Fareast Finance & Investment Limited
Balance Sheet (Un-audited)
as at 30 June 2017

Particulars	Amounts in Taka	
	30-Jun-2017	31-Dec-2016
PROPERTY AND ASSETS		
Cash	**63,124,072**	**47,716,032**
In hand (including foreign currencies)	30,000	0
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	63,094,072	47,716,032
Balance with other banks and financial institutions	**1,263,794,677**	**1,491,110,646**
In Bangladesh	1,263,794,677	1,491,110,646
Outside Bangladesh	0	0
Money at call and short notice	**0**	**0**
Investments	**279,131,884**	**278,735,118**
Government	0	0
Others	279,131,884	278,735,118
Loans, advances and leases	**12,377,712,010**	**10,978,996,209**
Loans, cash credits, overdrafts, leases, etc.	12,377,712,010	10,978,996,209
Bills purchased and discounted	0	0
Fixed assets including premises, furniture and fixtures	**30,712,117**	**26,579,123**
Other assets	**1,117,220,661**	**1,194,766,018**
Non-business assets	**0**	**0**
Total assets	**15,131,695,421**	**14,017,903,146**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**4,246,468,259**	**4,413,677,145**
Deposits and other accounts	**7,630,404,598**	**6,313,014,900**
Current deposits	0	0
Bills payable	0	0
Savings deposits	0	0
Term deposits	7,630,404,598	6,313,014,900
Bearer certificate of deposit	0	0
Other deposits	0	0
Other liabilities	**1,999,202,642**	**1,226,505,530**
Total liabilities	**13,876,075,499**	**11,953,197,575**

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Particulars	Amounts in Taka	
	30-Jun-2017	31-Dec-2016
Capital/Shareholders' equity	**1,255,619,922**	**2,064,705,571**
Paid up capital	1,640,633,300	1,640,633,300
Statutory reserve	242,447,925	242,447,925
Revaluation reserve	98,743,750	98,743,750
Retained earnings	(726,205,053)	82,880,596
Total liabilities and Shareholders' equity	**15,131,695,421**	**14,017,903,146**
OFF-BALANCE SHEET ITEMS		
Contingent liabilities	**500,000,000**	**515,588,000**
Acceptances and endorsements	0	0
Letter of guarantee	500,000,000	515,588,000
Irrevocable letter of credit	0	0
Bills for collection	0	0
Other contingent liabilities	0	0
Other commitments	**0**	**0**
Documentary credits and short term trade related transactions	0	0
Forward assets purchased and forward deposits placed	0	0
Undrawn note issuance and revolving underwriting facilities	0	0
Spot and foreign exchange rate contract	0	0
Undrawn formal standby facilities, credit lines and other commitments	0	0
Total off-balance sheet items including contingent liabilities	**500,000,000**	**515,588,000**
Net asset value per share	**7.65**	**12.58**

M. A. Wahhab	Rubaiyat Khaled	Santanu Saha	Mohammed Hafizour Rahman	Sheikh Khaled Zahir
Chairman	Director	Managing Director	Chief Financial Officer	Company Secretary

Fareast Finance & Investment Limited
Profit and Loss Account (Un-audited)
for the half year ended 30 June 2017

