Annual Report 2017

Breaking barriers to reach new heights



Bay Leasing & Investment Limited

SECURE YOUR FUTURE©

AMAR STOCK

Annual Report 2017

Breaking barriers to reach new heights



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Letter of Transmittal

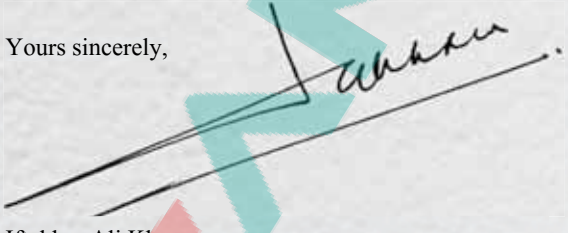
To
All Shareholders,
Bangladesh Securities and Exchange Commission,
Registrar of Joint Stock Companies and Firms,
Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended December 31, 2017.

Dear Sir,
We are delighted to forward a copy of the Annual Report along with the Audited Financial Statements, Consolidated and Separate Balance Sheet as at December 31, 2017 and Income Statements, Cash Flow Statements and Statement of Changes in Equity for the Year ended December 31, 2017.

Also attached are the notes of accounts of Bay Leasing and Investment Limited and its subsidiary BLI Capital Limited for your kind perusal and record.
Best regards

Yours sincerely,



Iftekhar Ali Khan
Managing Director

AMAR STOCK

Notice Of The 22nd Annual General Meeting

Notice is hereby given to all the Members of Bay Leasing & Investment Limited that the 22nd Annual General Meeting (AGM) of the Company will be held on May 19, 2018 (Saturday) at 11.00 a.m at the Institution of Diploma Engineers, Bangladesh, IDEB Bhaban, 160/A Kakrail VIP Sarak, Dhaka-1000 to transact the following business:

AGENDA

01. Adoption of Director's Report, Auditor's Report and Audited Financial Statements for the year ended 31st December 2017.
02. Declaration of Dividend for the Shareholders for the year ended 31st December 2017 as recommended by the Board of Directors.
03. Election/re-election of Directors and confirmation of appointment of one more Director of the Company.
04. Re-appointment of Auditors of the Company for the year 2018 and to fix-up their remuneration.
05. Miscellaneous, if any, with the permission of the chair.

Dated, Dhaka

April 30, 2018

By order of the Board

M. Maniruz Zaman Khan

EVP & Company Secretary

Notes:

01. April 30 ,2018 was the "Record Date" for entitlement of Dividend.
02. The Board of Directors have recommended 10% cash dividend and 5% stock dividend for the year ended 31st December 2017.
03. The Shareholders whose names would appear in the Depository (CDBL) on the Record Date (Monday, April 30, 2018) shall be entitled to the dividend and attend the AGM.
04. A shareholder of the company is entitled to attend and vote in the AGM or may appoint a Proxy to attend the meeting and vote in his/her/their behalf. The Proxy Form duly completed and stamped with TK.20.00 (Revenue Stamp) must be submitted at the registered office of the company at least 48 hours before the time fixed for the meeting.
05. Shareholders (other than a company) who fails to update E-Tin in his/her BO Account before the Record Date, disbursement of dividend will be subject to deduction of Advance Income Tax (AIT) @ 15% instead of 10% as per amended Section 54 of the Income Tax Ordinance,1984.
06. For convenience, the shareholders and proxies are requested to record their entry at the entrance of the AGM venue on 19th May,2018 between 10.30 a.m and 11.00 a.m.

No benefit or gift in cash or kind shall be given to the shareholders for attending the 22nd Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24,2013.

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Our Vision

To be recognized as the most preferred multi-product financial institution for the communities we serve.



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Our Mission

- We strive to innovate and offer a plethora of financial products and services.
- We endeavor to enrich the lives of people we touch by sharing, caring in our quest for excellence.
- We aim to build impressive economic value for our stakeholders through the strength of satisfied customers and consistently produce superior operating results.



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Bay Leasing Story

Bay Leasing & Investment Limited was incorporated as a public limited company in February 1996 and the company obtained Bangladesh Bank's license as a non-banking financial institution in May 1996. Since its inception, guided by the Financial Institutions Act of 1993, BLIL has been running its operation in a professional manner under the valuable guidance and leadership of its Board of Directors.

From the inception BLIL commenced its Merchant Bank wing operations and later in 2002, the Securities and Exchange Commission (SEC) approved brokerage license which was named as BLI Securities Ltd. In 2009 Bay Leasing offered shares to the public and got listed both in Dhaka and Chittagong Stock Exchange. The following year in 2010, the Company issued "Right Shares" to the Shareholders and subsequently in 2012 the Merchant Banking Wing was converted into a fully owned subsidiary named BLI Capital Limited. In order to reach to a wider community through it's lending to the SME sector in Bangladesh, Bay Leasing took the initiative to participate in various re-finance schemes offered by Bangladesh Bank and signed a number of formal agreements under JICA, ADB funding programs.

These initiatives have enabled the company to facilitate the emerging SME sector to obtain funds at lower cost and improve their efficiency in operations and profitability. Over the years a significant number of business concerns including women owned enterprises, have benefited and expanded their business with the help of Bay Leasing's products and services. In the last 22 years Bay Leasing has ensured its strong presence and gained a good reputation amongst its clients for providing competitive loan and deposit products and have actively participated in the financial development of the society. The success story continued when, in September 2014, the company shifted its Corporate Head Office to its own premises at Eunoos Trade Center, considered as one of the landmark commercial buildings at the Dilkusha commercial area. In March 2015 the company inaugurated its Principal Branch at Dilkusha C/A and in October 2016, the company opened its first semi-urban branch at Mawna, Gazipur which is now being considered as an important industrial hub at the outskirts of Dhaka.

To increase the network of branches and expand the small and medium enterprise client base Bay Leasing formally opened yet another branch at its own premises at level 6 of Rupayan Trade Centre, Bangla Motor in December 2017. Plans are underway to widen the horizon and two more branches are being considered to be opened in 2018.

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Core Values

Accountability

We take full responsibility of our actions that influence the lives of our customers and fellow workers.

Commitment

We are committed to roll out a wide range of products, services and other initiatives that impact the lives of both within and outside the organization.

Integrity

We strive to act with honesty and Integrity without compromising the truth.

Team Work

We believe in individual commitments to a group effort towards a common vission.

Service Excellence

We aim to provide the best quality service to our clients each passing day in our quest for excellence.



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Corporate Information

Registered Name of the Company Legal Form	:	**Bay Leasing & Investment Limited** A Public Limited Company Incorporated in Bangladesh Under the Companies Act 1994, Listed in Dhaka Stock Exchange & Chittagong Stock Exchange. Licensed as a Non Banking Financial Institution Under the Financial Institutions Act of 1993.
Company Registration Number	:	C - 30251(1477)/96
Bangladesh Bank License Number	:	আঃ প্রঃ (অ-ব্যাংকিং) : বিভাগ/ঢাকা/১৩/৯৬
Trade License No.	:	0411406
Tin No.	:	446777288121
No. of Branch	:	03
Corporate Head Office	:	**Bay Leasing & Investment Limited** Eunoos Trade Center, Level-18 52-53 Dilkusha C/A, Dhaka-1000. Tel: 9592501-5, Fax: 9592500
Auditor	:	**Pinaki & Company** AHSANDELL 2/A, Mymanshingh Road (2nd Floor) Shahbag, Dhaka-1000 Tel : 9660944, 9665095 Fax: 88-02-967272
Tax Advisor	:	**A.Wahab & Co.** Chartered Accountants Hotel Purbani, Annex-2 (4th Floor) 1, Dilkusha C/A, Dhaka
Legal Advisors	:	**AZAD & COMPANY** K.R.Plaza (6th Floor) 31, Purana Paltan, Dhaka-100. **LexConsultium** Suite No.-11/4 (11th Floor) 67/9, Kakrail, Dhaka-1000 **NAYAN & ASSOCIATES** Meherba Plaza Suite No. 13-E (13th Floor), 33, Topkhana Road, Palton Dhaka, Bangladesh. **NOOR-UL-MATIN** Islam Chamber, 9th Floor 125/A, Motijheel C/A, Dhaka-1000 **Haque & Associates** Shabbir Tower, 3/4 Purana Paltan Dhaka - 1000
Memberships	:	DCCI (Dhaka Chamber of Commerce Industry). Bangladesh Leasing & Finance Companies Association. Bangladesh Association of Publicly Limited Company. Bangladesh Merchant Bankers Association.

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Company Email	:	**info@blilbd.com**
Company Web Site	:	**http://www.blilbd.com**
Bankers	:	Bank Alfalah Limited Bank Asia Ltd. BASIC Bank Limited Dhaka Bank Limited Dutch Bangla Bank Ltd. EXIM Bank Limited Midland Bank Ltd. Jamuna Bank Ltd. Janata Bank Ltd. Mercantile Bank Ltd. Mutual Trust Bank Limited First Security Islami Bank Ltd. National Credit & Commerce Bank Ltd. Sonali Bank Ltd. Pubali Bank Limited Shahjalal Islami Bank Ltd. Southeast Bank Limited Standard Bank Limited Agrani Bank Ltd. Uttara Bank Limited Eastern Bank Limited Modhumati bank Limited Prime Bank Ltd. United Commercial Bank Limited Woori Bank Bangladesh South Bangla Agriculture & Commerce Bank Ltd.
Associate Company	:	**BLI Securities Limited** Head Office 22, Bir Uttam M A Rob Sarak, 4th Floor Dhanmondi R/A, Dhaka-1205 **Motijheel Branch** Printers' building (5th & 7th Floor), 5 rajuk Avenue, Motijheel, Dhaka-1000. **Dilkusha Branch** Eunoos Trade Centre, 52-53 Dilkusha C/A, Dhaka-1000. **Dhanmondi Extension Office** Rangs Panorama (4th floor), 80 Shatmosjid Road, Dhanmondi, Dhaka-1209.
Subsidiary Company	:	**BLI Capital Limited.** Eunoos Trade Center, Level – 18 52-53 Dilkusha C/A, Dhaka-1000
Branch of BLIL	:	**Principal Branch** Eunoos Trade Centre, Level-18 52-53 Dilkusha C/A, Dhaka-1000. **Mawna Branch** Hazi Riaz Uddin Complex (1st Floor) Mawna Chowrasta Sreepur, Gazipur **Bangla Motor Branch** Rupayan Trade Centre, Level-06 114 Kazi Nazrul Islam Avenue , Dhaka

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FEB - 07
Incorporation as a Public Limited Company

MAY - 19
Certificate for Commenceme-nt of Busienss

MAY - 25
Bangladesh Bank License as NBFI.

MAY - 27
Commenceme-nt of Commercial Operation.

JUNE - 25
Registration of Merchant Bank Wing.

JULY - 03
First Lease Agreement Signed.

JULY - 24
First AGM

JAN - 09
SEC approval for brokerage house

2008

DEC - 07
Agreement with CDBL.

2009

JAN - 18
IPO opening date for subscription

APR - 12
Listed in DSE & CSE

AUG - 04
Approval to issue Right Share









JAN - 24
Agreement with Bangladesh Bank for ADB refinance scheme.

JUNE - 11
Agreement with Bangladesh Bank for JICA refinance scheme.

NOV - 07
SEC approval for Merchant Bank Subsidiary - BLI Capital Limited.

ULY - 01
Commenceme-nt of business operations of BLI Capital Limited.

SEP - 28
Relocation of Head Office to own premises at Eunoos Trade Centre.

NOV - 02
Bangladesh Bank approval for opening Principal Branch

2016

FEB - 11
Bangladesh Bank approval for opening Mawna Branch.

2017

JUN - 15
Bangladesh Bank approval for opening Bangla Motor Branch.

Products & Services



CORPORATE FINANCE



SME FINANCE



HOME LOAN



LEASE FINANCE



AUTO LOAN



WOMEN ENTREPRENEUR LOAN



PLAIN TDR



PROFIT TAKE HOME



FLEXI SAVINGS PLAN



SUPER DPS PLAN



WEALTH PLAN



DOUBLE MONEY PLAN

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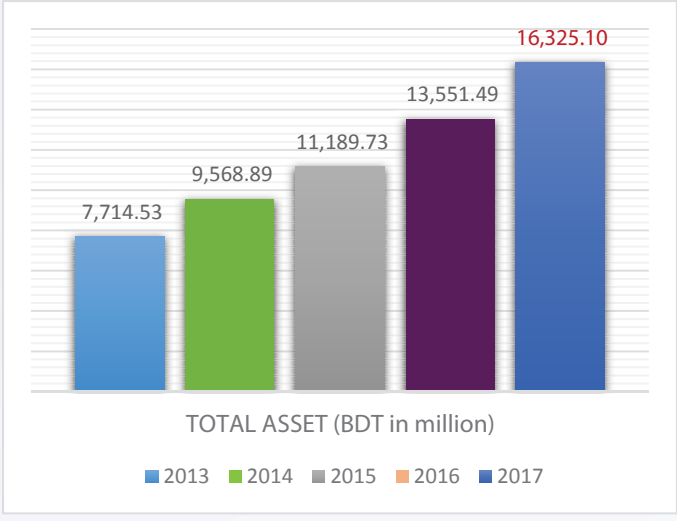
Financial Highlights

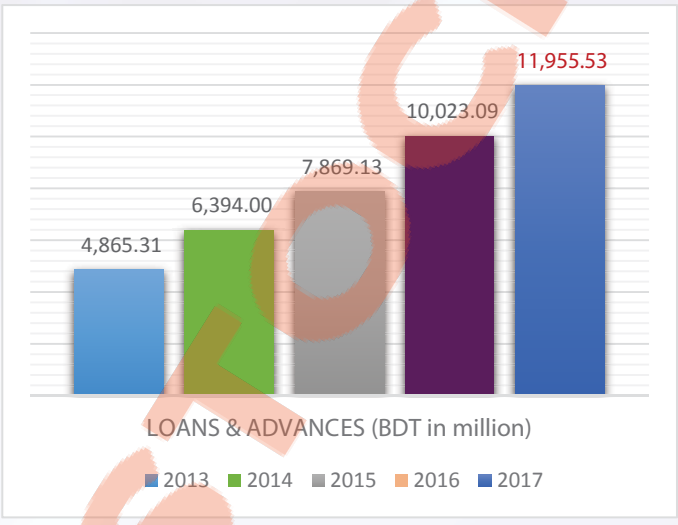
Figures in million

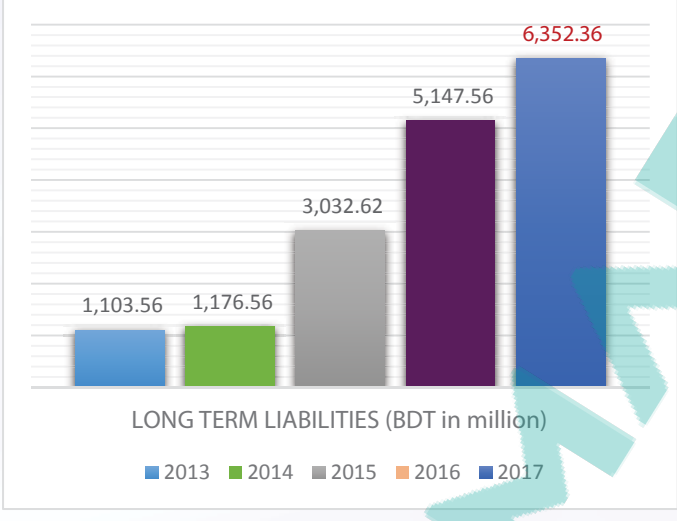
Particulars		2017	2016	2015	2014	2013
Lease, Term & Other Finance		11,955.53	10,023.09	7,869.13	6,394.00	4,865.31
Investments		1,681.85	1,646.00	1,620.24	1,377.55	1,073.91
Fixed Assets		1,261.38	1,246.35	1,043.18	1,051.78	920.96
Other Assets		487.89	321.40	347.99	474.54	540.59
Total Assets		16,325.10	13,551.49	11,189.73	9,568.89	7,714.53
Term & Other Deposits		6,424.72	4,938.63	3,695.32	2,760.76	1,806.51
Long Term Liabilities		6,352.36	5,147.56	3,032.62	1,176.56	1,103.56
Share Capital		1,309.07	1,309.07	1,309.07	1,309.07	1,138.32
Shareholders Equity		2,610.90	2,642.58	2,737.63	2,841.87	2,897.21
Operating Revenue		1,361.98	1,042.86	959.15	889.40	821.89
Financial Expenses		963.86	757.58	699.98	607.08	560.47
Operating Expenses		124.08	95.95	77.76	65.39	53.82
Profit before Taxation		217.60	167.63	162.77	185.73	189.13
Net profit after Tax		162.76	101.30	95.93	138.17	137.52
Current Ratio (Times)		1.03	1.01	1.14	1.16	1.00
Debt/Equity Ratio		4.89	3.82	2.82	1.84	1.09
Return on Equity		6.23%	3.83%	3.50%	4.86%	4.75%
Return on Assets		1.33%	1.36%	1.64%	1.94%	2.27%
Dividend	Cash	10%	15%	15%	15%	17%
	Stock	5%	-	-	-	15%
Net Asset Value per Share		19.94	20.19	20.91	21.71	25.45
EPS		**1.24**	**0.77**	**0.73**	**1.06**	**1.21**

