIRST LEASE FINANCE AND INVESTMENT LIMITED

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

1. The Company and Its Activities:

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

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

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

2. Significant Accounting Policies:

2.1 Basis of preparation of the financial statements

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

2.2 Revenue recognition:

2.2.1 Accounting for leases

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

2.2.2 Accounting for term loan

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

2.2.3 Interest on bank deposit

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

2.2.4 Other operational income

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

2.2.5 Accounting for investment in marketable securities

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

2.3 Property, plant and equipment

Own financed-assets

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

Subsequent expenditure on property, plant and equipment

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

Depreciation on fixed assets

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

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

2.4 Provision for bad and doubtful debts/investment

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

The provision rates are given below:

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

2.5 Income tax

Current Tax

a) Provision for corporate income tax is made in the accounts after considering taxable allowances and disallowances as per income tax laws. The rate of corporate income tax applicable for the Company is 42.50%.

b) The company did not make any provision for tax for 2012.

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

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

Deferred Tax

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

2.6 Non-financial institution assets

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

2.7 Employee benefit obligation

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

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

2.8 Liabilities and provisions

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

2.9 Interest on bank loan

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

2.10 Cash flow statement

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

2.11 Consolidation procedure

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

2.12 Statement of liquidity

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

2.13 Consistency

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

2.14 Risk management

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

2.14.1 Asset/Liability management

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

2.14.2 Credit risk management

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

2.14.3 Prevention of money laundering

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

2.15 Head Office and Branches

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

i. **Corporate Branch :**

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

ii. **Agrabad Branch :**

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

iii. **Gulshan Branch :**

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

iv. **Sylhet Branch :**

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

2.16 Components of financial statements

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

2.17 Auditors' working hours

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

2.18 Regulatory and legal compliance

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

2.19 Applicable BAS/BFRS

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

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
3. Cash		
Cash in hand		
In local currency	40,007	47,234
In foreign currency	-	-
	40,007	47,234
Balance with Bangladesh Bank and its agent bank(s)		
In local currency	33,995,612	14,143,817
In foreign currency	-	-
	33,995,612	14,143,817
	34,035,619	**14,191,051**

3.1 Statutory deposits

3.1.1 Cash reserve requirement/ ratio (CRR) and statutory liquidity ratio (SLR)

Cash reserve requirement and statutory liquidity ratio have been calculated and maintained in accordance with section 19 of the Financial Institutions Act 1993, rule 5 of the Financial Institutions Rules 1994 and FID circular no. 6 dated 06 November 2003.

(a) Cash reserve requirement/ratio (CRR)

	31-Dec-12	31-Dec-11
Required reserve (2.5% of term and other deposits)	23,398,176	5,464,984
Actual reserve maintained	33,995,612	14,143,817
Surplus	10,597,436	8,678,833

(b) Statutory liquid reserve (SLR)

	31-Dec-12	31-Dec-11
Required reserve (5% of total liabilities)	71,165,183	28,240,943
Actual reserve maintained	350,600,427	58,035,385
Cash in hand	40,007	47,234
Balance with	33,995,612	14,143,817
Balance with other Bangladesh Bank and its agent bank(s)	316,564,808	43,844,334
Surplus	279,435,244	29,794,442
Total required reserve	94,563,359	33,705,927
Total actual reserve maintained	350,600,427	58,035,385
Total surplus	**256,037,068**	**24,329,458**

4. Balance with other Banks and Financial Institutions

	31-Dec-12	31-Dec-11
In Bangladesh (note 4.1)	316,564,808	43,844,334
Outside Bangladesh (note 4.2)	-	-
	316,564,808	**43,844,334**

		Amount in Taka as at	
		31-Dec-12	**31-Dec-11**
4.1	**In Bangladesh**	**316,564,808**	**43,844,334**
	Current accounts with:		
	IFIC Bank Ltd, Agrabad Branch, Chittagong	117,281	118,781
	Sonali Bank Ltd, Sonargoan Hotel Branch, Dhaka	47,310	47,310
	The City Bank Ltd, Foreign Exchange Branch, Dhaka	45,989	45,989
	Janata Bank Ltd, Local Office, Dhaka	15,496	16,645
	Bangladesh Commerce Bank Ltd, Principal Branch, Dhaka	6,700	7,850
	Shajalal Islami Bank Ltd, Foreign Exchange Branch, Dhaka	18,679	19,829
	United Commercial Bank Ltd, Kawran Bazar Branch, Dhaka	3,992	5,142
	National Bank Ltd, Kawran Bazar Branch, Dhaka	70,012,140	3,060
	Mercantile Bank Ltd, Main Branch, Dhaka	4,340	2,212
	Al-Arafah Islami Bank Ltd, Progati Sarani Branch, Dhaka	3,780	-
	Prime Bank Ltd, Ring Road Branch, Dhaka	8,459	-
	Bangladesh Development Bank Ltd, Principal Branch, Dhaka	9,192	-
	Pubali Bank Ltd, Sonargaon Hotel Branch, Dhaka	10,000	-
	Bank Asia Ltd, Scotia Branch, Dhaka	461,717	-
	Bangladesh Development Bank Ltd, Principal Branch, Dhaka	1,720,209	-
	Jamuna Bank Ltd, Motijheel Branch, Dhaka	1,155	2,420
		72,486,439	**269,238**
	Short-term deposit accounts with:		
	Bank Asia Ltd, Scotia Branch, Dhaka	5,189,733	8,655,001
	United Commercial Bank Ltd, , Dhaka	1,862,139	5,223,345
	IFIC Bank Ltd, Dhanmandi Branch, Dhaka	5,136,167	3,432,205
	United Commercial Bank Ltd, Kawran Bazar Branch Dividend	718,013	701,683
	IFIC Bank Ltd, Dhanmandi Branch IPO	2,831,326	2,700,783
	Shajalal Islami Bank Ltd, Kawran Bazar Branch, Dhaka	92,991	52,814
	Social Islami Bank Ltd, Principal Branch, Dhaka	303,313	128,057
	Mercantile Bank Ltd, Elephant Road Branch, Dhaka	251,017	14,992
	Mutual Trust Bank Ltd, Principal Branch, Dhaka	4,504	13,773
	ICB Islami Bank Ltd, Kawran Bazar Branch, Dhaka	13,890	13,890
	The Trust Bank Ltd, Dhanmandi Branch, Dhaka	793	2,891
	Bank Asia Ltd, Mohakhali Branch, Dhaka	1,864,247	2,135,096
	Bangladesh Commerce Bank Ltd, Bangshal Branch, Dhaka	40,019,175	125
	Southeast Bank Ltd, Dhanmondi Branch, Dhaka	2,187	3,177
	IFIC Bank Ltd, Sheikh Mujib Road Branch, Chittagong	19,661,624	2,596,935
	Bank Asia Ltd, Sylhet Main Branch, Sylhet	4,679,722	499,465
	IFIC Bank Ltd, Gulshan Branch, Dhaka	33,572,965	
	IFIC Bank Ltd, Kawranbazar Branch, Dhaka	58,480,176	
	Uttara Bank Ltd, Local Office, Dhaka	51,033	37,239
		174,735,015	**26,211,471**
	Fixed deposit accounts with:		
	Mercantile Bank Ltd, Elephant Road Branch, Dhaka	7,532,603	6,798,378
	Social Islami Bank Ltd, Principal Branch, Dhaka	4,878,089	4,349,611
	The Trust Bank Ltd, Dhanmandi Branch, Dhaka	3,587,304	3,216,618
	IFIC Bank Ltd, Dhanmandi Branch, Dhaka	1,916,217	1,709,180
	Southeast Bank Ltd, Elephent Road Branch, Dhaka	1,429,141	1,289,838
	Bangladesh Industrial Finance Co. Ltd.	50,000,000	-
		69,343,354	**17,363,625**
4.2	**Outside Bangladesh**	-	-
4.3	**Maturity grouping of balances with other banks and financial institutions**		
	On demand	247,221,454	26,480,709
	Upto 3 months	-	-
	Over 3 months but upto 1 year	69,343,354	17,363,625
		316,564,808	**43,844,334**

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
5. Money at call and on short notice	-	-
6. Investments		
6.1 Government securities		
Treasury bills	-	-
Bangladesh government treasury bonds	-	-
T & T treasury bonds	-	-
Prize bonds	-	-
Debentures-Bangladesh House Building Finance Corporation	-	-
	-	-
6.2 Others investments (note 6.2.1)	64,747,166	76,968,586
	64,747,166	**76,968,586**