Particulars	Amounts in Taka			
	January to June 2017	January to June 2016	April to June 2017	April to June 2016
Interest income on loans, advances and leases	358,612,727	457,998,308	255,739,955	267,690,707
Interest expenses on borrowings, deposits, etc.	(534,393,395)	(493,697,986)	(271,054,349)	(241,119,930)
Net interest income	**(175,780,668)**	**(35,699,678)**	**(15,314,394)**	**26,570,777**
Investment income	18,837,824	(3,028,200)	3,803,129	5,822,951
Commission, exchange and brokerage	1,000,000	7,584	1,000,000	7,584
Other operating income	45,519,906	22,411,138	41,354,424	10,507,658
Total operating income	**(110,422,938)**	**(16,309,156)**	**30,843,159**	**42,908,970**
Salary and allowances	28,423,345	30,387,153	16,355,247	20,793,787
Rent, taxes, insurance, electricity, etc.	8,729,782	8,491,868	4,465,349	4,262,344
Legal expenses	2,070,171	2,052,710	687,448	1,366,435
Postage, stamp, telecommunication, etc.	729,191	668,106	316,365	276,124
Stationery, printing, advertisements, etc.	716,848	1,806,216	329,387	594,629
Managing Director's salary and allowances	3,192,000	3,290,400	1,816,800	1,915,200
Directors' fees	392,000	360,000	200,000	264,000
Auditors' fees	240,925	245,525	120,462	162,150
Charges on losses regarding loans, advances and leases	0	0	0	0
Depreciation and repairs of company's assets	3,739,679	3,980,393	1,961,592	2,009,443
Other operating expenses	7,701,512	7,399,604	3,814,441	2,763,859
Total operating expenses	**55,935,453**	**58,681,975**	**30,067,091**	**34,407,971**
Profit before provisions	**(166,358,391)**	**(74,991,131)**	**776,068**	**8,500,999**
Provisions for loans, advances and leases:	575,968,493	146,285,196	96,932,952	98,992,645
Provision for the diminution in the value of investments	(16,815,621)	4,844,458	2,121,359	6,380,557
Other provisions	0	0	0	0
Total provisions	**559,152,872**	**151,129,654**	**99,054,311**	**105,373,202**
Total profit before income tax	**(725,511,263)**	**(226,120,785)**	**(98,278,243)**	**(96,872,203)**
Provision for income tax	1,542,721	(118,484)	1,542,721	(118,484)
Net profit after income tax	**(727,053,984)**	**(226,002,301)**	**(99,820,964)**	**(96,753,719)**
Earnings per share	**(4.43)**	**(1.38)**	**(0.61)**	**(0.59)**
Weighted average number of outstanding shares	**164,063,330**	**164,063,330**	**164,063,330**	**164,063,330**

M. A. Wahhab	Rubaiyat Khaled	Santanu Saha	Mohammed Hafizour Rahman	Sheikh Khaled Zahir
Chairman	Director	Managing Director	Chief Financial Officer	Company Secretary

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Fareast Finance & Investment Limited
Cash Flow Statement (Un-audited)
for the half year ended 30 June 2017

Particulars	Amounts in Taka	
	30-Jun-17	30-Jun-16
Cash flows from operating activities		
Interest received	362,722,026	471,994,463
Interest paid	(507,836,583)	(520,998,562)
Dividend received	4,162,172	1,346,597
Fees and commission received	0	7,584
Recoveries of loan previously written-off	694,720	300,000
Income taxes paid	(15,481,207)	(21,381,093)
Received from other operating activities	45,519,906	22,411,138
Payments for other operating activities	(52,172,327)	(56,002,063)
Cash generated from operating activities before changes in operating assets and liabilities	**(162,391,293)**	**(102,321,936)**
Increase/decrease in operating assets and liabilities		
Statutory deposit	0	0
Trading securities	0	0
Loans, advances and leases	(1,398,715,801)	(266,655,997)
Other assets	22,313,590	(200,248,970)
Deposit and other accounts	1,317,389,698	59,601,461
Net drawdown of short term loans	(37,437,540)	330,240,734
Other liabilities on account of customers	25,877,765	(948,061)
Trading liabilities	0	0
Other liabilities	225,776,327	87,981,777
	155,204,039	**9,970,944**
Net cash from operating activities	**(7,187,254)**	**(92,350,992)**
Cash flows from investing activities		
Proceeds from sale of securities	104,628,521	157,904,754
Payments for purchase of securities	(90,349,636)	(145,937,540)
Purchase of fixed assets including premises, furniture and fixtures	(7,138,100)	(7,309,638)
Proceeds from sale of fixed assets including premises, furniture and fixtures	0	0
(Increase)/decrease regarding purchase and sale of subsidiary	(58,449)	(759,555)
Net cash used in investing activities	**7,082,336**	**3,898,021**
Cash flows from financing activities		
Receipt of borrowings from other banks, financial institutions and agents	554,145,000	1,350,000,000
Repayment of borrowings from other banks, financial institutions and agents	(683,916,346)	(601,591,969)
Receipt against issue of share capital	0	0
Increase/(decrease) in revaluation reserve	0	0
Dividend paid in cash	(82,031,665)	(164,063,330)
Net cash from financing activities	**(211,803,011)**	**584,344,701**
Net increase/(Decrease) in cash and cash equivalents	(211,907,929)	495,891,730
Effects of exchange rate changes on cash and equivalents	0	0
Cash and cash equivalents at beginning of the year	1,538,826,678	774,160,947
Cash and cash equivalents at the end of the year	**1,326,918,749**	**1,270,052,677**