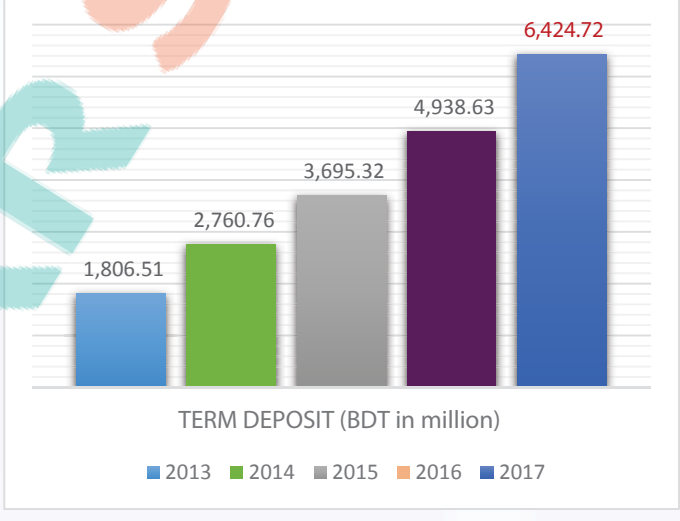
ANNUAL STOCK

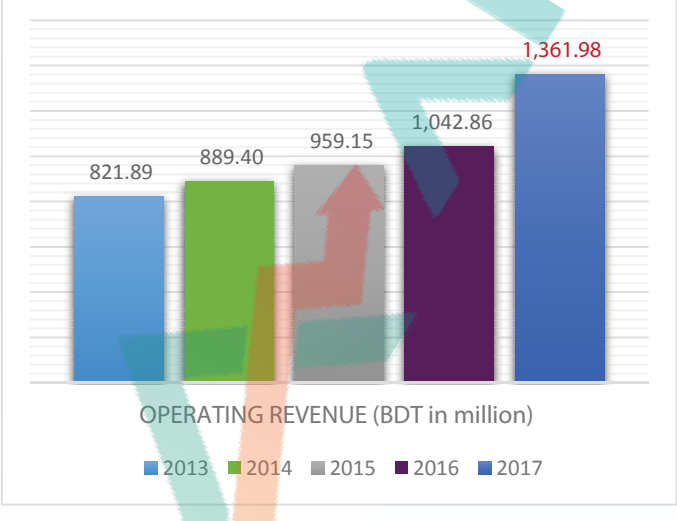
Key Performance Indicators

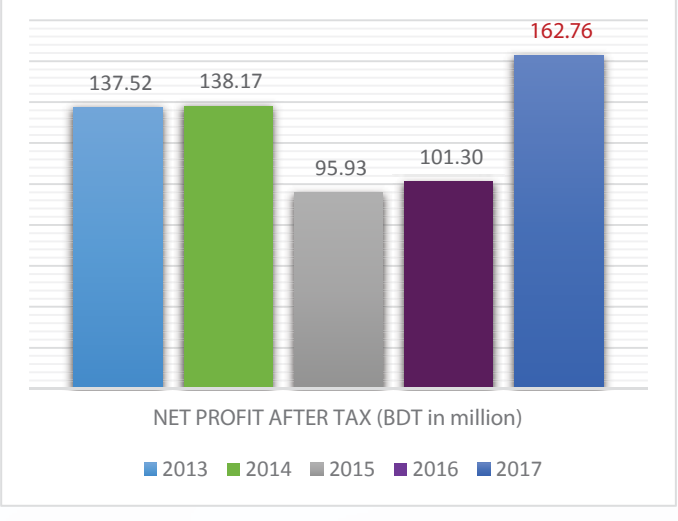












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Some Of Our Valued Clients







































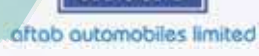




















Project Snapshots










A few snapshots of projects funded by Bay Leasing & Investment Limited.

We have diversified investments in Textiles, Cement, RMG, Automobiles, Food, Printing, Plastic, Retail Stores, Poultry, Real Estate, Agriculture and Steel.

Board of Directors



Dr. Maswooda Ghani
Chairman

Dr. Maswooda Ghani is the Chairperson of Bay Leasing & Investment Limited. She completed her Medical Bachelor's Degree from Dhaka Medical College and held the position of CA at Obs & Gynaecology Dept. at Dhaka Medical College. Later she moved to Saudi Arabia and worked as Medical Officer in Al-Qassim Hospital for a period of 3 years. After returning from Saudi Arabia she joined Dhaka Cantonment General Hospital and held the position of Chief Medical officer for over two decades.

She is also the owner of a Medical Diagnostic Centre named "Pushpo Clinic" at Banani, Dhaka which she still runs efficiently.



Prof. Suraiya Begum
Director

Prof. Suraiya Begum, one of the Sponsors of Bay Leasing & Investment Limited, is the member of the Board Audit Committee. She did her Masters in Home Economics from University of Dhaka followed by Bachelor of Education (B.Ed.) from Mymensingh Teacher's Training College. To further her academic pursuit she completed a Diploma in Food Science & Nutrition from Wageningen University, Netherlands. Her career started as a Lecturer in Teacher's Training College, Mymensingh and subsequently Prof. Suraiya Begum held the position of Associate Professor in Home Economics College in 2001. Soon after she became Vice Principal of Jagannath College (now Jagannath University) and later Principal of Home Economics College.

In the final leg of her illustrious career she was appointed as Member of the Public Service Commission (PSC) for a period of 5 years (2007-2012).

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Tarik Sujat
Director

Mr. Tarik Sujat is a Director and Member of the Board Audit Committee of Bay Leasing & Investment Limited. After completing his Bachelors and Masters (MSS) in Political Science from University of Dhaka, he specialized his skills as a Graphic and Interior Designer. Mr. Sujat is also a well-known Writer and Poet and has authored and published numerous books of poems both at home and abroad. He established himself as a well-known Social and Cultural personality in addition to his being a successful entrepreneur in business. He is the CEO of Journeyman, Colors of Bangladesh & One Stop Print Shop as well as Managing Director of Media Scene Limited (The Daily Bhorer Kagoj) and I-Info Media Limited. Mr. Sujat is also a Director of Desh TV Ltd.



Zubayer Kabir
Director

Mr. Zubayer Kabir, a Sponsor Director of Bay Leasing & Investment Limited, is the Member of the Board Audit Committee. After completion of his college education from Dhaka College, he left for USA for higher studies. After returning from USA, he got involved in property business held the position of Managing Director, Erebus Properties Ltd. and later Managing Director of National Securities and Consultants Ltd. Mr. Kabir is also a Sponsor Shareholder and former Director of EXIM Bank Limited.

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Sheikh Abdul Hafiz, FCA
Independent Director

Mr. Hafiz is a Partner of Rahman Rahman Huq (RRH), a leading firm of Chartered Accountants in Bangladesh. RRH is a Member Firm of KPMG International, one of the "Big 4" Accounting Firms in the World.
Mr. Hafiz is a Senior Member of the Institute of Chartered Accountants of Bangladesh (ICAB). He is a Life Member of the Institute of Chartered Accountants in England & Wales (ICAEW).

Mr. Hafiz was a member of the National Gas Utilization Committee. He was a Director of Sonali Bank Limited for over six years. He was also a Director and Chairman of the Audit Committee of Agrani Bank Ltd.

Mr. Hafiz was President at the Institute of Chartered Accountants of Bangladesh. He was also President of South Asian Federation of Accountants (SAFA) with permanent secretariat in New Delhi. SAFA represents all the Institutes of Chartered Accountants as well as the Institutes of Cost and Management Accountants of all the SAARC countries.

Mr. Hafiz is a dedicated social worker and is associated with many social organizations in various capacities. He is the President of the Governing Body of Dhanmondi Rotary Club Girls High School at Savar. He is the President of the Management Committee of Baitul Aman Govt. Mosque at Road – 7, Dhanmondi R/A, Dhaka. He is a Life Member and Executive Council Member of the Bangladesh Medical Studies and Research Institute comprising Bangladesh Medical College, Uttara Adhunik College and Bangladesh Dental College.



Zakir Ahmed Khan
Independent Director

Mr. Zakir Ahmed Khan is a member of Audit Committee of Bay Leasing & Investment Limited. Mr. Khan completed Masters in Economics from University of Dhaka and he later undertook Graduate Study in Development Economics as a Hubert Humphrey North-South Fellow at the Colorado State University, USA, and MBA from Vrije Universiteit Brussels, Belgium. Mr. Khan has had an extensive career as a technocrat and held important assignments at home and abroad; such as Alternate Executive Director, Board of Directors of the World Bank Group, Finance Secretary, Secretary, Internal Resources Division and Chairman, National Board of Revenue of the Government of Bangladesh. Earlier he also served as Economic Minister, Embassy of Bangladesh in Brussels.

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Prof. Shahid Uddin Ahmed, Ph.D.
Independent Director

Prof. Shahiduddin Ahmed is an Independent Director of Bay Leasing & Investment Limited. A Masters in Management from University of Dhaka, he completed MBA (Management) and Ph.D from Brunel University, London, UK. He had an illustrious career as an Academician and reached the position of Pro Vice Chancellor and also for an interim period the Vice Chancellor of University of Dhaka. He has authored and published many books and research papers on Entrepreneurship Development and Management and also winner of distinguished Awards and Gold Medal. His doctoral research was based on "Entrepreneurship and Management Practices among Immigrants from Bangladesh in the UK". His academic visits took him to various countries in the SAARC region, Middle East, Europe and the USA.



Dr. Zaidi Sattar
Independent Director

Dr. Zaidi Sattar is an Independent Director of Bay Leasing & Investment Limited. His illustrious career started after completion of B.A. (Hons) in Economics from Dhaka University in 1967 and Masters in Economics from Karachi University in 1968. After a short stint as Lecturer in Economics at Dhaka University, Dr. Sattar joined the Civil Service of Pakistan in 1969 and later held top echelon administrative positions in various districts and secretariats in Bangladesh until 1983. And part of this time he was on administrative leave and completed his second Ma sters in Political Economy and subsequently Ph.D in Economics from Boston University, USA. From the year 1984 until 1992 Dr. Sattar was Associate Professor at the Catholic University of America in Washington DC. He then moved to Dhaka and joined National Board of Revenue as World Bank International Advisor on Tariffs and Tax Reform until 1995 and later as Special Macroeconomic Advisor at UNDP till 1996. He continued his services at World Bank as Senior Economist and Consultant for the next 12 years until the year 2009. Dr. Zaidi Sattar is currently the Chairman of Policy Research Institute (PRI) of Bangladesh and has been holding this position since 2009.

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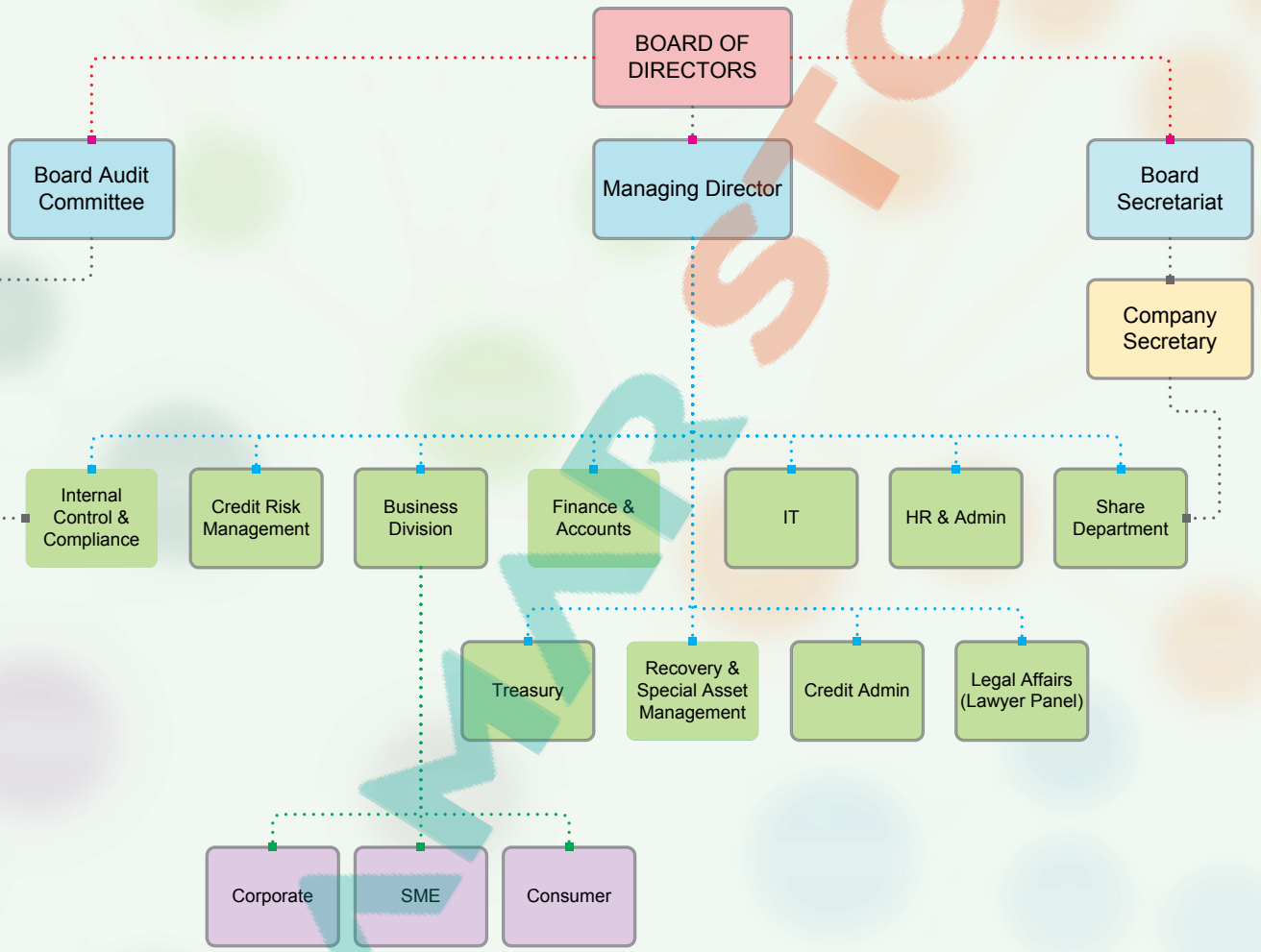


Iftekhar Ali Khan
Managing Director

Mr. Iftekhar Ali Khan joined Bay Leasing and Investment Limited in September 2010. He started his banking career 33 years ago as a Management Trainee at ANZ Grindlays Bank where he worked for a decade and held the position of Branch Manager of Nasirabad, Chittagong and later Manager, Karwan Bazar branch. In 1994, he moved to Standard Chartered Bank as Head of Chittagong zone. Later in 1999, Mr. Khan joined EXIM Bank as SEVP and Head of Corporate. Between the years 2001 and 2006, Mr. Khan served as DMD of GSP Finance and Mutual Trust Bank respectively. From 2007 to 2009 he served as Country Head of Ceylinco Consolidated (BD) Limited, an international remittance company head quartered in Singapore. Prior to joining as the MD of Bay Leasing & Investment Limited in 2010 he held the position of Additional Managing Director of BD Finance Limited. Mr. Khan has traveled widely and attended numerous trainings and seminars at home and abroad.