6.2.1 Others investments - in shares and debentures

Shares

Name of company	No. of shares	Cost Value/ Taka	Cost price/Taka 31 Dec 2012	Cost price/Taka 31 Dec 2011
Quoted:				
Meghna Condensed Milk Ltd	-		-	346,970
Sino Bangla Ltd	-		-	1,000,000
Islamic Finance and Investment Ltd	90,066	38.47	3,465,145	6,073,201
Bay Leasing Ltd	93,000	133.40	12,406,460	15,419,400
Pragati Insurance Company Ltd	57,750	124.85	7,210,088	8,115,182
RAK Ceramics Ltd	26,550	92.32	2,450,990	2,508,330
Union Capital Ltd	47,900	78.67	3,768,317	3,718,779
AB Bank Ltd	70,000	110.07	7,705,131	8,922,850
DESCO Ltd	32,500	133.36	4,334,148	6,618,820
Power Grid Company of Bangladesh Ltd	57,500	81.71	4,698,590	5,520,000
Standard Insurance Co. Ltd.	-		-	511,060
Grameen Phone Ltd.	-		-	619,681
International Leasing & Industrial Finance Ltd.	-		-	623,229
Titas Gas Ltd	-		-	33,468
Mobil Jamuna Bangladesh Ltd.	-		-	1,839,492
BRAC Bank Ltd.	-		-	667,680
Summit Power Ltd	19,250	69.50	1,337,831	1,369,290
Bangladesh Shipping Corporation Ltd	-		-	525,232
Lafarge Surma Cement Ltd.	-		-	1,185,751
Samata Leather	-		-	103,840
Kay & Que	-		-	214,850
Beximco Ltd	90,750	81.08	7,358,191	8,463,240
The Trust Bank Ltd	15,600	32.12	501,073	273,908
Shahjalal Islami Bank Ltd	34,937	42.74	1,493,208	2,294,333
Beacon Pharmacuticals Ltd.	37,000	20.27	750,149	-
Karnaphuli Insurance Co. Ltd.	8,800	34.88	306,940	-
Keya Cosmetics Ltd.	20,000	40.06	801,160	-
Grammn M.F. Scheme-2	10,000	21.39	213,900	-
RD Food Products Ltd.	8,600	27.74	238,586	-
Asia Pacific Insurance Co. Ltd.	5,000	39.52	197,600	-
Saiham Cotton Mills Ltd.	20,000	31.34	626,850	-
Phoenix Finance & Investment Ltd.	9,500	47.61	452,254	-
Siocial Islami Bank Ltd.	23,250	24.51	569,760	-
Eastern Bank Ltd.	15,000	36.76	551,339	-
Jamuna Bank Ltd.	25,000	24.65	616,293	-
One Bank Ltd.	25,000	25.03	625,750	-
National Bank Ltd.	61,400	23.10	1,418,312	-
NCC Bank Ltd.	30,000	21.64	649,101	-
			64,747,166	76,968,586

6.3 Valuation of investments

	At 31 Dec 2012/ Taka	
	Cost price	**Realisable Value**
Government securities:		
Treasury bills	-	-
Government bonds	-	-
T & T bonds	-	-
Prize bonds	-	-
Debentures - House Building	-	-
Finance Corporation	-	-
Others:		
Shares (quoted)		
Islamic Finance and Investment Ltd	3,465,145	2,035,492
Bay Leasing Ltd	12,406,460	3,282,900
Pragati Insurance Company Ltd	7,210,088	3,603,600
RAK Ceramics Ltd	2,450,990	1,508,040
Union Capital Ltd	3,768,317	1,331,620
AB Bank Ltd	7,705,131	2,359,000
DESCO Ltd	4,334,148	2,343,250
of Bangladesh Ltd	4,698,590	3,197,000
Summit Power Ltd	1,337,831	1,026,025
Beximco Ltd	7,358,191	5,844,300
The Trust Bank Ltd	501,073	390,000
Shahjalal Islami Bank Ltd	1,493,208	995,705
Beacon Pharmacuticals Ltd.	750,149	610,500
Karnaphuli Insurance Co. Ltd.	306,940	273,680
Keya Cosmetics Ltd.	801,160	612,000
Grammn M.F. Scheme-2	213,900	210,000
RD Food Products Ltd.	238,586	217,580
Asia Pacific Insurance Co. Ltd.	197,600	175,500
Saiham Cotton Mills Ltd.	626,850	566,000
Phoenix Finance & Investment Ltd.	452,254	423,700
Siocial Islami Bank Ltd.	569,760	451,050
Eastern Bank Ltd.	551,339	475,500
Jamuna Bank Ltd.	616,293	542,500
One Bank Ltd.	625,750	570,000
National Bank Ltd.	1,418,312	1,356,940
NCC Bank Ltd.	649,101	546,000
	64,747,166	**34,947,882**

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

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
7. Leases, Loans and Advances		
In Bangladesh		
Lease finance	1,312,952,558	1,209,914,587
Term finance	1,939,386,277	1,413,441,649
Home loan refinance scheme	13,559,347	19,321,321
	3,265,898,182	2,642,677,557
Outside Bangladesh	-	-
	3,265,898,182	**2,642,677,557**
7.1 Maturity grouping of loans and lease advances		
Repayable		
- on demand	130,638,819	99,808,982
- over 1 month but not more than 3 months	391,916,457	299,426,946
- over 3 months but not more than 1 year	1,175,749,371	898,280,838
- over 1 year but not more than 5 years	1,143,089,670	941,612,554
- over 5 years	424,503,865	403,548,237
	3,265,898,182	**2,642,677,557**
7.2 Significant concentration of leases, loans and advances		
Advance to allied concerns of Directors	8,014,611	7,186,000
Advance to the Chief Executive	-	-
Advances to other senior executives	-	-
	8,014,611	**7,186,000**

	Amount in Taka as at 31-Dec-12	Amount in Taka as at 31-Dec-11
Sector-wise distribution		
Agriculture sector	77,781,262	83,045,315
Readymade garments	65,897,451	42,506,214
Jute and jute related goods	24,806,203	-
Plastic industry	-	-
Leather and leather goods	79,958,410	67,764,132
Service sector (hotel, hospital and clinic)	131,625,547	71,616,125
Textile industry	176,514,879	157,143,140
Food and allied	315,412,357	184,319,130
Chemical and pharmaceuticals	268,759,014	240,639,154
Cement	-	-
Electronics	-	-
Steel	236,987,154	178,237,320
Paper	180,547,891	151,540,158
Real estate	386,941,578	326,212,475
Telecommunication and IT industry	175,214,781	168,241,253
Glass and ceramic	702,547	822,120
Shipping and ship building industry	120,401,547	67,475,412
Transport and communication	305,489,757	252,364,577
Power, gas, water and sanitary	160,987,415	128,975,475
Others	557,870,389	521,775,557
	3,265,898,182	2,642,677,557

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

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

	31-Dec-12	31-Dec-11
Number of clients	5	14
Amount of outstandi advances	676,721,533	1,514,377,000
Amount of classified advances		-
Amount of recovery/rescheduling thereon	-	-

7.4 Geographical location-wise leases, loans and advance

	31-Dec-12	31-Dec-11
In Bangladesh:		
Dhaka division	2,341,946,588	2,111,826,403
Chittagong division	772,871,254	404,551,154
Rajshahi division	124,899,137	126,300,000
Sylhet division	1,375,000	-
Khulna division	24,806,203	-
	3,265,898,182	2,642,677,557
Outside Bangladesh	-	-
	3,265,898,182	**2,642,677,557**

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
7.5 Particulars of leases, loans and advances		
(i) Financing considered good in respect of which the Company is fully secured;	3,190,001,182	2,543,912,797
(ii) Financing considered good against which the Company holds no security other than the debtors' personal security;	75,897,000	98,764,760
(iii) Financing considered good secured by the personal undertaking of one or more parties in addition to the personal security of the debtors;	-	-
(iv) Financing adversely classified but provision not maintained thereagainst;	-	-
(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	580,066,000	281,414,569
(a) Increase/decrease in provision (specific)		
Amount of loans written off	-	-
Amount realised against loans previously written off	-	-
(b) Provision kept against loans classified as bad /loss on the date of statement of financial position	124,355,000	113,308,731
(c) Interest charged to interest suspense account	87,500,000	74,964,274
(xi) Written off leases, loans and advances	-	-
During the year	-	-
Cumulative to-date	-	-
Amount realised against loans previously written off	-	-
Total amount of written off leases, loans and advances for which lawsuits filed	-	-