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Particulars	Amounts in Taka	
	30-Jun-17	30-Jun-16
Cash and cash equivalents at the end of the year		
Cash in hand (including foreign currencies)	30,000	20,000
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	63,094,072	57,357,513
Balance with other banks and financial institutions	1,263,794,677	1,212,675,164
Money at call and short notice	0	0
	1,326,918,749	**1,270,052,677**
Net operating cash flow per share (Tk.)	**(0.04)**	**(0.56)**

M. A. Wahhab	Rubaiyat Khaled	Santanu Saha	Mohammed Hafizour Rahman	Sheikh Khaled Zahir
Chairman	Director	Managing Director	Chief Financial Officer	Company Secretary

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Fareast Finance & Investment Limited
Statement of Changes in Equity (Un-audited)
for the half year ended 30 June 2017

Particulars	Paid up capital	Statutory reserve	Revaluation reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka
Balance at 01 January 2017	1,640,633,300	242,447,925	98,743,750	82,880,596	2,064,705,571
Net profit for the half year ended 30 June 2017	0	0	0	(727,053,984)	(727,053,984)
Dividend (Bonus shares)	0	0	0	0	0
Cash dividend	0	0	0	(82,031,665)	(82,031,665)
Balance as at 30 June 2017	**1,640,633,300**	**242,447,925**	**98,743,750**	**(726,205,053)**	**1,255,619,922**
Balance at 01 January 2016	1,640,633,300	221,851,962	98,743,750	164,560,075	2,125,789,087
Net profit for the half year ended 30 June 2016	0	0	0	(226,002,301)	(226,002,301)
Dividend (Bonus shares)	0	0	0	0	0
Cash dividend	0	0	0	(164,063,330)	(164,063,330)
Balance as at 30 June 2016	**1,640,633,300**	**221,851,962**	**98,743,750**	**(225,505,556)**	**1,735,723,456**

M. A. Wahhab
Chairman

Rubaiyat Khaled
Director

Santanu Saha
Managing Director

Mohammed Hafizour Rahman
Chief Financial Officer

Sheikh Khaled Zahir
Company Secretary

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Fareast Finance & Investment Limited
Selected explanatory notes to the accounts

1. Legal status and nature of the company

Fareast Finance & Investment Limited ("the company") was incorporated in Bangladesh as a public limited company with limited liability on 21 June 2001 under the Companies Act, 1994. The company was authorized to commence business in Bangladesh as per Certificate of Commencement dated 21 June 2001.

The company obtained license from Bangladesh Bank as a Financial Institution under the Financial Institutions Act, 1993 to operate as a leasing and financing company on 03 July 2001.

2. Basis of preparation

These half yearly financial statements for the period ended 30 June 2017 have been prepared based on Bangladesh Accounting Standard (BAS)-34: "Interim Financial Reporting" and Rule 13 of the Securities and Exchange Rules, 1987.

These interim financial statements should be read in conjunction with the published financial statements for the year ended 31 December 2016, as they provide an update to previously reported information.

3. Accounting policies and methods of computations

Accounting policies and methods of computations followed in preparing these financial statements are consistent with those used in the annual financial statements, prepared and published for the year ended 31 December 2016.

4. Earning Per Share (EPS)

Earning per share has been calculated based on weighted average number of ordinary shares outstanding for the period ended 30 June 2017 and profit for the same period.

5. Approval of half yearly report

The half yearly financial statements for the period ended 30 June 2017 were approved by the Board of Directors in its 179th meeting held on 24 July 2017.

6. Events after the Reporting Period

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

7. Reasons for significant deviation of net profit/(loss) between two quarters

The major reason for having deviation of net profit/(loss) between two quarters is mainly arise due to increase the provisions for loans, advances and leases which is made following the FID circular # 08 dated 03 August 2002 issued by Bangladesh Bank in this regard.

8. General

The half yearly financial statements for the period ended 30 June 2017 are un-audited. The comparative figures have been restated and rearranged whenever considered necessary to ensure comparability with the current financial statements.

FAREAST FINANCE & INVESTMENT LIMITED FFIL