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Organogram



AWAL STOCK

Recent Events



Bay Leasing & Investment Limited yesterday signed a participatory agreement with Bangladesh Bank on "Foreign Direct Investment Promotion Project (FDIPP)" assisted by Japan International Co-operation Agency (JICA). Mr. Iftekhar Ali Khan, Managing Director of Bay Leasing and Mr. Md. Rezaul Islam, General Manager and Project Director, FDIPP, Bangladesh Bank signed the agreement on behalf of their respective organisations. Governor of Bangladesh Bank Mr. Fazle Kabir, Deputy Governor of Bangladesh Bank Mr. Abu Hena Mohd. Razee Hassan and Chief Representative of JICA Bangladesh Office Mr. Takatoshi Nishikata were present at the agreement signing ceremony.



Bay Leasing & Investment Limited (BLIL) singed a participatory agreement with Bangladesh Bank on "Urban Building Safety Project (UBSP)" assisted by Japan International Co-operation Agency (JICA). Mr. Iftekhar Ali Khan, Managing Director of BLIL and Mr. Swapan Kumar Roy, General Manager of Bangladesh Bank signed the agreement on behalf of their respective organizations. Governor of Bangladesh Bank Mr. Fazle Kabir, Deputy Governor of Bangladesh Bank Mr. S.K. Sur Chowdhury and Chief Representative of JICA Bangladesh Office Mr. Takatoshi Nishikata were present at the agreement signing ceremony.



Bay Leasing & Investment Limited recently singed a participatory agreement with Bangladesh Bank on "Second Small and Medium Sized Enterprise Development Project" assisted by Asian Development Bank (ADB). Mr. Iftekhar Ali Khan, Managing Director of Bay Leasing and Mr. Md. Abul Bashar, General Manager and Project Director, Financial Inclusion Department, Bangladesh Bank signed the agreement on behalf of the respective organizations. Senior officials from both organizations were present at the agreement signing ceremony.



CORPORATE HEAD OFFICE - SENIOR MANAGEMENT

Sitting As Seen In The Photograph

In the left	In the middle	In the right
M. Maniruz Zaman Khan EVP and Head of Finance & Company Secretary	Iftekhar Ali Khan Managing Director	Mohammad Lutfur Rahman SEVP and Head of Business & Treasury

Standing From Left

Aklima Akhi AVP, Finance & Accounts	Pronab Kumar Das AVP, Recovery Department	Faisal Bin Naser Ahamed AVP, In-Charge, Credit Administration	Md. Zabed Miah AVP, SME Cluster Finance & Asset Admin	Md. Enayet Kabir AVP, Finance & Accounts
Samir Saha AVP, Risk Management & Compliance	Md. Tareq AVP, Credit Admin & Operations	Md. Sameer Sazzad SAVP and Head of ICC & CRM	Shabbir Minhaz Chowdhury SAVP & In-Charge, Recovery	Sharmin Akhter SAVP & In-Charge, Share Division

Other Members - Corporate Office



Shahidul Haque Ahmed
SPO, OIC – HR & Admin



Mahade Hasan Bhuyan
SPO, Corporate Finance



Md. Nafi Borhan
PO, Treasury Operations



Nawshad Md. Aziz Arman
PO, SME Department



Arifur Rahman Badhan
EO, Credit Admin & Operations



Saiful Arefin
SO, ICT Department



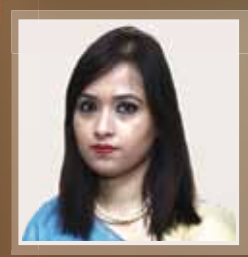
Md. Jashim Uddin Rajib
SO, Finance & Accounts



Lutfun Nahar Lita
SO, Operations



Sajal Ahmed
SO, Legal Department



Tamanna Ahmed
Junior Officer



PRINCIPAL BRANCH TEAM

Sitting As Seen In The Photograph

Mohammad Rashedul Islam
VP and Head of Branch

Standing From Left

Md. Alomgir Hossain
Officer, Collection & PDC Management

Md. Tanshen Parvez
SO, Finance & Accounts

Md. Shibli
EO, SME & Retail Finance

Supriya Sarkar
Officer, Customer Services

Nasrin Akter
EO, SME Department

Mahmuda Shahnaz
SO, Credit Admin & Operations



Sitting As Seen In The Photograph

In the left

Rashed Al Islam
VP and Head of Branch

In the right

A.K.M. Jahirul Islam
SPO, Credit & Marketing

BANGLA MOTOR BRANCH TEAM

Standing From Left

Shafquat Rahat Hamid
Officer, Operations

Toma Rani Guha Roy
Trainee Officer

Md. Abu Tayem Lasker
SO, Liability Marketing



MAWNA BRANCH TEAM

Standing From Left

Shamima Nasrin
Officer

Shifur Rahman Sumon
Officer

Md. Moniruzzaman
PO and Branch In-Charge

Tufayel Ahmed
EO

Mohammad Maniruzzaman
Officer

BLI Capital Limited
(A Bay Leasing Subsidiary)



CORE TEAM MEMBERS

Sitting As Seen In The Photograph

In the left	In the middle	In the right
Mohammed Mofizul Islam SVP & Head of Operations	Md. Israil Hossain, ACS Managing Director	Ahmed Mehfuz Moin VP & Company Secretary

Standing From Left

Md. Moniruzzaman Executive Officer	Md. Sarwar Senior Principal Officer	Mithun Dutta Executive Officer	Chanchal Kumar Saha Executive Officer	Md. Sakhawat Hossain Executive Officer

Committees

MANAGEMENT COMMITTEE (MANCOM)

Mr. Iftekhar Ali Khan	: Chairman
Mr. Md. Lutfur Rahman	: Member
Mr. M. Maniruz Zaman Khan	: Member
Mr. Mohammad Rashedul Islam	: Member
Mr. Rashed Al Islam	: Member
Mr. Shabbir Minhaz Chowdhury	: Member
Mr. Sharmin Akhter	: Member
Mr. Md. Sameer Sazzad	: Member
Mr. Faisal Bin Naser Ahmed	: Member
Mr. Enayet Kabir	: Member
Mr. Samir Saha	: Member
Mr. Md. Mahade Hasan Bhuyan	: Member Secretary

CREDIT COMMITTEE (CC)

Mr. Iftekhar Ali Khan	: Chairman
Mr. Md. Lutfur Rahman	: Member
Mr. M. Maniruz Zaman Khan	: Member
Mr. Mohammad Rashedul Islam	: Member
Mr. Rashed Al Islam	: Member
Mr. Md. Sameer Sazzad	: Member
Mr. Faisal Bin Naser Ahmed	: Member
Mr. Md. Mahade Hasan Bhuyan	: Member Secretary

CENTRAL COMPLIANCE UNIT (CCU)

Mr. Md. Lutfur Rahman	: CAMCLO
Mr. Samir Saha	: Member
Mr. Md. Nafi Borhan	: Member

BASEL IMPLEMENTATION UNIT (BIU)

Mr. Iftekhar Ali Khan	: Head of BIU
Mr. Enayet Kabir	: Member
Mr. Samir Saha	: Member

ASSET & LIABILITY MANAGEMENT COMMITTEE (ALCO)

Mr. Iftekhar Ali Khan	: Chairman
Mr. Md. Lutfur Rahman	: Member
Mr. M. Maniruz Zaman Khan	: Member
Mr. Mohammad Rashedul Islam	: Member
Mr. Rashed Al Islam	: Member
Mr. Md. Sameer Sazzad	: Member
Mr. Enayet Kabir	: Member
Mr. Samir Saha	: Member Secretary

AMAR STOCK

Committees

RISK MANAGEMENT FORUM (RMF)

Mr. Iftekhar Ali Khan	: Chief Risk Officer
Mr. Md. Lutfur Rahman	: Member
Mr. Mohammad Rashedul Islam	: Member
Mr. Rashed Al Islam	: Member
Mr. Md. Sameer Sazzad	: Member

RISK ANALYSIS UNIT (RAU)

Mr. Samir Saha	: Unit Head
Mr. Enayet Kabir	: Member
Mr. Tareq Miah	: Member
Mr. Nawshad Md. Aziz Arman	: Member

INTEGRITY COMMITTEE

Mr. Md. Lutfur Rahman	: Committee Head
Mr. M. Maniruz Zaman Khan	: Focal Point
Mr. Md. Sameer Sazzad	: Member
Mr. Md. Arifur Rahman Badhon	: Member

SUSTAINABLE FINANCE COMMITTEE

Mr. Md. Lutfur Rahman	: Committee Head
Mr. M. Maniruz Zaman Khan	: Member
Mr. Mohammad Rashedul Islam	: Member
Mr. Rashed Al Islam	: Member
Mr. Shabbir Minhaz Chowdhury	: Member
Mr. Md. Sameer Sazzad	: Member
Mr. Faisal Bin Naser Ahmed	: Member
Mr. Samir Saha	: Member
Mr. Shahidul Haque Ahmed	: Member
Mr. Md. Mahade Hasan Bhuyan	: Member Secretary

SUSTAINABLE FINANCE UNIT

Mr. Md. Sameer Sazzad	: Unit Head
Mr. Samir Saha	: Member
Mr. Md. Zabed Miah	: Member
Mr. Md. Mahade Hasan Bhuyan	: Focal Point
Mr. Nawshad Md. Aziz Arman	: Fallback Person
Mr. Md. Shibli	: Member

AMAR STOCK



Dr. Maswooda Ghani

Chairman

AIR STOCK

Chairman's Message

Bismillahir Rahmanir Rahim

Dear Shareholders

It is indeed my pleasure to welcome you all to the 22nd Annual General Meeting of Bay Leasing & Investment Limited (BLIL). With blessings of The Almighty, Bay Leasing has passed another successful year holding its ground and ensuring sustainable and accelerated pace in business despite the ongoing challenges faced by the financial sector. The overall economic indicators of the country showed a positive outlook also. The growth of Gross Domestic Product (GDP) showed increase of 0.14 percentage points, to 7.24% in 2017, and inflation declined to 5.4% from 5.9% in previous year. Irrespective of facing all the hurdles throughout the year, Bay Leasing successfully managed to maintain its overall stability by providing dividend to its honorable shareholders consistently at the same level.

National Economy & BLIL

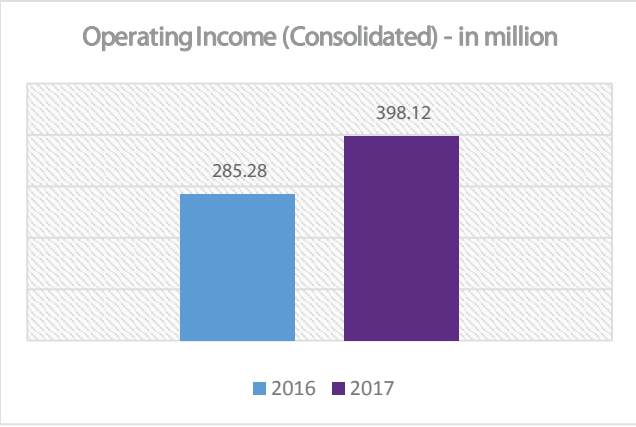
Following the positive trends of previous year, the overall macroeconomic outlook of Bangladesh has been robust in 2017. One of the major success indicators is that- Bangladesh has graduated from a least developed country to an eligible middle income country. And despite the country-wide natural disasters and ongoing Rohingya refugee situation, the economy continued to achieve growth and macroeconomic stability as reflected by major financial and social indicators. As reported by Center of Policy Dialogue data, the Gross Domestic Product (GDP) for 2017 was 7.24%, breaking the six percent cycle that continued for over past decade. According to The World Bank development update, this growth is remarkable and above many developing countries in East and South Asia like China, Indonesia and Thailand. Bangladesh Bureau of Statistics (BBS) report shows that, much of this growth has been contributed by production sectors, such as industrial sector (3.18%) and various services sectors (3.31%). And although contribution to GDP from agricultural sector has increased from last year (0.43% to 0.50%), it didn't achieve the expected rate, mainly due to back-to-back disasters, floods in haor areas and Chalan Beel in Natore, intense rainfall in almost all parts of the country, and seasonal disease outbreaks.

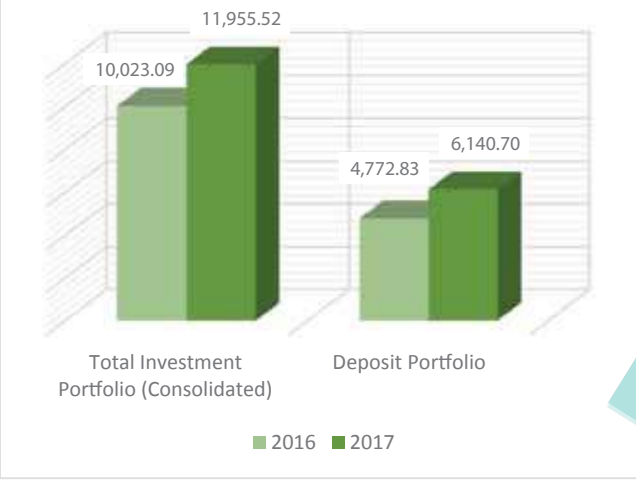
But at the same time, growth of tax revenue by 19.6%, net foreign direct investment by 0.2% and import of construction materials by 13.6% has been high indicating that the economy is well on course to maintaining growth over the coming fiscal year. During the month of July-April, NBR Tax Revenue growth was reported as 19.6%, higher than last year. The development update from The World Bank also shows that, non-food inflation slowed to 4.6% and headline inflation decelerated to 5.4% in FY 2017, aided by prudent monetary management and weak aggregate demand. A robust financial account surplus in the balance of payments boosted official foreign exchange reserves despite a $1.5 billion current account deficit. And the exchange rate has depreciated both in nominal and real effective terms in recent months.

However, it is also essential to mention that, there have been a few hiccups that added hindrances in the way. From a geo-political point, 2017 has been highly challenging for Bangladesh caused mainly by the high number of Rohingya immigrants from Myanmar. And although there are ongoing discussions on most international platforms on resolving the crisis, some fiscal burden will befall on the economy of Bangladesh which will have budgetary implications, at least in the short term. Moreover, to continue the growth of the economy investment is a major incentive. For the year the target was set to increase investment to 32.7% of GDP, whereas actual investment as a share of GDP went up to 30.5%. Similarly, domestic savings-GDP ratio increased by only 0.3% while national savings-GDP ratio declined by 1.2% in the backdrop of the large current account deficit. The fiscal deficit has increased to nearly 5% of GDP, with more than half of the deficit financed from expensive domestic sources. Halting the decision of passing the value added tax (VAT) law, which was set to be launched in FY 2017-18, also made the target for domestic resource mobilization challenging. In 2017, the banking sector exposed further weaknesses through major indicators such as rise of non-performing loans (NPLs), lower capital adequacy and the overall weak governance in the sector. Though the period of BASEL III implementation is approaching in 2019, few banks are prepared to adopt it. Over the year lending rates has continued to decline, though at a very sluggish pace not commensurate with the size of excess liquidity in the financial sector. Moreover, recapitalizing the state-owned banks has further contributed to the overall grim situation of the financial sector.

Financial Position & Performance

In the year 2017, BLIL struggled much to cope with changing economic environment and reported a stable financial position. At the end of 2017, the reported operating income is BDT 398.12 million (consolidated) in 2017 and the total investment portfolio is BDT 11,955.52 million, reflecting a 39.56% increase in operating income and a 19.28% increase in total investment portfolio compared to that of the year 2016.