		Amount in Taka as at	
		31-Dec-12	31-Dec-11
7.6 Classification of leases, loans and advances			
Unclassified			
Standard		3,390,474,000	2,650,815,808
Special mention account		75,897,000	98,764,760
		3,466,371,000	2,749,580,568
Classified			
Substandard		196,357,000	27,546,265
Doubtful		259,354,000	140,559,573
Bad/Loss		124,355,000	113,308,731
		580,066,000	281,414,569
		4,046,437,000	3,030,995,137
7.7 Particulars of required provision for leases, loans and advances			
Status of classification	Base for provision		
Unclassified (general provision)			
Standard	3,390,474,000	33,904,740	26,508,158
Special mention account	69,740,000	3,487,000	4,518,234
		37,391,740	31,026,392
Classified (specific provision)			
Sub-standard	114,694,000	22,938,800	2,101,611
Doubtful	13,478,000	6,743,500	1,102,766
Bad/Loss	17,930,000	17,930,000	22,376,801
		47,612,300	25,581,178
Required provision for loans and advances		85,004,040	56,607,570
Total provision maintained (notes 13.1.1 and 13.1.2)		87,396,000	58,140,720
Excess provision at 31 December		2,391,960	1,533,150
8. Bills purchased and discounted		-	-
9. Fixed Assets Including Assets taken on Lease			
Cost			
Furniture and fixtures		32,899,544	20,653,879
Equipment		29,693,340	18,354,568
Software in progress		7,100,000	3,450,000
Motor vehicles		28,553,295	20,273,008
		98,246,179	62,731,455
Less: Accumulated depreciation		28,519,152	17,927,644
Net book value at the end of the year		69,727,027	44,803,811

Details are shown in Annex A

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
10. Other Assets		
Income generating		
Investment in shares of subsidiary companies:		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
Non-income generating		
Membership of Dhaka Stock Exchange Ltd	-	-
Advance rent	4,812,987	6,883,237
Interest accrued on investment, commission and brokerage receivable on shares and debentures and other income receivable including principal due	984,407,545	355,743,955
Security deposit	300,000	300,000
Others (note 10.1)	142,094,761	46,340,151
	1,131,615,293	409,267,343
10.1 Others		
Advance against office decoration	5,042,300	-
Corporate income tax	122,437,542	28,017,906
Receivable from BLI Securities Ltd	319,915	5,366,539
Expenses	14,295,004	12,955,706
	142,094,761	46,340,151
11. Borrowings from Other Banks, Financial Institutions and Agents		
In Bangladesh (note 11.1)	1,653,854,370	1,016,356,643
Outside Bangladesh	-	-
	1,653,854,370	1,016,356,643
11.1 In Bangladesh		
Mutual Trust Bank Ltd	344,083,665	193,204,454
Social Investment Bank Ltd	-	41,030,274
Uttara Bank Ltd	244,015,352	166,656,340
The Trust Bank Ltd	-	7,849,073
Mercantile Bank Ltd	10,630,757	29,504,389
Bangladesh Bank refinance	82,087,579	30,960,151
United Commercial Bank Ltd	93,859,575	6,414,036
Bank Asia Ltd	17,724,902	-
Basic Bank Ltd	70,129,279	283,482,448
Shahjalal Islami Bank Ltd.	85,723,807	98,043,063
Bangladesh Commerce Bank Ltd.	15,212,681	24,506,358
Prime Bank Ltd.	36,227,471	-
Southeast Bank Ltd.	29,638,867	-
National Bank Ltd.	70,122,500	-
Bank Asia Ltd (over draft)	-	14,930,936
Mercantile Bank Ltd (over draft)	79,466,342	59,216,193
Mutual Trust Bank Ltd (over draft)	83,431,593	60,558,928
Al-Arafah Islami Bank Ltd, (over draft)	91,500,000	-
IFIC Bank Ltd. (Term Placement)	300,000,000	-
	1,653,854,370	1,016,356,643

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
11.2 Analysis by security		
Secured	1,653,854,370	1,016,356,643
Unsecured	-	-
	1,653,854,370	1,016,356,643
11.3 Repayment pattern		
Repayable		
- on demand	-	-
- within one month	-	-
- more than one month but less than six months	300,000,000	200,000,000
- more than six months but less than one year	254,397,935	55,293,389
- more than one year but less than five years	1,077,860,023	737,889,945
- more than five years but less than ten years		-
- more than ten years	21,596,412	23,173,309
	1,653,854,370	1,016,356,643
12. Deposit and other accounts		
Term deposit	1,745,568,659	955,016,730
Fixed deposit	-	-
Short term deposit	-	-
Staff security deposit	-	-
Deposit pension scheme	-	-
Monthly savings schemes	-	-
	1,745,568,659	955,016,730
12.1 Maturity analysis of deposit		
From banks, financial institutions and other Institutions :		
Repayable		
- on demand	-	-
- within one month	-	-
- more than one month but less than six months	-	-
- more than six months but less than one year	632,083,244	525,500,000
- more than one year but less than five years	693,925,613	202,250,704
- more than five years but less than ten years	100,000	100,000
- unclaimed deposits for ten years or more	-	-
	1,326,108,857	727,850,704
Other than banks, financial institutions and other Institutions :		
Repayable		
- on demand	-	-
- within one month	-	-
- more than one month but less than six months	-	-
- more than six months but less than one year	72,909,179	15,083,486
- more than one year but less than five years	324,724,444	190,271,361
- more than five years but less than ten years	21,826,179	21,811,179
- unclaimed deposits for ten years or more	-	-
	419,459,802	227,166,026
	1,745,568,659	955,016,730

	Amount in Taka as at	
	31-Dec-12	**31-Dec-11**
13 Other Liabilities		
Provision for leases, loans and advances (note 13.1)	87,396,000	58,140,720
Interest suspense account (note 13.2)	87,500,000	74,964,274
Provision for Investment (note 13.3)	30,104,000	35,404,000
Provision for corporate income tax (note 13.4)	137,500,000	137,500,000
Deferred Tax Liability (note 13.5)	1,855,663	858,925
Lease deposit	99,208,698	92,814,939
Unclaimed dividend	594,530	602,346
Interest payable	6,891,620	11,437,317
Sundry creditors	27,120,604	20,401,491
	478,171,115	432,124,012
13.1 Provision for leases, loans and advances		
13.1.1 Provision for unclassified leases, loans and advances		
Opening balance	31,407,220	46,407,220
Add: Provision for the year	-	-
Less: Transferred to provision for other assets during the year		(15,000,000)
General provision for the year	-	-
Closing balance	31,407,220	31,407,220
13.1.2 Provision against classified leases, loans and advances		
Opening balance	26,733,500	26,733,500
Less: Interest amount fully waived during the year	-	-
Add: Recovery of advances previously written off	-	-
Add: Specific provision for the year	29,255,280	-
Closing balance	55,988,780	26,733,500
	87,396,000	58,140,720
13.2 Interest suspense account		
Opening balance	74,964,274	74,964,274
Addition during the year	12,535,726	
Recovered during the year	-	
Closing balance	87,500,000	74,964,274
13.3 Provision for Investment		
Opening balance	35,404,000	10,700,000
Add : Total addition during the year		24,704,000
Transferred from provision for unclassified leases, loans and advances during the year		15,000,000
Addition during the year		9,704,000
Less: Adjustment during the year	5,300,000	-
Closing balance	30,104,000	35,404,000
13.4 Provision for corporate income tax		
Opening balance	137,500,000	103,000,000
Add: Provision made during the year for Current tax	-	34,500,000
	137,500,000	137,500,000
Less: Settlement during the year	-	-
Closing balance	137,500,000	137,500,000
13.5 Deferred Tax Liability		
Opening balance	858,925	-
Add : Addition during the year	996,738	858,925
Closing balance	1,855,663	858,925
13.5.1 Deferred Tax		
WDV as per Accounts	62,627,027	41,353,811
WDV as per Tax	60,281,762	39,332,811
Difference	(2,345,266)	(2,021,000)
Tax Rate	42.50%	42.50%
Deffered Tax Asset / (Liability)	**(996,738)**	**(858,925)**