Risk Management

Risk is the main cause of uncertainty in any organization. Focusing and identifying various risks and managing them is vital in any financial institution. BLIL has lately developed an Environmental Risk Management Manual and regularly updates its core risk management manuals with a view to managing the changing risk types. The company's risk management guidelines are revised and updated inclining with the updated guidelines and circulars of Bangladesh Bank. BLIL's strong information systems as well as highly qualified personnel ensure efficient risk assessment, risk management, and prompt decision making. The Credit Committee members are equipped with training and experiences in order to assess the risks of the proposals. BLIL management always keeps their focus on secured lending to the right borrowers and furthermore, the loan default rate has been kept low over the year.

Sources of Fund

The primary sources of fund are term deposits from individuals and institutions along with borrowing from commercial banks. Bay Leasing manages low cost of funds from various re-finance schemes from Bangladesh Bank, JICA, ADB.

Compliance & Governance

BLIL also considers its social responsibility as one of the primary components to benefit society while benefitting itself. In 2017, BLIL completed several activities in order to support different communities which have been reported in the CSR Report. Independent Internal Control and Compliance division of BLIL works to ensure the accountability and transparency along with the objective of reducing anomalies and conflicts of interest. BLIL complies with the corporate governance requirements as well. The compliance division ensures that BLIL complies with all the applicable regulations and adopts changing regulatory guidelines.

Promoting SME and Women Entrepreneurs

Almost 90% of the entire private sector of Bangladesh falls under the category of small and medium enterprises. SMEs play much significant role in reducing unemployment rate and fostering economic growth. Every year, SME sector of Bangladesh contributes a good portion in Bangladesh's GDP. Access to finance is vital to the development of SME sector. To promote SME industry, the SME division of BLIL not only gives loans, but also provides advocacy to increase the beneficiaries' capacity as well as operating efficiency. Women Entrepreneur Dedicated Desk of BLIL has been dedicated in sanctioning loans to the women entrepreneurs being subsequently refinanced by Bangladesh Bank at a low interest rate. As of December 2017, the 2.95% of the total lending portfolio falls under SME category.

Corporate Social Responsibility (CSR) Initiatives

The financial uncertainty has brought about some dramatic consequences for our economy and society and we are still witnessing a fragile recovery. The financial sector has been broadly held at least partly responsible for the financial crisis, albeit in the context of regulatory failure and borrower short-sightedness. The question of sources of responsibility for the crisis has drawn attention to the concept of corporate social responsibility (CSR) and its relationship with the recession. CSR is a contested and cluster concept which in essence refers to the expectations that business is i) responsible for its impacts on society and the environment, ii) accountable for these impacts, iii) conducted in a responsible fashion and iv) managed within the corporation-society interface. CSR is conventionally associated with the responsibility of business for society (in the sense of avoiding, reducing or at best compensating for negative externalities and contributing to social welfare) and to society. CSR is also overlapping with other related concepts such as business ethics, corporate governance, community investment, corporate citizenship and sustainable development.

Bay Leasing & Investment Limited, in keeping the importance of CSR activity in its vision, has been keenly investing in CSR initiatives. This includes donating warm clothes to underprivileged section of the society, investing in development of education of street children etc. Apart from this, recently Bay Leasing also extended financial assistance to an association of disabled and mute people who are involved in producing organic food items. All these initiatives shall continue over the period of time as the company grows further.

Concluding note

Despite different obstacles, it is encouraging to note that the economy of Bangladesh is growing. I expect that BLIL along with its subsidiary BLI Capital Limited will continue to perform better in the years ahead. I would like to express my sincere appreciation to the Governor of the Central Bank of Bangladesh and the officials at the Department of Financial Institutions and Markets, for their continued support. I would also like to take this opportunity to thank my fellow members of the Board of Directors for their guidance, support and prudent counsel, all our esteemed shareholders for their unflinching faith on the Board and the Management, and the BSEC, DSE, CSE, CDBL, RJSC for their continuous support. It has always been a privilege to work with the board, the management team, and all the employees along with the business partners. I would like to extend my thanks to everyone for their contribution to BLIL and for their sincere commitment towards the betterment of the company and its valued customers.

M. Ghani

Dr. Maswooda Ghani
Chairman

AMAR STOCK



Iftekhar Ali Khan

Managing Director

AMIR STOCK

Managing Director's Message

Dear Valued Shareholders

AssaIamu Alaikum.

At the outset, I would like to express my deepest thanks to you for your continuous support to our organization and I am pleased to present a brief summary of Bay Leasing and Investment Ltd. (BLIL) and our major achievements along with overall performance during the year 2017. Bay Leasing has successfully completed 22 years since its incorporation in February 1996. Every year is a challenge and this year was no different as well. However, despite significant challenges, we have spent another year with sustained earnings and strengthened our relationship. Our concentration on 2017 was on business expansion as well as customer diversification which enhanced the organization's scope of operation and achievements throughout the year. This is my immense pleasure to present the Annual Report 2017 of BLIL to you. Our core banking operations strengthened this year creating significant growth in loan disbursements and deposit collection resulting in higher growth in operating income. But due to ongoing challenges faced by the financial sector related to capital adequacy ratio and non-performing loans, we took prudent measures & increased provisioning to avoid any major business setback.

Economic Review 2017

The recent economic outlook shows that, despite significant challenges, the economy of Bangladesh continued to achieve healthy growth. Healthy output growth sustained, as reported by Bangladesh Bureau of Statistics (BBS). The country's total output growth rose to 7.24% in the current year from 7.1% in the preceding fiscal year, driven by both services and manufacturing growth. At the same time, manufacturing sector dominated industrial growth- the contribution was about 3.18%, compared with 3.24% in last year. On the other hand, contribution of the services sector has grown 3.31% points. This contribution was fueled by the growth of public administration and defense, education, health and social works, wholesale and retail trade, repairs and maintenance of vehicles and personal and household goods. These sectors accounted for 50.2% of the estimated 3.31% growth contribution from the services sector. Analyzing the state of major growth drivers shows that investment as percent of GDP also risen by to 30.3% in FY 2017, driven entirely by increase in public investment. And although real private investment has grown by 5.4%, overall rate of private investment remained stagnant at 23% percent of GDP after increasing 0.9% in FY 2016. Based on letters of credit (LC) settlement data collected by the central bank, Bangladesh's import payments rose by 10.5 percent in FY 2017. The share of capital goods has also been on the rise – from 20% in total imports to 31.3% over the course of last 4 years. The share of capital machinery has also increased.

But at the same time, export growth has declined. The growth of export earnings was only 1.7%, compared with 9.8% in last year. According to preliminary estimates released by BBS in the last quarter of 2017- in real terms, exports declined by 0.6%. In FY 2017, the government had set an export target of US$ 37 billion but fell short by nearly US$ 2.2 billion. The decline is mainly attributable to the fall in the RMG earnings, and about 2.3% from woven garments export. Other major non-RMG growth drivers were pharmaceuticals (8.6%), light engineering (35%) and non-RMG manufactured goods (13.4%). And although performance of non-RMG exports has been higher than the 7.4% targeted, because of the dominating impact of RMG sector, the growth achieved by non-RMG alone was unable to cover up the overall decline in export growth.

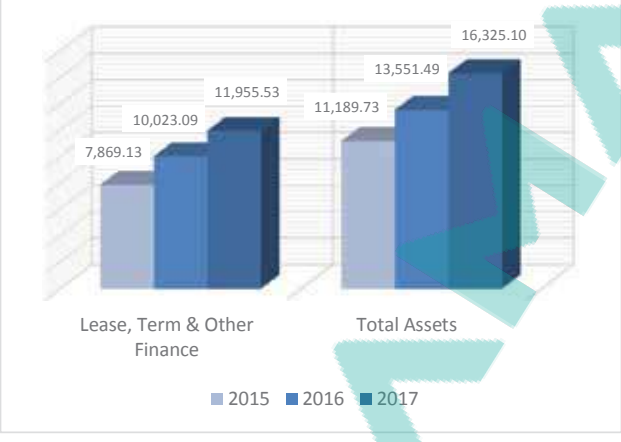
On a positive note, inflation has declined. The Consumer Price Index (CPI) declined to 5.4% (from 5.9% in previous year) in FY 2017, and was within the Bangladesh Bank's Monetary Policy Statement's (MPS) target of 5.3-5.6%. The decrease in inflation rate is caused by decline in non-food inflation, as all components of non-food inflation slowed. Bangladesh Bang survey, however, shows that inflation expectation for June 2018 is 6% and it is anticipated to be caused by large decline in remittances and earnings in garments exports. On the other hand, food inflation has been increasing. Food inflation averaged slightly over 6% for the year, compared with 4.9% in previous year. The central bank has done remarkable in terms of keeping the monetary aggregates broadly in line with their programmed paths in the Monetary Policy Statements (MPS) for FY 2017. Reserve Money (RM), Broad Money (M2), and domestic credit grew by 16.3%, 10.9% and 11.2% in FY 2017, respectively. Private sector credit also achieved progress grew by 15.7% in FY 2017, remaining within the target of 16.5%. The foreign exchange market demonstrated greater flexibility. Bangladesh Bank data shows that weighted avg. inter-bank rate of USD rose from 78.3 to 80.7. However, fiscal deficit has increased. Total revenue rose from 10 billion to 11.2 billion taka, but overall balance declined by 5 billion.

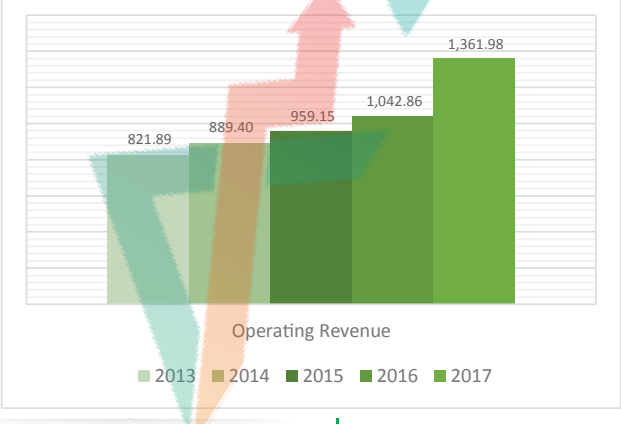
Perhaps the most concerning aspect is that the distress in financial sector is still continuing. While the sector's capital adequacy ratio (CAR) was above the 10% requirement of the Basel II framework, the overall asset quality deteriorated. The CAR of State-Owned Commercial Banks (SCB) and State Owned Development Banks (SDB) was 5.9% and -33.7% percent respectively- the magnitude of which has prompted the government to keep a budgetary provision for their recapitalization. The quality of asset has also deteriorated. The gross non-performing loan (NPL) ratio increased to 9.2% from 8.8%. Since last 5 years, the NPL has continued to rise in the SCBs and is largely accompanied by default loans within them. And this can explain the elasticity of the interest rate spread within the sector. Despite a decline in

both lending and deposit rates, the interest rate spread has been stagnant at 4.7%. Financial Stability Report by Bangladesh Bank also shows a rise in Classified Loans to Total Loans ratio (from 8.8 to 9.2), Classified Loans to Capital ratio (from 60.8 to 74.2) and a decline in Provision to Classified Loans ratio (from 51.8 to 49.4). A recent research report by International Monetary Fund says that at this current situation of banking sector in Bangladesh, banks are reluctant to decrease the spread on the interest rate despite holding a high level of liquidity (until the 3rd quarter of 2017), since protecting profitability amidst the default loan culture is highly challenging. It also points that the absence of good borrowers and a poor legal framework to recover default loans has also been instrumental in the banking sector's increase in risk aversion.

Financial Review

Analyzing the financial condition of the company we find that the consolidated operating income of BLIL for the year 2017 is BDT 398.12 million. Consolidated Operating Profit for 2017 is BDT 274.05 million. Consolidated restated Earnings per Share (EPS) stood at BDT 1.24 in 2017. At the end of the year 2017, the lending portfolio of BLIL stood at BDT 11,955.52 million, an increase of 19.28% as compared to that of the year 2016. The deposit portfolio for 2017 is BDT 6,140.70 million which was BDT 4,772.83 million in 2016. This substantial growth of 28.66% in deposit base represents the confidence reposed by clients and stake holders of BLIL.





Risk Management

Every financial institution, big or small, diverse or focused, assumes risk as part of their essential activity as an enterprise. In fact, the capability of foreseeing risk and taking preventive actions are one of the key terms that brings success to these organizations, and thereby carries a lot of value. BLIL is committed to ensure that all risk management policies and practices are ingrained in its business operations. The credit risk management addresses areas of market, credit and operational risk and seeks to minimize the risks generated by the activities of the company. Guidelines of core risk areas are in place and updated periodically. Appropriate internal control measures have been implemented overseen by the Internal Control and Compliance (ICC) department. The Asset Liability Management Committee (ALCO) conducts periodic reviews to assess prevailing market conditions, re-price products and revise interest rates. Company's policies/ guidelines on Credit Risk Management and Money Laundering & Terrorist Financing prevention have been updated based on latest guidelines and circulars of Bangladesh Bank. A separate Risk Assessment Report has been prepared to identify every possible risk areas and to get them included in the Risk Register. Under the guideline of Bangladesh Bank, all these risk factors have been assigned with appropriate risk score, risk appetite level and applicable treatment/action plans. BLIL management views Money Laundering and Terrorist Financing prevention as an integral part of core risk management strategy and is duty bound to comply with rules and regulations of money laundering prevention and practices.

Information & Communication Technology (ICT)

To increase the pace of work and the quality of services, BLIL upgrades its ICT resources in a timely manner. At present, the ICT Department of BLIL is working continuously to increase the efficiency and effectiveness of the ICT initiatives. In order to achieve higher operational capacity and to ensure more accuracy, our management has approved to adopt the core banking software solution named "BankUltimus" from one of the leading IT Company in Bangladesh. Upon completion of this large scale IT project, our company will surely be able to reach to another height in customer service excellence while streamlining our business process and equipping for improved Management Information System (MIS). However, we strongly believe on the power of our human resources. In this regard we may quote Satya Nadella, CEO, Microsoft Corporation, USA saying "*I'm most grounded on the role of technology. Ultimately to me it's about the human capital and the human potential and technology empowers humans to do great things. You have to be optimistic about what technology can do in the hands of humans*".

Human Resource Development & Employee Turnover

We all know that employees are a company's greatest asset. It's my pleasure to inform that we have recently updated our HR policy under the title "Human Resource Policy of Bay Leasing

& Investment Limited" to try to accommodate all the possible HR related aspects to establish a workplace with better corporate governance. The employees of BLIL are highly trained to perform their job responsibilities. As a part of human resource development, BLIL arranges in-house training programs at a regular basis in order to enhance employees' capacity and potential. In the year 2017, the employees of BLIL participated in multiple training programs organized by Bangladesh Bank, BIBM and BIAC. Trained, highly satisfied and motivated employees of BLIL play a vital role in BLIL's success. The employee turnover ratio was below 5% in the year 2017 reflecting high employee satisfaction in the company. Moreover, efficient personnel have been recruited during the year 2017 to strengthen the overall capacity of our workforce. BLIL puts much emphasis on retaining and rewarding good employees.

Social Responsibility

Considering social responsibility as a major duty, BLIL has already been helping the underprivileged section of the populace. To note a few, BLIL employees distributed warm clothes to the people living in rural parts of the country to protect them from adverse weather in winter and distributed funds to poor in rural areas as charity.

Green Initiatives

BLIL encourages the reduction of carbon footprint. Before disbursing loans to the clients, BLIL management tries to ensure that proper measures are taken by the client in order to reduce any negative effect on the environment. The management also scrutinizes critically the chances of businesses falling under the red category according to the Environment Conservation Rules, 1997. Therefore, environmental risk management system is properly integrated with the credit risk management system in the process of disbursing loans to the clients. This is to be noted that the employees of BLIL have gained awareness regarding environmental issues. Considering environmental responsibilities, BLIL has already adopted initiatives like recycling office inventories, installing power efficient technology, avoiding bottled water, sharing office equipment, initiating in-house plantation programs etc.

Expectation in 2018

BLIL has already proven its ability to cope with changing environment as well as creating new opportunities. In 2017, BLIL tried to focus on ensuring sustainability in business as well as maintaining the quality. I would like to hope that the situation in 2018 will be under control and the economy of Bangladesh will be more stable in upcoming days of the year. It may be noted that the scope of business activities is expanding gradually and I am optimistic that BLIL will be successful to boost up its performance trend in the year 2018. I am also hopeful about our ability to show significant progress in the industry. In 2018, we have already planned to invest heavily in our human resources as well as in expanding our products and services, which, we believe, will enhance not only the scope of our operation but also contribute to the overall benefit of the company and all its shareholders. In 2017, we got approval from Bangladesh Bank to open our Bangla Motor Branch at Kazi Nazrul Islam Avenue, Dhaka which has already started generating good quality profitable business reaching out unexplored client bases. In 2018, we expect to obtain approval for opening a couple of new branches which would also widen our horizon to grab more business opportunities. We believe that our new products and services will fulfill demand of more people and help us enhancing the diversity of our customer portfolio.

Acknowledgement

To conclude, I would like to express my sincere gratitude to the Board of Directors, Customers and Shareholders for their trust guidance and wise counsel. I would also extend my sincere thanks to the Bangladesh Bank, BSEC, DSE, CSE, CDBL, and RJSC for their continued help and cooperation at all times. Lastly, I take this opportunity to thank all of my colleagues for their loyalty, sincerity, commitment and relentless hard work.



Iftekhar Ali Khan
Managing Director

BAY LEASING'S RISK MANAGEMENT AND ANTI-MONEY LAUNDERING & COMBATING TERRORIST FINANCING INITIATIVES

Risk management is an area that is experiencing rapid growth and it entails various perspectives and factors that are involved, how they are conducted and their uses. As a consequence of global financial crisis, regulators and financial industry leaders agree on the need for a comprehensive risk management reform in the financial field. Even though solutions may differ, most agree that the lack of an appropriate risk management system was one of the key factors in causing the financial crisis.

Banks and financial institutions assume risks during the course of conducting business for the purpose of realizing returns on investments. It is obvious that these risks can potentially eliminate expected returns and entail losses for these institutions. Some are expected while others may be unexpected. Banks and Financial Institutions typically have reserves for expected losses but unpredictable events such as economic crisis or falling interest rates cause institutions to rely on their capital to alleviate related losses. This is where the need for effective risk management frameworks in banks and financial institutions are crucial for their survival. By utilizing efficient risk management systems, these institutions will become competent in optimizing their risk return trade off.

Because taking risk is an integral part of the business, it is not surprising that financial institutions have been practicing risk management from their nascent stage. The only real change is the degree of sophistication now required to reflect the more complex and fast paced environment.

The Asian financial crisis of 1997 illustrates that ignoring basic risk management can also contribute to economy-wide difficulties. The long period of remarkable economic growth and prosperity in Asia masked weaknesses in risk management at many financial institutions. Many Asian banks did not assess risk or conduct a cash flow analysis before extending a loan, but rather lent on the basis of their relationship with the borrower and the availability of collateral, despite the fact that collateral was often hard to seize in the event of default. The result was that loan portfolio expanded faster than the ability of the borrowers to repay. Additionally, because many banks did not have or did not abide by limits on concentrations of lending to individual firms or business sectors, loans to overextended borrowers worsened the situation and Bank/FI's who indulged in this practice weakened the most.

Although avoiding failure is a principal reason for managing risk, global financial institutions also have the broader objective of maximizing their risk - adjusted rate of return on capital, or RAROC. This means not just avoiding excessive risk exposures, but measuring and managing risks relative to returns and to capital. By focusing on risk - adjusted returns on capital, global institutions avoid putting too much emphasis on activities and investments that have high expected returns but equally high or higher risk. This has led to better management decisions and more efficient allocation of capital and other resources. Indeed, bank shareholders and creditors expect to receive an appropriate risk - adjusted rate of return, with the result that banks that do not focus on risk - adjusted returns will not be rewarded by the market.

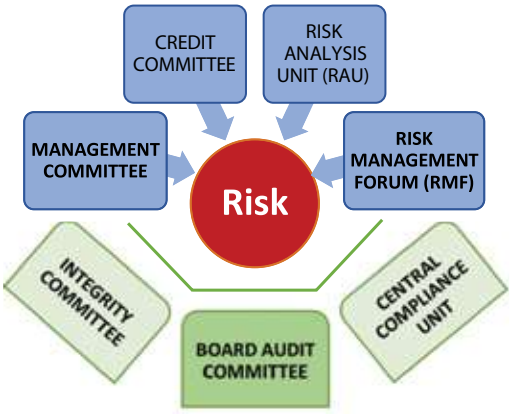
A point too often overlooked, however, is that, by focusing on risk - adjusted returns, risk management also contributes to the strength and efficiency of the economy. It does so by providing a mechanism that is designed to allocate resources, initially financial resources but ultimately real resources to their most efficient use. Projects with the highest risk adjusted expected profitability is the most likely to be financed and to succeed. The result is more rapid economic growth. The ultimate gain from risk management is higher economic growth. Without sound risk management, no economy can grow to its potential. Stability and greater economic growth, in turn, lead to greater private saving, greater retention of that saving, greater capital imports and more real investment. Without it, not only do we lose these gains, but we also incur the considerable costs of bank disruptions and failures that follow from unexpected, undesired and unmanaged risk - taking.

Definition of Risk – Our simplified view

To simplify the concept and for better risk management, we define Risk as the combination of the probability of an event and its consequences. In simple term, risks can be seen as a combination of the chance that something may happen and the degree of damage or loss that may result if it does occur. Sticking with this simplified way of defining risk, Bay Leasing & Investment Limited try to grab all the potential areas of risks considering their probability of occurrence and try to fathom its depth of damage towards our company.

Risk Management Infrastructure of Bay Leasing

In Bay Leasing & Investment Limited, the issue of risk management is considered to be one of the major key matters of the company. To ensure utmost importance as well as to comply with the requirements of Bangladesh Bank, several committees comprising of subject matter experts, have been formed to have better risk management and monitring system. Furthermore, the teams related to compliance as well as the Board Audit Committee keenly monitor the overall risk management. The diagram attached herewith represents the teams and departments that are dealing with risk management issues:



The approval process has been designed in such a way to minimize the credit risks assosciated to lending. The continous rivew of operational processs also been maintained to elimiate potential operational risks.

However, apart from credit risk and operational risks there have been few more risk areas that have been emerged in recent decade. Among them the risk of Money Laundering (ML) and Terrorist Financing (TF) is considered to be one of the global issues.

Considering the impact of such risk areas, ML/TF has been given a special attention from our management.

Special focus on combating Money Laundering and Terrorist Financing

The international community has made the fight against money laundering and the financing of terrorism a priority. Among the goals of this effort are: protecting the integrity and stability of the international financial system, cutting off the resources available to terrorists, and making it more difficult for those engaged in crime to profit from their criminal activities.

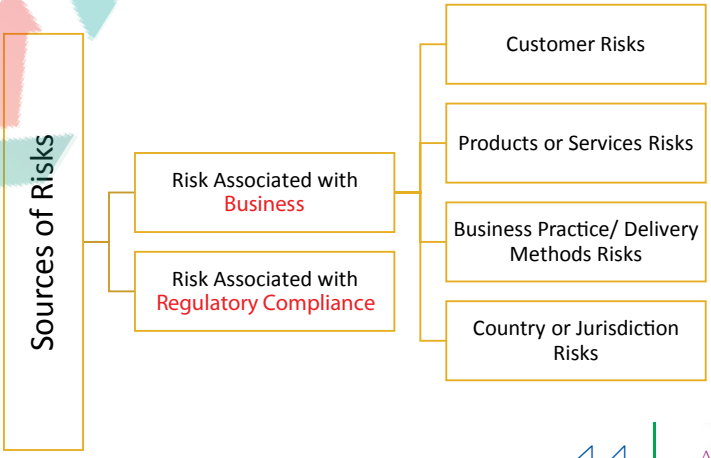
Recommendation 1 of Financial Action Task Force (FATF), the international standard setter on anti money laundering (AML) and combating terrorist financing (CFT) requires financial institutions and designated non-financial businesses and professions (DNFBPs) to identify, assess and take effective action to mitigate their money laundering and terrorist financing risks. This requirement is reflected in the Money Laundering Prevention Rules (MLPR) 2013. Rule 21 of MLPR 2013 contains that every Reporting Organization-Financial Institution (RO-FI) shall conduct periodic risk assessment and forward the same to the Bangladesh Financial Intelligence Unit (BFIU) for vetting. Rule 21 also contains that RO-FI shall utilize this risk assessment report after having vetted by BFIU.

Bangladesh Bank, as the Central Bank and the governing authority of Bay Leasing & Investment Limited, has provided guideline's with instructions and indications to identify, assess the risk of ML & TF in our businesses and to take effective measures to mitigate the identified risk and monitor and review the risk management procedures and controls of ML & TF risk.

In compliance to Bangladesh Bank's guidelines strictly, Bay Leasing has prepared its risk assessment report and meticously follow it to minimize and/or prevent the risk of money laundering and terrorst financing with utmost importance.

Risks to be managed

There are two main sources of ML/TF risks that the financial institution should take into account and to take necessary measures to mitigate this. They are:



Risk associated with Business: is the ML & TF risk that arises or generated in doing day to day business of the financial institution. Therefore, the particular term "business" of the financial institution exposed to four major categories of risks i.e. 1) Customers; 2) Products or Services; 3) Business Practice/ Delivery Methods; & 4) Country or Jurisdiction. Hence, the financial institution should have a strong measure to identify and mitigate the ML & TF risks associated with these four broader categories.

Regulatory risk: is associated with not meeting all obligations of the financial institution under the ML Prevention Act, 2012, Anti-Terrorism Act, 2009 (including all amendments), the respective Rules issues under these two Acts and instructions issued by BFIU. Regulatory Risk includes failure to report STR/SAR, unable or inappropriately verification of customers and lacking of AML and CFT program (how a business identifies and manages the ML and TF risk it may face) etc.

Risk-Based Approach (RBA)

A Risk-Based Approach (RBA) to AML/CFT means that the financial institution is expected to identify, assess and understand the ML&TF risks to which it is exposed and take AML/CFT measures adequate to those risks in order to mitigate them effectively. The RBA is not a "zero failure" approach. It is unrealistic that the financial institution would operate in a completely ML&TF risk-free environment, rather it is meant that the financial institution should properly identify the ML & TF risks it faces, and then works out the best ways to reduce and manage those risks.

Risk Management Framework

Bay Leasing & Investment Limited has constructed and tailored the risk management framework for the purpose of developing risk-based systems and controls and mitigation strategies in a manner that is most appropriate to the business structure (including financial resources and staff), the products and/or the services they provide. Such risk-based systems and controls should be proportionate to the ML&TF risk(s) a Financial Institution reasonably faces. The following principles shall be followed at all levels of the financial institution for effective management of ML and TF risks:

- Risk management contributes to the demonstrable achievement of objectives and improvement of performance, governance and reputation.
- Risk management is not a stand-alone activity that is separate from the main activities and processes of the FI. Risk management is part of the responsibilities of management and an integral part of all organizational processes, including strategic planning.
- Risk management helps decision makers making informed choices, prioritize actions and distinguish among alternative courses of action.
- Risk management explicitly takes account of uncertainty, the nature of that uncertainty, and how it can be addressed.
- A systematic, timely and structured approach to risk management contributes to efficiency and to consistent, comparable and reliable results.
- Risk management is based on the best available information.
- Risk management is aligned with the FI's external and internal context and risk profile.
- Risk management is transparent and inclusive.
- Risk management is dynamic, iterative and responsive to change.

Following the above mentioned principles, we have developed and maintained logical, comprehensive and systematic methods to address each of the components of risks, identified our approach to ML&TF risk, planned to implement and maintain on regular basis.

Flow of Work

As per guidelines of Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank, we have tried to maintain the following work flow. This risk assessment mechanism is broadly dividend into the following four segments.

RISK IDENTIFICATION



Identify the main ML&TF risks:
1) Customers
2) Products & Services
3) Business practices/ delivery methods or channels
4) Country/ jurisdiction

Identify the main regulatory risks:
1) Failure to report STRs/SARs
2) Inappropriate customer verification
3) Inappropriate record keeping
4) Lack of AML/CFT program

RISK ASSESSMENT



Measure the size & importance of risks:
1) Likelihood - Chance of the risk happening
2) Impact - the amount of loss or damage if the risk happened
3) Likelihood X Impact = Level of Risk (Risk Score)

RISK TREATMENT



Manage the business risks:
1) Minimize and manage the risks
2) Apply strategies, policies and procedures

Manage the regulatory risks:
1) Put in place systems and controls
2) Cary out the risk plan and AML&CFT program

RISK MONITORING



Monitor and review the risk plan:
1) Develop and carry out monitoring process
2) Keep necessary records
3) Review risk plan and AML&CFT program
4) Do internal audit or assessment
5) Do AML&CFT compliance report

- ✓ We tried to identify all the potential risk areas under the five broader category sources of risks mentioned earlier. To do so, we have involved participants from all the departments/work areas within our company and utilized different approaches i.e. group discussion, brain storming etc. to ensure the inclusion of every possible risk scenarios (referring to worksheets for details).
- ✓ Based on the best possible subjective judgement we tried to select the appropriate likelihood and impact associated with the particular risk items. In Risk Register, we also identified the risk scores based on the guideline provided from BFIU.
- ✓ We identified the required set of actions/treatments and categorized them into three major Tiers and assigned them based on the risk scores. The risk appetite has also been identified as per the guideline.
- ✓ Risk monitoring process has been identified which is to be executed and exercised on regular basis.

SMARTSTOCK

Tools/ Scales Used

We have meticulously followed the ML&TF Risk Guidelines while calculating the risk scores of all the potential risk factors. We used the likelihood & impact scale to identify the risk score of the particular risk items and also tried to identify the risk appetite level as per the given scale.

Likelihood Scale

Frequency	Likelihood of an ML&TF risk
Very likely	Almost certain: it will probably occur several times a year
Likely	High probability it will happen once a year
Unlikely	Unlikely, but not impossible

Consequence	Impact of an ML & TF risk
Major	Huge consequences – major damage or effect. Serious terrorist act or large-scale money laundering.
Moderate	Moderate level of money laundering or terrorism financing impact.
Minor	Minor or negligible consequences or effects.

Impact Scale

Risk Matrix

LIKELIHOOD	Minor	Moderate	Major
Very Likely	Medium	High	Extreme
Likely	Low	Medium	High
Unlikely	Low	Low	Medium

What is the chance it will happen?

How serious is the risk? IMPACT

Risk Appetite Scale

Extreme	Unacceptable Risk
High	
Medium	Acceptable Risk

Category Selection

To identify the potential risk areas we have keenly analyzed the entire business operation of our company. We have also studied the ML&TF Risk Guideline of BFIU. After thorough examination we have identified the following four risk group which would cover our entire operation and every possible situation exposed to ML&TF risk:



Customer:

This risk group includes all the individuals and business entities from our existing client base as well as from any potential new client base.

Products and Services

This risk group includes all our existing products and services as well as any upcoming new products.

Business Practice/ Delivery Methods or Channels

This risk group consists of our entire business practice and delivery methods or channels.

Country/ Jurisdiction

This risk group consists of our entire business practice and delivery methods or channels.

Regulatory Risk

This risk group includes all the potential risk areas related to regulatory issues.

Risk Register

The following is only the extract of the entire Risk Register of Bay Leasing covering all the above mentioned categories. The detail list of risk factor with the category of 1) Products and Services, 2) Business Practice/ Delivery Methods or Channels, 3) Country/ Jurisdiction, and 4) Regulatory Risk have not been included here.