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
14 Share Capital		
14.1 Authorized capital		
500,000,000 shares of Taka 10 each	**5,000,000,000**	**5,000,000,000**
14.2 Issued, subscribed and paid-up capital		
10,000,000 ordinary shares of Taka 10 each issued for cash	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
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	-
	603,741,600	**503,118,000**

14.3 Percentage of shareholding

Category	Amount in Taka			
	At 31 Dec 2012		At 31 Dec 2011	
	No. of shares	%	No. of shares	%
Sponsors	24,632,292	40.80%	17,309,440	34.40
General public including NRB	19,475,498	32.26%	15,219,810	30.25
Financial institutions	11,054,089	18.31%	12,694,360	25.23
Investment companies	5,212,281	8.63%	5,088,190	10.11
Foreigners	-		-	0.00
	60,374,160	**100 %**	**50,311,800**	100%

14.4 Classification of shareholders by holding

Holding	No. of shareholders		Total holding percentage (%)	
	2012	2011	2012	2011
Less than 5000	6,766	5,626	12.39	14.10
5001 to 50,000	864	563	18.70	17.48
50,001 to 100000	55	34	6.27	5.61
100001 to 200000	22	15	5.07	4.61
200001 to 300000	7	5	2.69	2.55
300001 to 400000	4	3	2.49	2.07
400001 to 500000	1	3	0.75	2.62
500001 to 1000000	7	6	6.69	7.08
Over 1,000,001	10	9	44.96	43.87
	7,736	**6,264**	**100**	**100**

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

Name of Director	Status	Shareholding At 31 Dec 2012	Shareholding At 31 Dec 2011
Mr. Faruk Ahmed	Chairman	1,673,040	1,394,200
Mr. Ashrafuddin Ahmed	Vice Chairman	1,223,424	1,394,520
Mr. Faisal Ahmed	Vice Chairman	1,673,280	1,394,400
Mrs. Rajia Khanam	Director	2,201,760	1,834,800
Mr. Mujibur Rahman Chowdhury	Director	85,344	71,120
Mr. Mahmud Ali Bhuiyan	Resign as on 15/09/2012	-	15,920
Eng. Abul Ahsan	Director	2,880	2,400
Mr. Mostafa Haider Khan	Director	82,560	68,800
Mr. Md. Mustafijur Rahman	Director	83,640	69,700
Mrs. Shadia Akter	Resign as on 11/03/2012	-	24,060
Alphabet Associates Ltd. (Represented by Mrs. Sadia Akter)	Institutional Director	2,945,760	-
Opachor Trade International Ltd. (Represented by Mr. Rafayel Bin Mahmud Bhuiyan)	Institutional Director	4,322,868	-
Mr. Theotonius Biplob Roy	Independent	-	-

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

14.6 Capital adequacy Ratio:

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

	31-Dec-12	31-Dec-11
Tier-1 (Core Capital)	**1,051,306,024**	**874,673,849**
Paid-up Capital	603,741,600	503,118,000
Statutory Reserve	289,770,915	254,529,664
General Reserve		-
Retained Surplus	157,793,509	117,026,185
Tier-2 (Supplementary Capital):	**31,407,220**	**31,407,220**
General provision maintained against unclassified loans	31,407,220	31,407,220
Other Reserves	-	-
Total Capital Held (Tier 1 + Tier 2)	**1,082,713,244**	**906,081,069**
Total Risk Weighted Assets (Note 14.6.1)	**5,274,638,165**	**2,202,069,457**
Required capital	**1,000,000,000**	**220,206,946**
(10% of risk-weighted assets or Tk. 100.00 Crore whichever is higher)		
Total Capital Held	**1,082,713,244**	**906,081,069**
Capital adequacy ratio	**20.53**	**41.15**
Core capital	**19.93**	**39.72**
Supplementary capital	**0.60**	**1.43**

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

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

14.6.1 Total Risk Weighted Assets

(a) Risk Weights for Credit Risk

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

(b) Risk Weights for Market Risk	34,643,165
(c) Risk Weights for Operational Risk	377,000,000
Total Risk Weighted Assets (a+b+c)	**5,274,638,165**

	Amount in Taka as at	
	31-Dec-12	31-Dec-11
15. Statutory Reserve		
In Bangladesh		
Opening balance	254,423,184	237,963,261
Addition during the year	35,347,731	16,459,923
Closing balance	**289,770,915**	**254,423,184**

This was created in terms of clause 6 of financial institution regulation 1994, as 20% of net profit after tax.

16. General Reserve	-	-

17. Retained Earnings

	31-Dec-12	31-Dec-11
Balance on 01 January	117,026,186	151,810,096
Add: Addition during the year	176,738,654	82,299,613
Less: Transfer to statutory reserve	(35,347,731)	(16,459,923)
Less: Issue of bonus shares	(100,623,600)	(100,623,600)
Balance at 31 December	**157,793,509**	**117,026,186**

18. Contingent liabilities and commitments

18.1 Claims against the Company not acknowledged as debts

Money for which the Company is contingently liable in respect of guarantee given favoring:

	31-Dec-12	31-Dec-11
Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Letter of credit	-	-
	-	-

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

Profit and Loss Statement

	31-Dec-12	31-Dec-11
Income		
Interest, discount and similar income	479,195,458	325,261,106
Dividend income	455,728	640,000
Fees, commission and brokerage	-	-
Gains less losses arising from dealing securities	-	-
Gains less losses arising from investment securities	-	-
Gains less losses arising from dealings in foreign currencies	-	-
Income from non-company's assets	-	-
Other operating income	194,083,926	46,186,473
Profit less losses on interest rate changes	-	-
	673,735,112	372,087,579
Expenses		
Interest, fees and commission	359,426,544	169,003,426
Losses on loans and advances	-	-
Administrative expenses	60,317,601	46,245,873
Other operating expenses	37,439,290	17,874,755
Depreciation on banking assets	14,861,005	11,600,988
	472,044,440	244,725,042
	201,690,672	**127,362,537**

19. Interest Income

	31-Dec-12	31-Dec-11
Interest on loans and advances		
Lease finance	196,433,455	191,743,220
Term finance	275,782,199	127,315,044
Home loan/Margin loan	1,263,796	1,873,244
	473,479,450	320,931,508
Interest on		
Accounts with foreign banks	-	-
Balances with other banks and financial institutions	5,716,008	4,329,598
	479,195,458	**325,261,106**

	Amount in Taka as at	
	31-Dec-12	**31-Dec-11**
20. Interest Paid on Deposits, Borrowings, etc		
Interest on deposits		
Fixed deposits	133,268,255	65,949,862
Sanchaya plus	-	-
Savings deposits	-	-
Short-term deposits	-	-
Other deposits	-	-
	133,268,255	65,949,862
Interest on borrowings		
Local banks including Bangladesh Bank	226,158,289	103,053,564
Foreign banks	-	-
	359,426,544	**169,003,426**
21. Investment Income		
Dividend on shares	455,728	640,000
	455,728	**640,000**
22. Commission, Exchange and Brokerage		
Commission on trading security	-	-
Exchange gains less losses arising from dealings in foreign currencies	-	-
	-	-
23. Other Income		
Interest during construction period	39,422,873	28,104,129
Delinquent charge (23.1)	147,904,805	11,292,858
Service charge	4,446,425	4,733,289
Transfer fee	1,552,400	1,640,780
Other income	757,423	415,417
	194,083,926	**46,186,473**

23.1 This includes Tk. 11,59,15,353 being delinquent charge accrued but not received. This charge is related to 2008 to 2012. The settlement of total dues with the parties are under process. The company received a cheque for Tk. 11.50 Crore against above dues which will be encashed very soon.