RISK REGISTER						
Srl. No.	**Risk Factor**	**Likelihood**	**Impact**	**Risk Score**	**Risk Appetite**	**Treatment/ Action**
CUSTOMER						
1	A new customer	Likely	Major	High	Unacceptable Risk	**Tier 3 Action Plan**
2	A new customer who wants to carry out a large transaction	Likely	Major	High	Unacceptable Risk	
3	A customer or a group of customers making lot of transactions to the same individual or group	Very likely	Major	Extreme	Unacceptable Risk	
4	A customer who has a business which involves large amounts of cash	Very likely	Moderate	High	Unacceptable Risk	
5	Customer opens account in the name of his/her family member who intends to credit large amount of deposits not consistent with the known sources of legitimate family income	Very likely	Major	Extreme	Unacceptable Risk	
6	A customer whose identification is difficult to check	Unlikely	Major	Medium	Acceptable Risk	**Tier 2 Action Plan**
7	Customers conducting their business relationship or transactions in unusual circumstances, such as:					
	A) Significant and unexplained geographic distance between the institution and the location of the customer	Unlikely	Major	Medium	Acceptable Risk	
	B) Frequent and unexplained movement of accounts to different institutions	Unlikely	Major	Medium	Acceptable Risk	
	C) Frequent and unexplained movement of funds between institutions in various geographic locations	Unlikely	Major	Medium	Acceptable Risk	
8	A non- resident customer	Likely	Moderate	Medium	Acceptable Risk	
9	A corporate customer whose ownership structure is unusual and excessively complex	Unlikely	Major	Medium	Acceptable Risk	
10	Customers that are politically exposed persons (PEPs) or influential persons (IPs) or head of international organizations and their family members and close associates	Likely	Moderate	Medium	Acceptable Risk	
11	Customers submits account documentation showing an unclear ownership structure	Unlikely	Major	Medium	Acceptable Risk	
12	A customer comes with premature encashment of fixed deposit	Likely	Moderate	Medium	Acceptable Risk	
13	Frequent Tendency of Early settlement of Loan/Lease	Unlikely	Major	Medium	Acceptable Risk	
14	Government employee having several large amounts of fixed deposit accounts	Unlikely	Major	Medium	Acceptable Risk	
15	A customer generally tries to convince for cash deposit but insists for financial instrument while withdrawing the deposit	Unlikely	Moderate	Low	Acceptable Risk	**Tier 1 Action Plan**
16	A customer who brings in large amounts of used notes and/or small denominations	Unlikely	Moderate	Low	Acceptable Risk	

Risk Treatment

We have so far identified nineteen (19) treatment measures to eliminate/minimize the degree of the severity of the potential risk. To have the efficiency we have categorized these risk treatment measures into three Tiers. They are:

Tier 3	Extreme & High
Tier 2	Medium
Tier 1	Low

The list of the risk treatment measures along with the categorization is mentioned below. The mark "Y" indicates whether a particular treatment task is included in the particular Tier or not.

	List of Actions	Three Action Plans		
		Tier 1	Tier 2	Tier 3
1	Know Your Customer (KYC)	Y	Y	Y
2	Customer Due Diligence (CDD)	Y	Y	
3	Extended Due Diligence (EDD)			Y
4	Know Your Employee (KYE)		Y	Y
5	Suspicious Activity Report (SAR)		Y	Y
6	Suspicious Transaction Report (STR)			Y
7	Apply/upgrade strategies, policies and procedures	Y	Y	Y
8	Putting in place systems and controls	Y	Y	Y
9	Carrying out the risk plan and AML&CFT program	Y	Y	Y
10	Setting transaction limits for high-risk products			Y
11	Having a management approval process for higher-risk products			Y
12	Not accepting customers who wish to transact with a high-risk country		Y	Y
13	Not accepting customers who already are listed under FATF or FSRB list	Y	Y	Y
14	Process to place customers in different risk categories and apply different identification and verification methods.		Y	Y
15	Ensure proper verification process in case of the services through online, internet, phone, email etc.	Y	Y	Y
16	To continue monitoring business activities of the clients relevant to ML&TF risk(s).	Y	Y	Y
17	To regularly assess the timeliness and relevance of information generated, together with its adequacy, quality and accuracy.			Y
18	To maintain the record of the documents with expiry date and to update the documents.	Y	Y	Y
19	Continuous process of arranging training sessions for the staffs on various subject matters especially on ML&TF.		Y	Y

FAMILY STOCK

Monitoring and Review Process

To have an effective ML&TF risk management system, we have identified the following tasks as well as their frequency that are to be executed/exercised meticulously:

Activity/Task	Frequency
Develop an effective plan of monitoring process	Yearly
Cary out the monitoring process	On regular basis
Necessary records are to be kept	On regular basis
Reviewing risk plan and AML&CFT program	Quarterly
Internal audit and assessment	Quarterly
Submission of Self-assessment report to BFIU	Half yearly
AML&CFT compliance report	On regular basis
CDD, EDD, SAR, STR (where necessary)	On regular basis

The overall Risk Management Strategies should include the following components:

- Reviews at senior management level of the FI's progress towards implementing stated ML&TF risk management objectives.
- Clearly defined management responsibilities and accountabilities regarding ML & TF risk management.
- Adequate staff resources to undertake functions associated with ML & TF risk management.
- Specified staff reporting lines from ML & TF risk management system level to board or senior management level, with direct access to the board member(s) or senior manager(s) responsible for overseeing the system.
- Procedural controls relevant to particular designated services.
- Documentation of all ML & TF risk management policies.
- A system, whether technology based or manual, for monitoring the FI's compliance with relevant controls.
- Policies to resolve identified non-compliance.
- Appropriate training program(s) for staff to develop expertise in the identification of ML & TF risk(s) across the bank's designated services.



The monitoring and review is a continuous process and would be continued round the year. The lesson learned during the monitoring process would be accumulated as a suggestions and would be used as the amendments (if needed) to the existing Risk Management Plan of our company.



Board of Directors at the 21st AGM



Shareholders' attendance at the 21st AGM

Dear Shareholders

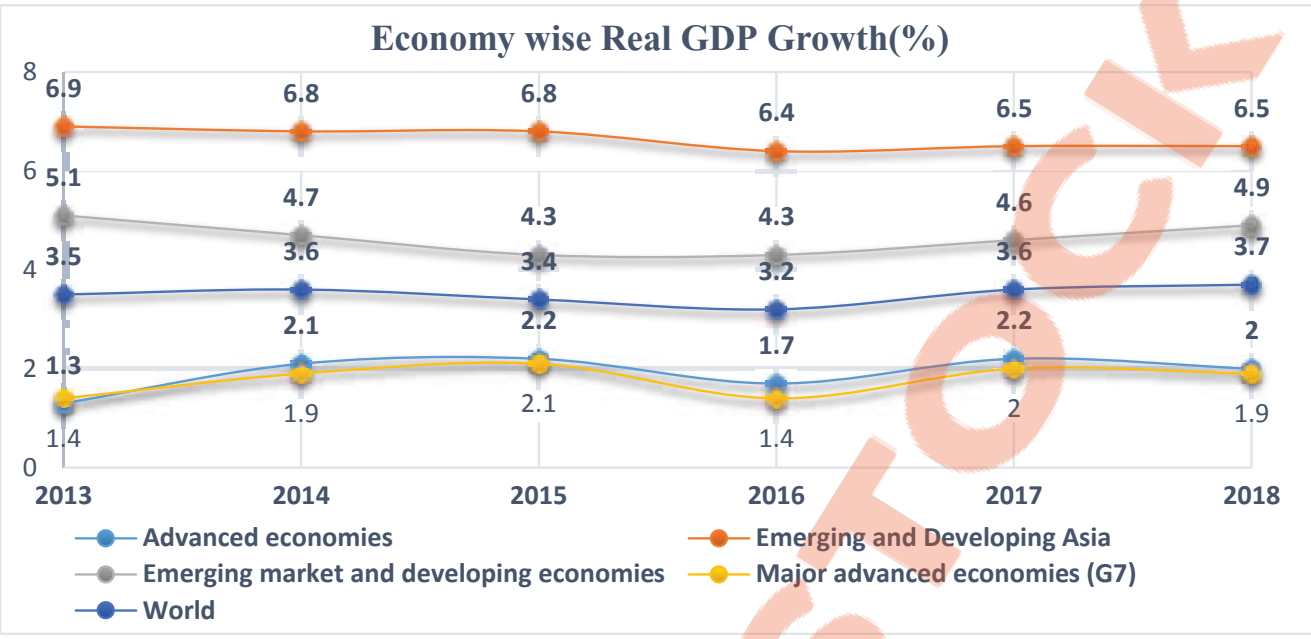
On behalf of the Board of Directors of Bay Leasing & Investment Limited, I am delighted to welcome you to the 22nd Annual General Meeting of the Company and take great pleasure in presenting to you all the Annual Report 2017 of the company along with the audited financial statements and auditor's report for the year ended December 2017 for consideration and approval of the valued shareholders. The audited financial statements were approved by the Board of Directors of the company on April 05, 2018. The Board presents this Annual Report in compliance with the Companies Act 1994, Financial Institutions Act 1993 and guidelines issued by Securities and Exchange Commission, Bangladesh Bank and other regulatory authorities. Year 2017 was a year of growth and stability except some liquidity crisis at the end of the year. Bay Leasing and Investment Ltd. posted significant growth in core business areas strengthening its fundamentals maximizing value of the shareholders.

Global Economy

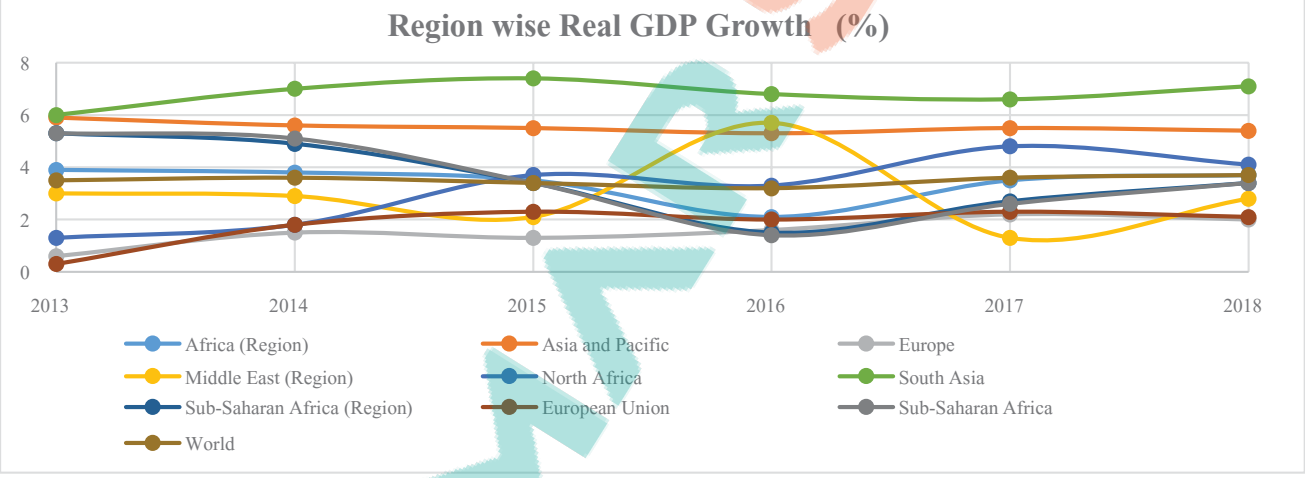
In this era of geopolitical economics, world politics and economy has turned from unipolar to multi-faceted polarization. Despite the much talked about new US Administration and its first year of office surprising results of UK's Brexit, continuing spread of war and violence in the Middle East and other parts of the globe, World economy gained further momentum and notable rise in 2017.

Real GDP Growth (%)						
Economy/Region	**2013**	**2014**	**2015**	**2016**	**2017**	**2018f**
Economy						
Advanced economies	1.3	2.1	2.2	1.7	2.2	2
Emerging and Developing Asia	6.9	6.8	6.8	6.4	6.5	6.5
Emerging market and developing economies	5.1	4.7	4.3	4.3	4.6	4.9
Major advanced economies (G7)	1.4	1.9	2.1	1.4	2	1.9
World	**3.5**	**3.6**	**3.4**	**3.2**	**3.6**	**3.7**
Region						
Africa (Region)	3.9	3.8	3.5	2.1	3.5	3.7
Asia and Pacific	5.9	5.6	5.5	5.3	5.5	5.4
Europe	0.6	1.5	1.3	1.6	2.2	2
Middle East (Region)	3	2.9	2.1	5.7	1.3	2.8
North Africa	1.3	1.8	3.7	3.3	4.8	4.1
South Asia	6	7	7.4	6.8	6.6	7.1
Sub-Saharan Africa (Region)	5.3	4.9	3.4	1.5	2.7	3.4
European Union	0.3	1.8	2.3	2	2.3	2.1
Sub-Saharan Africa	5.3	5.1	3.4	1.4	2.6	3.4

Source: International Monetary Fund (IMF)



Source: International Monetary Fund (IMF)

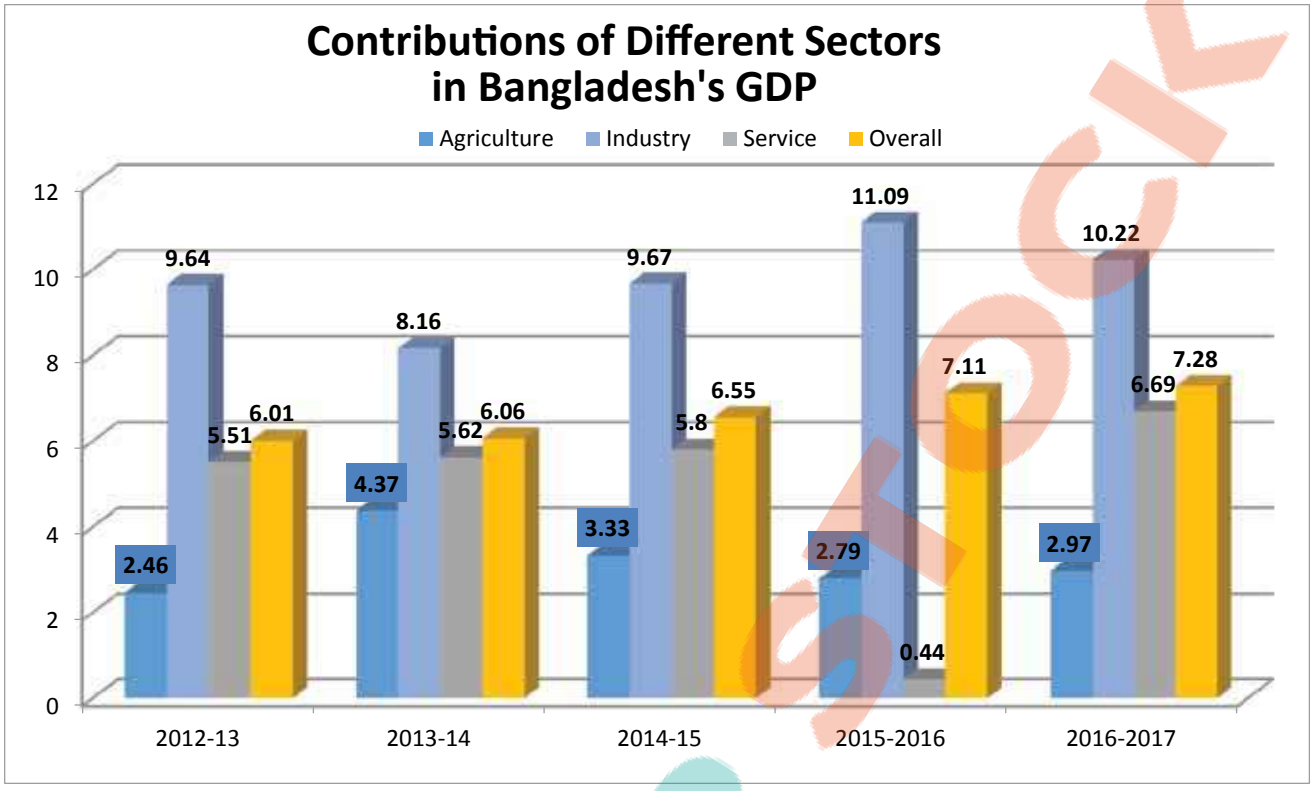


Source: International Monetary Fund (IMF)

Bangladesh Economy

Bangladesh economy has maintained sustainable growth and achieved GDP growth at more than 6 percent on an average during the last decade. We posted record growth rate of 7.28% in the year 2017 as per statistics published by Bangladesh Bureau of Statistics (BBS) aiming to new height of 7.40 for the year 2018. Besides that, financial sector enjoyed lowest interest rate in both lending and deposit and achieved good growth. Inflations were also in range but remittance inflow fell significantly due to slowdown of the economy of the Middle East countries emanating from low oil prices and geo-political situation.