	31-Dec-12	31-Dec-11
24. Salaries and Allowances		
Salary and allowance	30,185,231	21,820,690
Provident fund contribution	1,091,931	600,462
Casual staff salary	30,680	31,000
	31,307,842	**22,452,152**
25. Rent, Taxes, Insurance, Lighting, etc		
Rent, rates and taxes	6,396,700	5,132,050
Utilities	1,092,907	559,487
Insurance	158,007	431,653
	7,647,614	**6,123,190**
26. Legal Expenses		
Legal expenses	4,685,335	3,468,935
Consultancy fees	-	-
	4,685,335	**3,468,935**
27. Postage, Stamp, Telecommunication, etc		
Phone, fax and internet	2,303,522	1,321,233
Court fees and stamps	1,050,283	556,985
Postage and courier	85,617	47,605
	3,439,422	**1,925,823**

	Amount in Taka as at 31-Dec-12	Amount in Taka as at 31-Dec-11
28. Stationery, Printing, Advertisements, etc		
Advertisement	4,723,654	6,606,687
Stationery and printing	4,738,734	3,184,086
	9,462,388	**9,790,773**
29. Chief Executive Officer's Salary and Fees		
Basic salary	1,440,000	720,000
Allowances	960,000	480,000
Bonus	200,000	200,000
	2,600,000	**1,400,000**
30. Directors' Fees		
Directors fees @ Taka 5,000 per Director, per meeting	1,045,000	965,000
	1,045,000	**965,000**

Directors' fees for attending each board meeting during the year was Taka 5,000 for each board member as per Bangladesh Bank DFIM circular no. 3, dated 24 February 2010. No other fees/remuneration were paid to the Directors for any special services rendered.

	31-Dec-12	31-Dec-11
31. Auditors' Fees	**130,000**	**120,000**
32. Depreciation and Repairs of Company's Assets		
Repairs		
Furniture and fixtures and equipment	2,044,027	2,444,263
Vehicles	1,725,470	1,939,352
Software development	500,000	68,400
	4,269,497	4,452,015
Depreciation		
Motor vehicles	4,236,602	3,168,133
Office equipment	3,495,198	2,143,883
Furniture and fixtures	2,859,708	1,836,957
	10,591,508	7,148,973
	14,861,005	**11,600,988**
33. Other Expenses		
Share issue expenses	1,035,693	562,288
AGM expenses, etc	2,458,510	2,329,751
EGM expenses	-	960,264
Business development expenses	6,891,770	1,206,355
Vehicle expenses	1,378,479	949,531
Entertainment	1,099,699	951,219
Membership fees and subscription	777,870	661,870
Meeting expenses	510,000	450,000
Bank charges and excise duty	536,566	362,203
Travelling expenses	1,275,575	579,611
Office maintenance	130,815	117,557
Books and periodicals	18,253	6,235
Loss on Sale of Marketable Securities	17,480,705	6,875,894
Miscellaneous expenses	3,845,355	1,861,977
	37,439,290	**17,874,755**

34. Earnings per Share

Earnings per share (EPS) as shown in the face of Profit and Loss Statement is calculated in accordance with Bangladesh Accounting Standard (BAS) No. 33 "Earnings Per Share" by dividing the basic earnings by the number of ordinary shares outstanding at 31 December 2012.

Profit after tax (A)	176,738,654	82,299,612
Number of ordinary shares outstanding (B)	60,374,160	60,374,160
Earnings per share (A÷B)	2.93	1.36

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

34.1 **Net Asset Value per share**

Net Assets (A)	1,051,306,024	874,567,369
Number of ordinary shares outstanding (B)	60,374,160	60,374,160
Net Asset Value per share (A÷B)	17.41	14.49

35. Related Party Transactions

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

Name of related parties	Relationship	Value of transactions	Receivable at 31 Dec 2012	Receivable at 31 Dec 2011
Theotonious Biplop Roy	Independent Director	2,000,000	1,174,150	1,506,000
Md. Mostafizur Rahman	Director	850,000	-	680,000
A.Q.M. Faruk Ahmed Chowdhury	Chairman	5,000,000	-	5,000,000
Mr. Ashrafuddin Ahmed	Vice Chairman	2,500,000	2,500,000	-
A.Q.M. Faisal Ahmed Chowdhury	Vice Chairman	4,500,000	4,303,011	-
			7,977,161	7,186,000

36. Board Meeting

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

37. Audit Committee

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

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

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

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

38. Others

38.1 Contracts and disbursements

	Amount in Tk.	
	31-12-2012	31-12-2011
Contracted/Sanction (million)	1,537	2,069
Execution/Disbursement (million)	1,543	1,477

38.2 Claims against the Company not acknowledged as debt

There was no claim at the Balance Sheet date, which has not been acknowledged by the Company except income tax claim amounting to Taka 15,49,92,856 which is under appeal with High Court & Appellate Division. Against the claim the company provided of Tk. 83,000,000.

38.3 Credit facility not availed

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

38.4 Contingent liabilities

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

38.5 Payment in foreign currency

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

38.6 Authorisation for issue of the financial statements

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

38.7 Number of employees

No amount was receivable or payable to the Directors of the company during or at the end of the year 2012. During the year under review, the number of employees received salary Taka 3,000 or above per month was 91.

38.8 Subsequent event

The Board of Directors has recommended 25% stock dividend (1 Bonus share for every 4 shares held) on March 27, 2013 for the year 2012.

The Board also recommended Right Shares @ 1R:3 (1 right share for every 3 shares held) in the same Board Meeting for raising the Paid-up Capital up to Tk. 100.00 Crore in compliance with Bangladesh Bank requirement subject to approval from shareholders as well as regulatory bodies.

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

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

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

for First Lease Finance and Investment Limited

-Sd-	-Sd-	-Sd-
Dr. G. M. Baqui Billah, FCMA	**Rajia Khanam**	**Faruk Ahmed**
Chief Executive Officer	**Director**	**Chairman**

Dated, Dhaka
27 March 2013

First Lease Finance and Investment Limited

Details of Fixed Assets at 31 December 2012

Annex A

Details of Fixed Assets- Own Finance

Amounts in Taka

Particulars	COST				DEPRECIATION					Written down value at 31 Dec 2012
	At 01 Jan 2012	Addition during the year	Disposal during the year	Total at 31 Dec 2012	Rate	At 01 Jan 2012	Charge for the year	Adjustment made during the year	At 31 Dec 2012	
Office equipment	18,354,568	11,338,772		29,693,340	15%	6,205,897	3,523,116	-	9,729,013	19,964,327
Motor vehicles	20,273,008	8,280,287		28,553,295	20%	7,600,476	4,190,564	-	11,791,040	16,762,255
Furniture	20,653,879	12,245,665		32,899,544	10%	4,121,271	2,877,827	-	6,999,098	25,900,446
Sub Total	59,281,455	31,864,724		91,146,179		17927,644	10,591,508	-	28,519,152	62,627,027
Software in Progress	3,450,000	3,650,000		7,100,000	0%	-	-	-	-	7,100,000
Total at 31 December 2012	62,731,455	35,514,724	-	98,246,179	-	17,927,644	10,591,508	-	28,519,152	69,727,027
Total at 31 December 2011	30,245,754	32,485,701	-	62,731,455		10,778,671	7,148,973	-	17,927,644	44,803,811

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

Annex B

Highlights

Sl no.	Particulars	Amounts in Taka	
		31-Dec-12	31-Dec-11
1	Paid-up capital	603,741,600	503,118,000
2	Total capital /equity	1,051,306,024	874,567,370
3	Total assets	4,928,900,168	3,278,064,754
4	Total deposit	1,745,568,659	955,016,730
5	Total loan, lease and advance	3,265,898,182	2,642,677,557
6	Total contingent liabilities and commitments	-	-
7	Credit deposit ratio (%)	105.55	93.96
8	Percentage of classification Of loan (%)	14.34	9.28
9	Operating profit	201,690,672	127,362,537
10	Profit after tax and provision	176,738,654	82,299,613
11	Amount of classified loan/ lease	580,066,000	281,414,569
12	Provision kept against classified loan/ lease	55,988,780	26,733,500
13	Provision surplus/(deficit)	2,391,960	1,533,150
14	Cost of fund (%)	16.85	12.60
15	Interest earning assets	4,250,305,727	2,686,252,653
16	Non-interest earning assets	678,594,441	591,812,101
17	Return on investment (ROI) (%)	5.41	3.11
18	Return on assets (ROA) (%)	3.59	2.51
19	Income from Investments	455,728	5,828,173
20	Earning per share (EPS)	2.93	1.36
21	Net income per share	2.94	2.34
22	Price earning ratio (times)	13.66	47.24