Selected economic indicators (%)	2015	2016	2017	2018 (forecasted)
GDP Growth	6.55	7.11	7.28	7.40
Inflation	6.41	5.92	5.44	
Remittance Inflow growth	7.6	-2.52%	-14.48	
Export growth	3.35	9.77	1.72	
Import growth	11.26	5.94	9.00	



Source: Bangladesh Bureau of Statistics

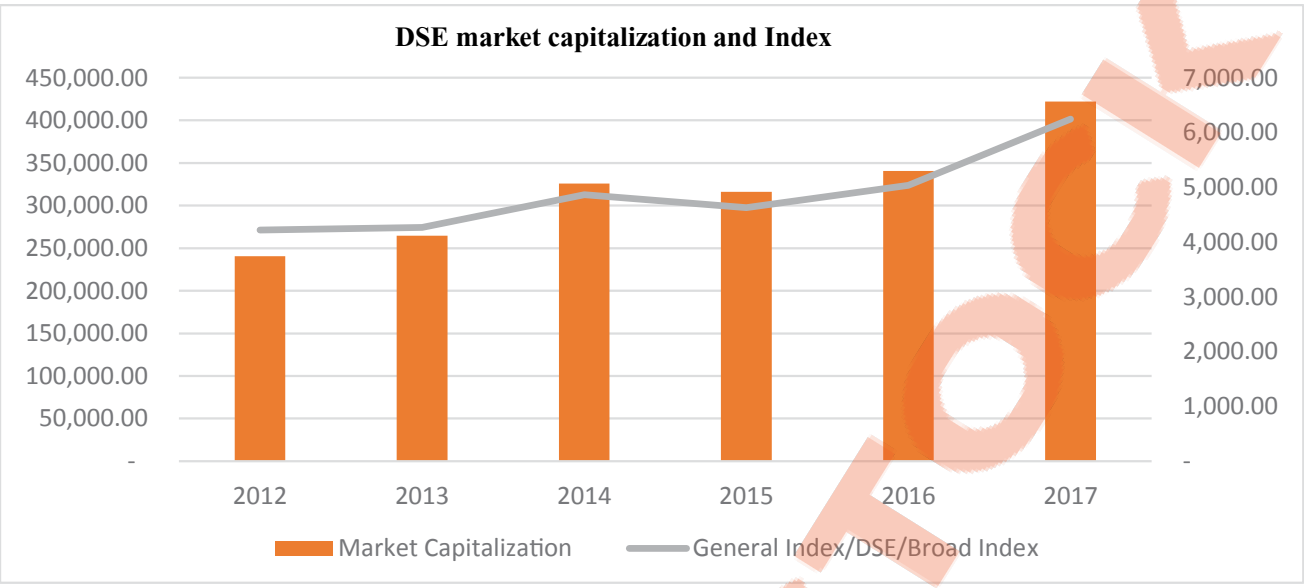
In recent years, gloomy financial sector resulted into low demand for money, excess liquidity, and increasing loan impairment in the banking institutions which even generated bigger problems like slow private investment rate, borrowers' inability to repay the loans on time, etc.

Capital Market

Capital market of Bangladesh remained almost stable in the year 2017. Marginal upward trends were observed in the market statistics. The number of listed securities (including mutual funds and debenture) of Dhaka Stock Exchange (DSE) increased from 562 at the end of 2016 to 569 at the end of 2017. Market Capitalization also increased from TK.340,466.30 crore to Tk.421,875.50 crore. Issued Capital and Debenture posted nominal growth of 4.27% from TK.114,530.00 crore (2016) to Tk.119,416.20 crore (2017). DSE Broad index has steadily rose over the whole year of 2017.

Annual Capital Market Developments (DSE)					
Calendar Year	Enlisted issues (Incl. Mutual Funds/Deb.)	(In Crore Taka)			General Index/DSE/ Broad Index
		Issued Capital & Debentures	Market Capitalization	Turnover during the year	
2010	445	66,436.00	347,250.20	400,991.28	8,290.41
2011	501	87,890.50	261,673.00	156,055.63	5,257.61
2012	515	94,987.60	240,356.00	100,108.49	4,219.31
2013	529	99,978.50	264,779.00	95,269.21	4,266.55
2014	546	105,492.60	325,925.00	11,885.15	4,864.96
2015	562	110,608.10	315,976.00	9,161.20	4629.64
2016	562	114,530.00	340,466.30	17,780.21	5,036.05
2017	569	119,416.20	421,875.50	9,238.20	6,244.52

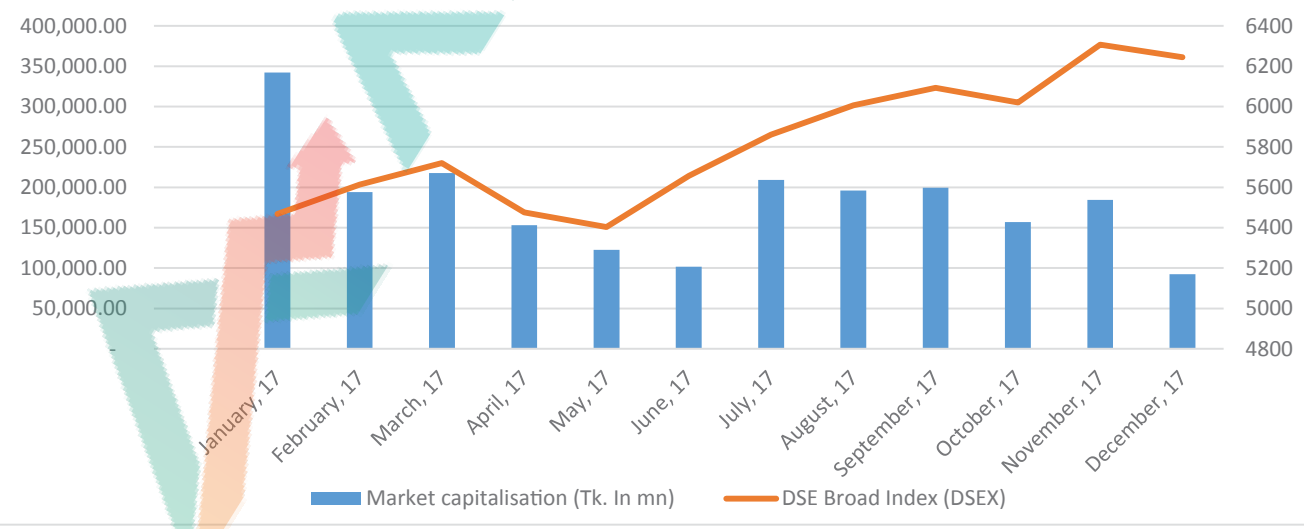
Source : Bangladesh Bank



Source : DSE

End Month	Market capitalization (Tk. In mn.)	DSE Broad Index (DSEX)
January, 17	342,320.15	5468.34
February, 17	194,048.41	5612.70
March, 17	217,701.40	5719.61
April, 17	153,177.78	5475.55
May, 17	122,582.23	5403.12
June, 17	101,563.80	5656.05
July, 17	209,294.60	5860.65
August, 17	195,892.44	6006.43
September, 17	199,441.21	6092.84
October, 17	156,974.32	6019.59
November, 17	184,218.02	6306.86
December, 17	92,382.75	6244.52

Source : DSE



Banking Sector and BLIL's Performance

For banking sector the year 2017 was a good year. Both Deposit and Lending rates slashed down to single digit.

Name of Banks	W. Avg. Interest Rate on Deposits	W. Avg. Interest Rate on Advances	Interest Rate Spread
PRIVATE BANKS	5.29	9.67	4.38
All Banks	4.91	9.35	4.44
Source: **Statistics Department**, Bangladesh Bank, Head Office.			

The deposit and lending also gained significant growth. However, at end of the year 2017 the rate of growth of lending reduced due to some banks' overstepping the credit ratio limit through aggressive lending followed by clamping down on AD Ratio by the regulator.

\Deposits			
	(Taka in Millions)		Percentage Changes
Items	**December, 2017**	**December, 2016**	**Dec' 17 over Dec'16**
Deposits	**9,261,793**	**8,402,682**	**10.22%**
Bank Credit	**10,082,407**	**8,834,160**	**14.13%**

BLIL posted higher growth than the industry average in both Advances and Deposits. To keep up the pace, we have decided to enhance our sales and marketing teams for both Asset and Liability Products. In order to diversify our client base we have entered into various refinance participation agreements with Bangladesh Bank, ADB, JICA etc. to spread out our financial services to SMEs and other Compliant, Safe, Green and environment friendly industries.

Loans & Advances

The total portfolio of the company stood at BDT.11,955.53 Million at the end of year 2017 with a growth rate of 19.28 % against the previous year.

Sources of Funds

To achieve of our business growth the company had to increase both core deposits & bank borrowings. Consequently, the total deposit was BDT. 6424.72 million at the end of year 2017 which is 30.09% more than the previous year and total borrowing was BDT. 6352.36 million at the end of year 2017 which was 23.41% more than the previous year.

Shareholders' Equity

The Authorized Capital of the company was BDT.3000.00 million and paid-up Capital was BDT.1309.07 million as on December 31, 2017. The Capital and Reserve of the Company in 2017 stood at Tk. 2610.90 million. The Capital and Reserve of the Company as on 31st December, 2017 are appended below:

Particulars	BDT in Million	
a) Core Capital (Tier- (Capital)	**2017**	**2016**
Paid -Up Capital	1309.07	1309.07
Statutory Reserve	518.84	476.26
Share premium	220.93	220.93
General Reserve	60.45	123.64
Retained Earnings	139.31	143.37
Total Core Capital	**2248.60**	**2273.27**

b) Supplementary Capital [Tier- II Capital)		
General Provision for Unclassified Loan	113.02	145.00
General Provision on off - Balance Sheet Items	-	-
General Provision on off -Shore Banking Units	-	-
Revaluation gain/loss on investments	-	-
Assets Revolution Reserve	181.15	184.66
Total Supplementary Capital	**294.17**	**329.66**
Total	**2542.77**	**2602.93**

Operating Revenue & profit

As we have depicted the year 2017 was a most challenging year for the Bangladesh economy and BLIL's financial and operational performances had impacts of this as well. In this adverse situation, we prudently utilized our resources and capacity to get the maximum benefits for our shareholders as well as to protect their interests from any uncertain business risks.

Since our capital market has been bearish over past few years, our profitability has been being impacted by ongoing market behavior. But our mainstream business of Loans and Advances has improved which is a positive sign for our sustainable business in the long run. The following table depicts the components of operating profit



BDT in Million

Years	Net interest Income	Income from Investment	Operation Profit
2013	108.23	92.52	227.32
2014	122.43	102.62	282.33
2015	159.19	54.73	259.17
2016	155.88	79.84	285.28
2017	159.18	179.88	398.13

Earnings Per share (EPS)

Our EPS was 1.24 and 0.77 for the year 2017 and 2016 respectively. EPS has significantly increased this year.

Provision for Tax

Provision for tax at the end of the year 2017 was BDT.54.84 million which was BDT. 66.33 million in December 31, 2016.

Human Capital

BLIL recognizes that its employees are its most valuable asset. The company always tries to ensure a healthy workplace environment. It provides positive working conditions which can lead to employee satisfaction and enhanced productivity. BLIL values its employees' contributions and adopts different policies to reward them. The employee turnover ratio of BLIL is very low in comparison to the industry average. In the year 2017, employee turnover ratio for BLIL was less than 5%.

Training & Workshops

The changing nature of work and the workplace environment require a skilled, knowledgeable workforce with employees who are adaptive, flexible, dynamic, energetic, and focused on the future. We also emphasized on soft skill development to cope up with the uncertain business situation. Employees of Bay leasing & Investment Ltd. has participated both in-house and external training programs provided by BIBM, BBTA, IFC, SEDF etc. Employees are also highly encouraged to participate in various relevant workshops, seminars and fairs organized by chamber bodies and other professional institutes.

Employee welfare & facilities

BLIL offers its employees a highly competitive remuneration package. It provides its employees various facilities such as Home Loan, Car Loan, and Personal Loan to raise their standard of living. It also provides employee profit sharing scheme, provident fund and gratuity to its employees to create an efficient, healthy and loyal working force for the company. We also adopted a comprehensive insurance policy to protect the employees from any health accidental hazards.

Capital Adequacy and Market Discipline

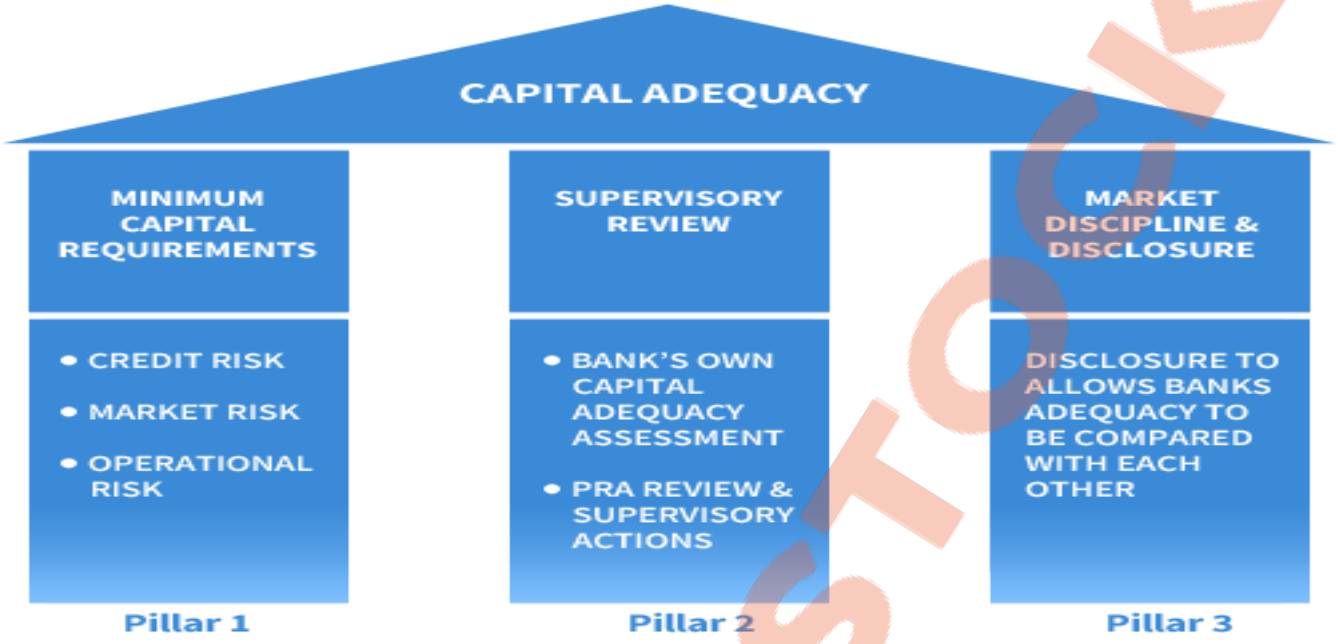
The BASEL-II framework was introduced to ensure that financial institutions maintain capital to cover all types of risks not just Credit Risk as required in BASEL- I. BASEL-II accord dictates that FI should maintain capital to cover Credit Risk, Market Risk and Operational Risk. The BASEL-II accord is based on three mutually reinforcing pillars.