Statement of Tax Assessment Status

Accounting Year	Assessment Year	Tax Provided	Tax Assed	Short Excess Provision	Legal Status
2006	2007-08	-	97,473,024	(97,473,024)	Under Appeal at High Court
2007	2008-09	9,292,014	10,272,646	(980,632)	Under Appeal at High Court
2008	2009-10	30,707,986	28,499,001	2,208,985	Under Appeal at High Court
2009	2010-11	43,000,000	47,403,971	(4,403,971)	Under Appeal at Appellate Tribunal
2010	2011-12	20,000,000	60,667,940	(40,667,940)	Under Appeal with Commissioner of Taxes (Appeal)
2011	2012-13	34,500,000	-		Under assessment with DCT, LTU
2012	2013-14	-	-	-	Return not filed
Total		**137,500,000**	**244,316,582**	**(141,316,582)**	

Auditors Report in pursuance of Section-135(1) under Para-24 of part-II of the Third Schedule of the Companies Act, 1994 of First Lease Finance & Investment Limited

FIRST LEASE FINANCE & INVESTMENT LIMITED

Auditors' Report Under section 135(1) and paragraph 24(1) and 25 of Part -II of Third Schedule of the Companies Act 1994
AND
Under Rule 8 (i) of Securities and Exchange Commission (Rights Issue) Rules, 2006

As required under section 135(1), Para 24(1) and 25 of Part – II of Schedule III to Companies Act 1994 **First Lease Finance and Investment Limited** prepared the following statements of its assets and liabilities, operating results and cash flows as at and for the year ended 31 December 2012, 2011, 2010, 2009 and 2008 and submitted those to us for our working and for issuance of our confirmation thereon. We accordingly, have reviewed the relevant audited financial statements and hereby confirm that the following information has been correctly extracted from those audited financial statements:

(a) Statement of Assets and Liabilities :

	Amount in Taka				
	As at				
	31-Dec-12	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08
PROPERTY AND ASSETS					
Cash	**34,035,619**	**14,191,051**	**9,433,802**	**2,976,680**	**4,999,164**
In hand (including foreign currencies)	40,007	47,234	12,225	1,004	10,914
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	33,995,612	14,143,817	9421577	2,975,676	4,988,250
Balance with other banks and financial institutions	**316,564,808**	**43,844,334**	**118,093,630**	**87,335,808**	**39,953,130**
In Bangladesh	316,564,808	43,844,334	118,093,630	87,335,808	39,953,130
Outside Bangladesh			-	-	-
Money at call and on short notice			-	-	-
Investments	**64,747,166**	**76,968,586**	**84,635,212**	**5,769,444**	**9,815,857**
Government	-	-	-	-	-
Others	64,747,166	76,968,586	84,635,212	5,769,444	9,815,857
Loans, advances and leases	**3,265,898,182**	**2,642,677.557**	1,715,445,632	1,326,503,025	1,167,056,368
Loans, cash credits, overdrafts, and leases etc	3,265,898,182	2,642,677,557	1,715,445,632	1,326,503,025	1,167,056,368
Bills purchases and discounted			-	-	-
Fixed assets including premises, furniture and fixtures	69,727,027	2,642,677,557	29,570,352	16,004,517	14,310,632
Others assets	1,131,615,293	409,267,343	263,803,983	210,151,959	172,869,026
Non-financial institution's assets	46,312,072	46,312,072	-		
Total assets	**4,928,900,168**	3,278,064,754	2,220,982,611	1,648,741,433	1,409,004,177
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and	1,653,854,370	**1,016,356,643**	**646,519,461**	**257,608,563**	**292,836,478**
Deposits and other accounts	**1,745,568,659**	**955,016,730**	**414,279,031**	**388,216,979**	**265,742,179**
Current deposits and other accounts	-	-	-	-	-
Bills payable	-	-	-	-	-
Savings bank deposits	-	-	-	-	-
Fixed/Term deposits	1,745,568,659	955,016,730	414,279,031	388,216,979	265,742,179
Bearer certificates of deposit	-	-	-	-	-
Others deposits	-	-	-	-	-
Others liabilities	478,171,115	**432,124,012**	**367,916,362**	**349,321,711**	**280,103,396**
Total liabilities	**3,877,594,144**	**2,403,497,385**	**1,428,714,854**	**995,147,253**	**838,682,053**
Capital/shareholders' equity	**1,051,306,024**	**874,567,369**	**792,267,757**	**653,594,180**	**570,322,124**
Paid-up capital	603,741,600	503,118,000	402,494,400	229,996,800	209,088,000
Statutory reserve	289,770,915	254,423,184	237,963,261	210,228,546	188,967,546
General reserve	-	-	-	-	-
Retained earnings	157,793,509	**117,026,185**	151,810,096	213,368,834	172,266,578
Total liabilities and shareholders' equity	**4,928,900,168**	**3,278,064,754**	**2,220,982,611**	**1,648,741,433**	**1,409,004,177**
Net Asset Value (NAV) (Tk.10/- per share)	17.41	14.49	15.75	16.24	24.80

OFF-BALANCE SHEET ITEMS	Amount in Taka As at 31-Dec-12	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08
Contingent liabilities	-	-	-	-	-
Acceptances and endorsements	-	-	-	-	-
Letters of guarantee	-	-	-	-	-
Irrevocable letters of credit	-	-	-	-	-
Bills for collection	-	-	-	-	-
Other contingent liabilities	-	-	-	-	-
Other commitments	-	-	-	-	
Documentary credits and short term trade-related transactions	-	-	-	-	
Forward assets purchased and forward deposits placed	-	-	-	-	
Undrawn note issuance and revolving underwriting facilities	-	-	-	-	
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-	
			-		
Total	-	-	-	-	-
Other memorandum items	-	-	-	-	-

(b) Statement of Operating Results :

	Amount in Taka for the year 2012	2011	2010	2009	2008
OPERATING INCOME					
Interest income	479,195,458	325,261,106	269,496,849	213,218,111	236,860,283
Less: Interest paid on deposit and borrowings, etc.	(359,426,544)	(169,003,426)	(106,366,780)	(76,751,670)	(85,600,293)
Net Interest income	**119,768,914**	**156,257,680**	**163,130,069**	**136,466,441**	**151,259,990**
Investment income	455,728	5,828,173	21,587,608	1,360,217	18,000
Commission, exchange and brokerage			-	-	-
Other operating income	194,539,926	46,186,473	23,383,091	31,111,952	13,162,513
	194,539,926	52,014,646	**44,970,699**	**32,472,169**	**13,180,513**
Total operating income (a)	**314,308,568**	**208,272,326**	**208,100,768**	**168,938,610**	**164,440,503**

194,083,926

	2012	2011	2010	2009	2008
OPERATING EXPENSES					
Salary and allowances	31,307,842	22,452,152	9,113,157	5,653,158	4,185,778
Rent, taxes, insurance, electricity, etc.	7,647,614	6,123,190	2,166,407	1,656,972	1,593,482
Legal expenses	4,685,335	3,468,935	2,677,750	2,743,283	2,429,529
Postage, stamps, telecommunication, etc.	3,439,422	1,925,823	761,511	624,628	628,018
Stationery, printing, advertisement, etc.	9,462,388	9,790,773	3,190,536	3,050,822	700,650
Chief executives salary & fees	2,600,000	1,400,000	1,305,000	975,000	969,167
Director's fees	1,045,000	965,000	722,000	640,000	457,800
Auditor's fees	130,000	120,000	110,000	100,000	100,000
Depreciation and repairs of FI's assets	14,861,005	11,600,988	5,415,856	3,465,799	2,875,356
Other expenses	37,439,290	23,062,928	9,464,974	4,822,499	5,002,161
Total operating expenses (b)	**112,617,896**	**80,909,789**	**34,927,191**	**23,732,161**	**18,941,941**
Profit before provision (c=a-b)	**201,690,672**	**127,362,537**	**173,173,577**	**145,206,449**	**145,498,562**
Provision against loans, advances and leases	(29,255,280)	-	(5,000,000)	-	-
Provision for diminution in value of investments	5,300,000	(9,704,000)	(9,500,000)	1,974,407	(3,174,406)
Other provisions	-	-	-	-	-
Total provision (d)	**(23,955,280)**	**(9,704,000)**	**(14,500,000)**	**1,974,407**	**(3,174,406)**
Profit before taxation	**177,735,392**	**117,658,537**	**158,673,577**	**147,180,856**	**142,324,156**
Provision for taxation	**(996,738)**	**35,358,925**	**20,000,000**	**43,000,000**	**30,707,986**
Current tax	-	34,500,000	20,000,000	43,000,000	30,707,986
Deferred tax	(996,738)	858,925	-	-	-
Net profit after taxation	**176,738,655**	**82,299,613**	**138,673,577**	**104,180,856**	**111,616,170**
Retained earnings, brought forward	117,026,186	**151,810,096**	**213,368,834**	**172,266,578**	**117,898,408**
Profit available for appropriation	**293,764,841**	**234,109,709**	**352,042,411**	**276,447,434**	**229,514,578**
Appropriations	**135,971,331**	**117,083,523**	**200,232,315**	**63,078,600**	**57,248,000**
Statutory reserve	35,347,731	16,459,923	27,734,715	21,261,000	22,400,000
Bonus shares	100,623,600	100,623,600	172,497,600	20,908,800	34,848,000
Cash dividend	-			20,908,800	-
General reserve	-	-	-	-	-
Retained surplus	**157,793,510**	**117,026,186**	**151,810,096**	**213,368,834**	**172,266,578**
Earning per Share (Tk.10/- per share)	**2.93**	**1.36**	**2.76**	**2.59**	**4.85**

Annexure - C

The Statement of Cash Flows of the Company for the year 31 December 2011 and immediately preceding four years.

	31-Dec-11	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Interest receipts	479,195,458	263,903,662	229,975,089	192,725,745	198,859,436	305,693,868
Interest payments	(352,534,924)	(168,804,907)	(107,246,049)	(61,678,568)	(78,925,122)	(109,405,365)
Dividend receipts	455,728	640,000	-	113,050	18,000	-
Fee and commission receipts	-	-	-	-	-	-
Payments to employees	(33,907,842)	(23,852,152)	(10,418,157)	(6,362,688)	(5,093,824)	(3,939,600)
Income taxes paid	(94,419,636)	-	-	-	-	-
Receipts from other operating activities	194,539,654	52,014,646	63,460,029	35,488,629	15,452,949	2,113,616
Payment for other operating activities	(135,934,230)	(57,378,137)	(37,582,508)	(15,223,001)	(11,720,372)	(8,896,164)
Operating profit before changes in operating assets & liabilities	**57,394,208**	**66,523,112**	**138,188,404**	**145,063,167**	**118,591,067**	**185,566,355**
Increase/decrease in operating assets and liabilities						
(Increase)/ decrease in operating assets						
Statutory deposit	-	(4,722,240)	(6,457,122)	(2,012,574)	(9,450)	4,800
Loan, lease and advanced to customers	(623,220,625)	(927,231,925)	(388,942,607)	(159,446,657)	64,952,247	(303,562,835)
Other assets	(627,928,314)	(145,463,360)	(53,652,024)	(35,363,424)	(22,269,248)	65,413,786
Deposit from customers	790,551,929	540,737,699	26,062,052	122,474,800	30,185,179	(88,970,778)
Other liabilities	81,563,420	64,207,650	(10,609,987)	67,463,504	142,158,040	48,934,110
	(379,033,590)	**(472,472,176)**	**(433,599,688)**	**(6,884,351)**	**215,016,768**	**(278,180,917)**
Net cash from/ (used in) operating activities	**(321,639,382)**	**(405,949,064)**	**(295,411,284)**	**138,178,816**	**333,607,835**	**(92,614,562)**
Cash flows from investing activities (b)						
Purchase of fixed assets	(35,514,724)	(68,694,504)	(17,478,917)	(3,808,467)	(10,194,270)	(4,573,186)
Proceeds from sale of securities	174,207,005	134,265,996	250,414,581	4,008,413	-	-
Payment for purchase of securities	(161,985,584)	(121,932,620)	(350,867,957)	-	(19,631,714)	
Proceeds from sale of fixed assets	-	-	-	390,000	1,168,000	-
Net cash used in investing activities	**(23,293,303)**	**(56,361,128)**	**(117,932,293)**	**589,946**	**(28,657,984)**	**(4,573,186)**
Cash flows from financing activities (c)						
Dividend paid	-	-	-	(20,908,800)	-	-
Receipt from borrowing and issuance of debt securities	6,118,490,958	726,795,905	543,772,920	96,707,991	101,000,000	105,420,147
Repayment of borrowing and issuance of debt securities	(5,480,993,231)	(333,977,760)	(93,214,399)	(169,207,859)	(385,406,217)	(14,121,311)
Net cash flow from financing activities	**637,497,727**	**392,818,145**	**450,558,521**	**(93,408,668)**	**(284,406,217)**	**91,298,836**
Net increase/(decrease) in cash (a+b+c)	**292,565,042**	**(69,492,047)**	**37,214,944**	**45,360,094**	**20,543,634**	**(5,888,912)**
Cash and cash equivalents at beginning of the year	**58,035,385**	**127,527,432**	**90,312,488**	44,952,294	24,408,660	30,297,572
Cash and cash equivalents at end of the year*	**350,600,427**	**58,035,385**	**127,527,432**	**90,312,488**	**44,952,294**	**24,408,660**
***Cash and cash equivalents at end of the year**						
Cash in hand	40,007	47,234	12,225	1,004	10,914	16,177
Balance with Bangladesh Bank and its agents bank(s)	33,995,612	14,143,817	9,421,577	2,975,676	4,988,250	4,997,700
Balance with other banks and financial institutions	316,564,808	43,844,334	118,093,630	87,335,808	39,953,130	19,394,783
	350,600,427	**58,035,385**	**127,527,432**	**90,312,488**	**44,952,294**	**24,408,660**
			-	-	-	-

-Sd-

Dr. G. M. Baqui Billah, FCMA
Chief Executive Officer
First Lease Finance & Investment Limited

As per our separate report of even date annexed.

-Sd-

M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka

Selected Ratios and Earnings per share
Auditor's Certificate on calculation of Various Accounting Ratios
For the years Ended 31 December 2012, 2011, 2010, 2009, and 2008

We have examined the following accounting ratios of First Lease Finance & Investment Limited for the years Ended 31 December 2012, 2011, 2010, 2009, and 2008, as submitted to us by its management. The preparation of these ratios is the responsibility of the company's management. Our responsibility is to review and certify that these were prepared using acceptable accounting principles on the basis of audited financial statements for the year ended 31 December 2012, 2011, 2010, 2009, and 2008.

Based on our review, we certify that the company has properly prepared the following ratios based on acceptable accounting principles:

Ratio	2012	2011	2010	2009	2008
I. Liquidity Ratios:					
Current Ratio (Time) (a)	1.87	1.50	1.47	1.39	1.62
Quick Ratio (Time) (b)	1.87	1.50	1.47	1.39	1.62
Time Interest earn Ratio (Time) (c)	1.49	1.70	2.49	2.92	2.66
Debt to Equity Ratio (Time) (d)	2.04	1.34	0.52	0.09	0.25
II. Operating Ratios:					
Accounts Receivable Turnover Ratio (Time) (e)	1.00	1.26	1.45	1.34	1.70
Assets Turnover Ratio (Time) (f)	0.14	0.12	0.14	0.15	0.18
III. Profitability Ratios:					
Gross Margin Ratio (%) (g)	24.99%	48.04%	60.53%	64.00%	63.86%
Operating Income Ratio (%) (h)	42.09%	39.16%	64.26%	68.10%	61.43%
Net Income Ratio (%) (i)	36.88%	25.30%	51.46%	48.86%	47.12%
Return on Assets Ratio (%) (j)	3.59%	2.51%	6.24%	6.32%	7.92%
Return on Equity (%) (k)	16.81%	9.41%	17.50%	15.94%	19.57%

Formula Applied

Ratios	**Formula**
Current Ratio (Time) (a)	(a) Current Asset/Current Liability
Quick Ratio (Time) (b)	(b) Current Asset-Inventories /Current Liability
Time Interest earn Ratio (Time) (c)	(c) Profit Before Tax +Financial Expenses /Financial Expenses
Debt to Equity Ratio (Time) (d)	(d) Long Term Loan/ Equity
Accounts Receivable Turnover Ratio (Time) (e)	(e) Total Turnover/ Average Accounts Receivable
Assets Turnover Ratio (Time) (f)	(f) Total Turnover/ Total Assets
Gross Margin Ratio (%) (g)	(g) Net Interest Income/Interest Income
Operating Income Ratio (%) (h)	(h) Operating Profit/Interest Income
Net Income Ratio (%) (i)	(i) Net Profit After Tax/Interest Income
Return on Assets Ratio (%) (j)	(j) Net Profit After Tax/Total Asset
Return on Equity (%) (k)	(k) Net Profit After Tax/ Shareholders Equity

-Sd-

(Dr. G. M. Baqui Billah, FCMA)
Managing Director
First Lease Finance & Investment Ltd.

-Sd-

M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
15 April 2013

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

Registered and Corporate Office:
Jahangir Tower (3 rd Floor), 10 Kawran Bazar C/A, Dhaka- 1215

Folio/BO Account No: ……………………………

Name: …………………………………………………..
Address: …………………………………..……………
………………………………………………………………..

LETTER OF OFFER FOR RIGHTS ISSUE TO THE SHAREHOLDERS

Dear Shareholder (s)

We are pleased to inform you that the Board of Directors in its meeting held on March 27, 2013 recommended for issuance of 1 [R]:3 Right Shares i.e. 1 (One) Rights Shares for every 3 (Three) Share held which was approved by the Shareholders in the **Extra Ordinary General Meeting** of the Company held on **April 30, 2013**. As a registered Shareholder as on **July 15, 2013 (Record Date for entitlement).** You are entitled to subscribe your Right Shares.

If you wish to accept the above Right Shares in full or in part, you are required to submit Application **Form-A** duly completed annexed hereto with necessary payments. You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation **Form-B** and **Form-C** annexed hereto be submitted duly filled in by you and the Renouncee(s) along with necessary payments.

The rights cannot be exercised for fraction of a Share i.e. below full unit of Share.

All the payments for accepted Shares are to be made in Cash or by P.O / DD / Cheque @ Tk. 10.00 each at par and to be deposited with any of the branches of Bankers to the Issue during Banking hours from **August 01, 2013** to **August 26, 2013** (both days inclusive). Any extension of time will be notified through National Dailies. Payments through P.O / DD / Cheque, must be payable to **" First Lease Finance & Investment Limited "** and must be drawn on a Bank in the same town where the Br. of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transactions above **Tk. 1.00** lac must be effected through Demand Draft / Crossed Cheque / Pay Orders.

The offer will be deemed to have been declined if completed Application **Form-A** and/ or Renunciation **Form-B** and **Form-C** with necessary payments have not been received by **August 26, 2013 or** by such later date as may be notified through National Dailies to that effect.

A self-explanatory Right Shares Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-

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

Application Form-A

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

Registered and Corporate Office:
Jahangir Tower (3 rd Floor), 10 Kawran Bazar C/A, Dhaka- 1215
Phone: +88-02-9145487-9, 8189676-7 **Fax:** +88-02-8153971
E-mail: info@first-lease.com.bd; **Website:** www.first-lease.com.bd

Rights Offer of 25,155,900 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 251,559,000 offered on the basis of 1 (One) Rights Share for 3 (Three) existing Share held on the record date ***July 15, 2013***

Subscription	**Opens on: August 01, 2013**
	Closes on: August 26,2013
Within Banking Hours Both Days Inclusive	

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Chief Executive Officer **Dated:……./……/2013**
First Lease Finance & Investment Limited
Jahangir Tower (3 rd Floor), 10 Kawran Bazar C/A,
Dhaka-1215

Dear Sir,

I/We apply for allotment of ordinary Shares indicated below in response to your letter of Rights Offer and Subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the Shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ Tk. 10.00 each at par Share in Cash or by Draft/Pay order/Cheque no ………………………………………………dated……………………………………… drawn on……………………………………… Bank …………………………………………………Branch.

Folio / BO Account No.	No. of Shares held at the close of business on July 15, 2013	No. of Shares offered	No. of Shares Accepted	Total amount paid

Yours faithfully,

1. Name (in block letters):
   Address: Signature

2. Name (in block letters):
   Address: Signature

BO Account | | | | | | | | | | | | | | | | | **No.**

As per provision of the Depositories Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as furnished earlier, Incomplete or incorrectly filled application form may be rejected.

……

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk.……………………………………… (Taka ……………………………………………………………………………) only from Mr./Ms…………………………………………………………………Folio/BO Account No……………………………… for……………………………………… no.(s) of rights shares of First Lease Finance & Investment Limited in Cash/Pay order/Draft/ChequeNo…………………………date…………………of…………………………Bank……………………Branch.

Application Sl. No. **(Bank's Seal)** **Signature of Receiving Officer**
Date:

Application Form-B

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

Registered and Corporate Office:
Jahangir Tower (3 rd Floor), 10 Kawran Bazar C/A, Dhaka- 1215
Phone: +88-02-9145487-9, 8189676-7 **Fax:** +88-02-8153971
E-mail: info@first-lease.com.bd; **Website:** www.first-lease.com.bd

*Rights Offer of 25,155,900 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 251,559,000 offered on the basis of 1 (One) Rights Share for 3 (Three) existing Share held on the record date **July 15, 2013***

Subscription	**Opens on: August 01, 2013**
	Closes on: August 26,2013
Within Banking Hours Both Days Inclusive	

FORM OF RENUNCIATION

The Chief Executive Officer **Dated: ……./……/2013**
First Lease Finance & Investment Limited
Jahangir Tower (3 rd Floor), 10 Kawran Bazar C/A,
Dhaka-1215

Dear Sir,

I/We hereby renounce my/our rights to the Shares offered to me/us as noted below in favor of person(s) accepting the same and signing in Application by Renouncee(s) and apply for allotment in his/her/their name(s).

Folio/ BO Account No.	No. of Shares held at the close of business as on July 15, 2013	No. of Shares offered	No. of Shares renounced

Yours faithfully,

1. Name (in block letters):
……………………………………………………………………………..Signature……………………………………………..…………........

Address: ……........

2. Name (in block letters):
……………………………………………………………………………...Signature…………………………………..…………………

Address: ………..

Name(s) of Renouncee (s) **BO A/C No.**

1.Name………………………………………………																
2.Name……………………………………………																

N.B. Use photocopy in case of renouncement favoring more than 2(two) persons

As per provision of the Depositories Act, 1999 and regulations made there under, Rights Share shall only be issued in dematerialized condition. An applicant must apply for allotment of Rights Shares mentioning his/her Beneficiary Owner (BO) Account Number in the application form.

Note: Signature must be the same as was furnished to the Company earlier.

Renunciation Form –C

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

Registered and Corporate Office:
Jahangir Tower (3 rd Floor), 10 Kawran Bazar C/A, Dhaka- 1215
Phone: +88-02-9145487-9, 8189676-7 **Fax:** +88-02-8153971
E-mail: info@first-lease.com.bd; **Website:** www.first-lease.com.bd

APPLICATION BY RENOUNCEE(S)

The Chief Executive Officer **Dated: ……./……/2013**
First Lease Finance & Investment Limited
Jahangir Tower (3 rd Floor), 10 Kawran Bazar C/A,
Dhaka-1215

Dear Sir,

As the Shareholder(s) at pre-page has/have renounced his/her/their rights to the Shares offered, in my/our favour, I/We do hereby apply for the number of Share noted above as renounced, by making payment of Tk. …………………………………………………….. being the value of ……………………………………Shares @ Tk. 10.00 each at par.

Yours faithfully,

1. Signature ………………………………..................................
Name (in block letters)…………………………...............
S/O. D/O. W/O. …………………………..........................
Address: ……………………………....................................
………………………………………………………………………………
…
BO A/C No.

2. Signature ………………………………..................................
Name (in block letters)…………………………...............
S/O. D/O. W/O. …………………………..........................
Address: ……………………………....................................
………………………………………………………………………………
…
BO A/C No.

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

Signature of the Renouncer (s): 1…………………………........................ 2. …………………………………………………………

As per provision of the Depositories Act, 1999 and regulations made there under, Rights Share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account Number in the application form.

Note: Folio No. is to be mentioned only in case of existing Shareholder (s).
Incomplete or incorrectly filled application form may be rejected.

……

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk……………………………………………………………(Taka………………………………………………............................) only From Mr./Ms……………….......……………………………………….. Folio/BO Account No………………………………………………………………………….....for…………….......……………………………….. nos. of Rights Share of **First Lease Finance & Investment Limited** in Cash/Draft/Pay Order/Cheque No…………………………………date……………......…………...of……………………Bank………...............……………….Branch.

Application Sl. No.

Signature of Receiving Office

(Bank's Seal) **Date:**