The first pillar is about Minimum Capital Requirement (MCR), second pillar is about Supervisory Review Process (SRP) and the last is about Market Discipline. This accord outlines the level of capital required by an FI against various types of risks including Credit, Market and Operational risk based on the risk profile of the organization.

To make the FI's capital more risk sensitive as well as to build the industry more shock absorbent and stable, Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) for Financial Institutions.

The instructions regarding Minimum Capital Requirement, Supervisory Review Process (SRP) and Disclosure Requirement as stated in the CAMD guidelines have to be followed by all FI's for the purpose of statutory compliance.

Structured of BASEL – II



Pillar – I (Minimum Capital Requirement)

Calculating the Minimum Capital Requirement (MCR) considering the different risk such as Credit Risk, Market Risk and Operational Risk

According to Bangladesh Bank's instruction, all FI have to maintain regulatory Capital Adequacy Ratio (CAR) at minimum 10%. To give effect to the purpose, Regulatory Capital is categorized into three tiers.

Tier-1 Capital: Called Core Capital comprises of highest quality of capital elements that consists of Paid up capital, Non repayable share premium, statutory reserve, general reserve, retained earnings, Minority interest in subsidiaries, non-cumulative irredeemable preference shares & Dividend equalizations account.

Tier- 2 Capital: Called Supplementary capital represents other elements which fall short of some of the characteristics of the overall strength of an FI and consists of:

- General provision up to a limit of 1.25% of Risk Weighted Assets (RWA) for Credit risk.
- Revaluation reserve for fixed assets
- Revaluation reserve for securities
- All other preference shares.

Pillar – II (Supervisory Review Process)

This pillar is based on the principle that capital adequacy is not just a compliance matter and it is equally important that the FI should have a robust risk management framework. The pillar II has two key elements:

a. An FI specific internal assessment and management of capital adequacy.

b. Supervisory review of this internal capital assessment and the robustness of risk management processes, systems and controls.

Pillar – II (Market Discipline)

Bolstering market discipline through enhanced disclosure is a fundamental port of the accord. Effective disclosure is essential to ensure that market participants can better understanding FI's risk profiles and the adequacy of their capital. The accord provides detailed guidance on the disclosure required for each of the methodology given in pillar - I.

Formation of Basel Implementation Unit (BIU)

The Basel Implementation Unit (BIU) of Bay Leasing & Investment Limited has been formed as per Basel – II Guideline of Bangladesh Bank. The Basel Implementation Unit (BIU) at Head Office will be headed by Managing Director. He will examine the report received from the Basel Implementation Desk (BID) of the Risk Management Department who manages the Basel activities.

The Basel Implementation Unit (BIU) consisting of three members has been formed at Head office headed by Managing Director. The members of the unit are:

Sl.	Name	Designation	Designation (CCU)
01.	Mr. Iftekhar Ali Khan	Managing Director	Head of BIU
02.	Mr. Samir Saha	Asst. Vice President	Member
03.	Md. Enayet Kabir	Asst. Vice President	Member

Minimum Capital Requirement (MCR) under prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (CAMD)

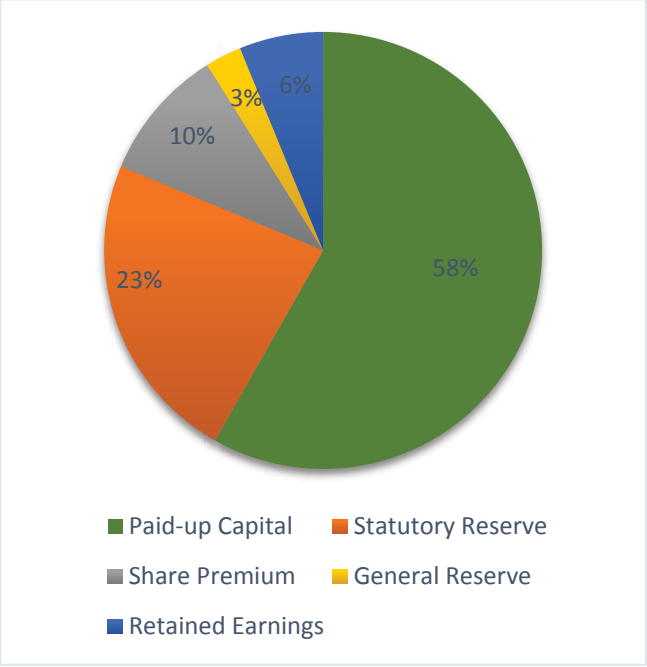
Particulars	Amount in Crore	
A. Eligible Capital:	**2017**	**2016**
1.Tier-1 Capital	224.86	227.33
2.Tier-2 Capital	29.42	32.97
3.Total Eligible Capital (1+2)	**254.28**	**260.30**
B. Total Risk Weighted Assets (RWA)	**1569.32**	**1530.49**
C. Capital Adequacy Ratio (CAR) (A3/B)*100	**16.20%**	**17.01%**
D. Core Capital to RWA (A1/B)*100	**14.33%**	**14.85%**
E. Supplementary Capital to RWA (A2/B)*100	**2.08%**	**2.15%**
F. Minimum Capital Requirement (MCR) 10% of RWA	**156.93**	**153.05**

Eligible Capital

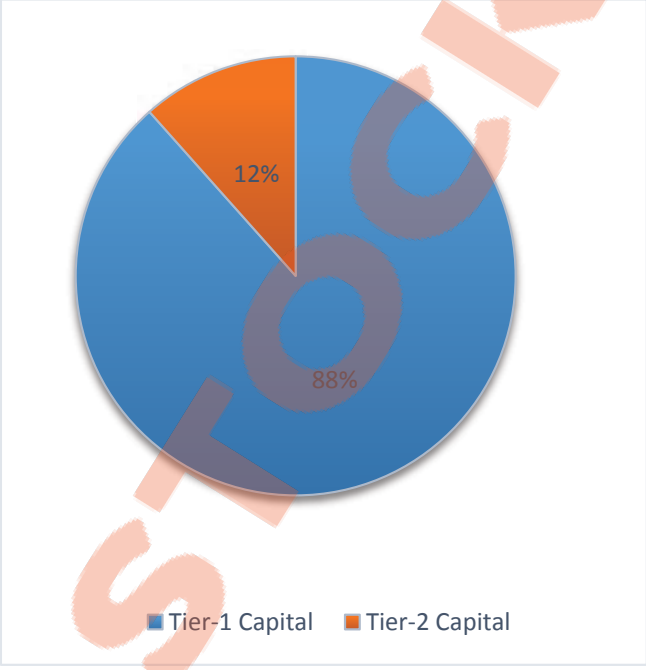
Particulars	**2017**	**2016**
Paid up capital	130.91	130.91
Statutory reserve	51.88	47.63
Non-repayable share premium account	22.09	22.09
General reserve	6.05	12.36
Retained earnings	13.93	14.34
Minority interest in subsidiaries	-	-
Non-cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Total Tier-1 (Core Capital)	**224.86**	**227.33**
Deductions from Tier-1 Capital	-	-
Tier-2 (Supplementary Capital)		
General Provision (Unclassified loans up to specified limit+SMA+off Balance Sheet exposure)	11.30	14.50
Asset Revaluation Reserves up to 50%	18.12	18.47
Tier-2 Capital	**29.42**	**32.97**
Total Eligible Capital (1+2)	**254.28**	**260.30**

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Tier - 1 (Core Capital)



Consolidated Total Capital



Risk Weighted Assets (RWA)

Particulars	2017	2016
A. Credit Risk:	**1316.02**	**1162.73**
On-Balance sheet	1310.02	1153.74
Off-Balance sheet	6.00	8.99
B. Market Risk	**208.00**	**328.06**
C. Operational Risk	**45.30**	**39.70**
Total Risk Weighted Assets	**1569.32**	**1530.49**

Anti-Money Laundering/Combating the Financing of Terrorism:

Money Laundering has been identified as a major threat to the financial services community. It is important that the management of Bay Leasing consider the prevention of money laundering as part of their core risk management strategies and not simply treat it as a stand-alone requirement that is being imposed by the legislation.

As financial organizations are committed to the prevention of money laundering, the management of BLIL has taken the following program:

- Formation of Central Compliance Unit (CCU) at Corporate Office headed by Chief Anti Money Laundering Compliance Officer (CAMLCO).
- Formation of Branch Compliance Unit (BCU) at Principal Branch headed by Branch Anti Money Laundering Compliance Officer (BAMLCO).
- Know Your Customer (KYC) have now become an integral part of an account relationship. They are mandatory and a vital reference point to all account relationships.
- Appropriate customer identification, record keeping and primary points of consideration. The company has a policy to keep all related documents/records for a minimum of five years even after closure of account.
- Workshops and seminars have been attended by the staffs to upgrade their skills on AML procedures.

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Internal Control & Compliance:

Internal Control & Compliance mechanisms and actions are taken to correct/rectify deficiencies as they are identified Internal Control & Compliance is not only for getting things done but also to assure that they done properly.

ICC plays a vital role in building up a culture of transparency and accountability. Internal Control & Compliance Unit of Bay Leasing is an integral part of Management and a foundation for safe and sound operation. To reduce the operational risks of the company the unit conducts regular audit/inspection on the business affairs.

The Division also ensures implementation of various instructions given by the regulatory bodies the Board of Directors, Executive Committee of the Board and the Board Audit Committee of the company.

The general and specific objectives of the ICCU are:

To find out whether the books of accounts and financial statements are properly drawn in accordance with the Financial Act 1993, IAS and BAS & other Regulatory Bodies.

To detect and prevent fraud and errors.

To detect operational weakness of the company.

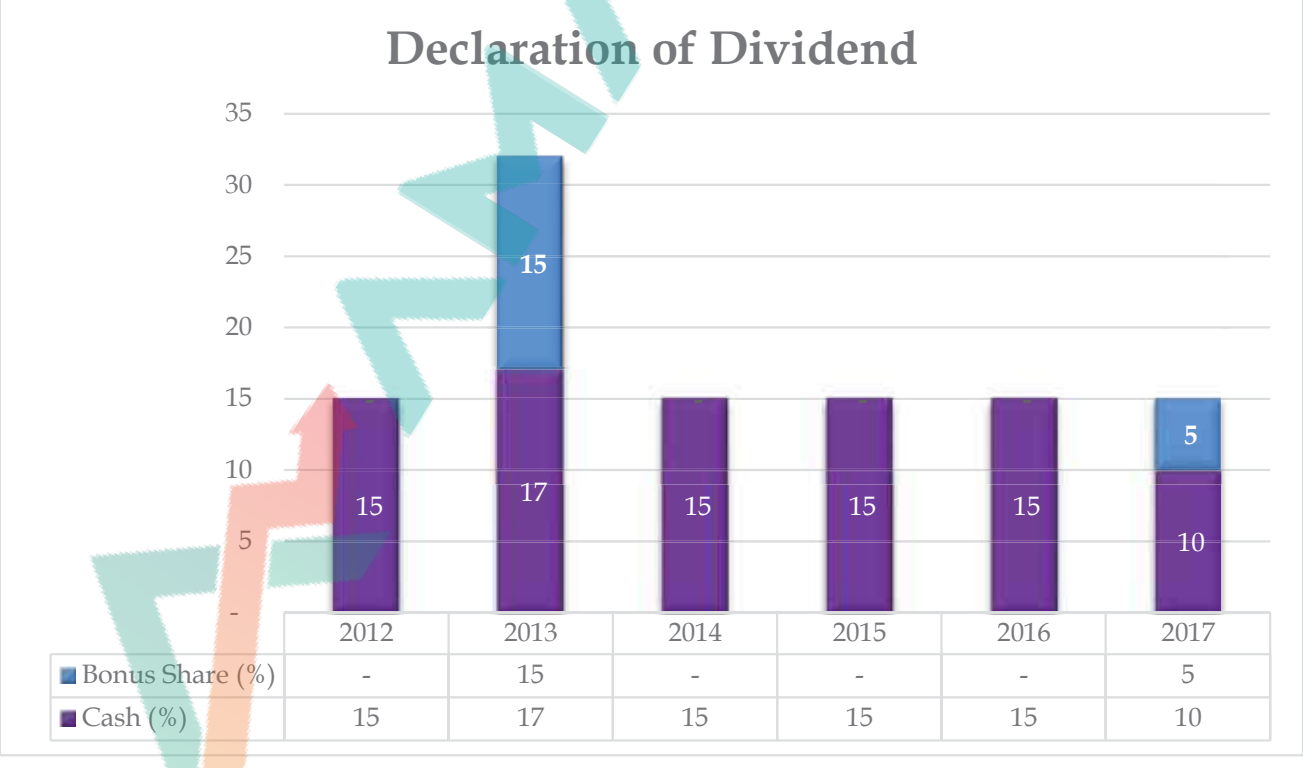
To provide proper guidance to the human resources of the company to perform their duties well.

To provide guidance for training up the personal of the company on the basis of common error and lapses committed by them in day to day operations.

To provide Board and Management with the information whether there is any deviation from the set principals, policies & objectives.

Declaration of Dividend

The Board of Directors in its meeting held on April 05, 2018 recommended Cash dividend of 10% and 5% Stock Dividend for the year 2017. The shareholders of our company always received satisfactory dividend. The rates of Cash Dividend and Stock Dividend declared by the Company are shown below:



	2012	2013	2014	2015	2016	2017
Bonus Share (%)	-	15	-	-	-	5
Cash (%)	15	17	15	15	15	10

Corporate Governance

The corporate governance status of Bay Leasing & Investment Ltd. is very positive. BLIL complies with the existing corporate governance requirements applicable for the Finance Companies in Bangladesh. The corporate governance compliance status is reviewed by an independent 3rd party.

Election and Re-election of Directors

In terms of Article 126 of the Articles of Association, one third of the Directors for the time being or if their number is not three or multiples of three (3) then the number nearest to one third (1/3 rd) shall retire in rotation from office. The number of Directors of the financial institute is 8 (eight). So, three (3) Directors being nearest one-third of eight shall retire in the 22nd Annual General Meeting. Accordingly, the following three (3) Directors is due to retire in the 22nd Annual General Meeting.

01. Dr. Maswooda Ghani

02. Mr. Tarik Sujat

03.Mr. Sheikh Abdul Hafiz FCA

In compliance of Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07, August 2012 of Bangladesh Securities and Exchange Commission (BSEC) a brief is appended below about them.

Sl no.	Name	Designation	Entities Where they have interest
01	Dr. Maswooda Ghani	Chairman	Managing Director: Pushpo Clinic
02.	Mr. Tarik Sujat	Director	CEO: Journeyman, Colors of Bangladesh, One Stop Print Shop. Managing Director: MediaScene Ltd., I- Info Media Ltd. Director: Desh Television Limited Managing Partner: Journeyman Riddi Consortium
03.	Mr. Sheikh Abdul Hafiz FCA	Independent Director	Member Governing Body: a) Bangladesh Medical College & Hospital b) Bangladesh Dental College c) Uttara Adhunik Medical College & Hospital d) Member & Past President, ICAB

As Per Article 128 of the Articles of Association of the Company the retiring directors are eligible for re-election, hence the Board recommends for re-appointment of the retiring directors in the 22nd Annual General Meeting of the Company.

Business Ethics

Bay Leasing believes in level playing field and BLIL is concerned about customer welfare, Bay Leasing understands the need of customers by extending facilities to the right clients a fair terms. Transparency of the process and deviations at every level monitored strictly to ensure all customers treated equally. We nurture SME clients to assist the growth of their business and maintain strong relationship with the corporate clients and runs operation so that all the parties remain in a win-win situation.

Directors' Responsibilities in Preparing Financial Statements

The Directors are responsible for preparing the company's financial statements in accordance with applicable laws and regulations. The Board confirms that the financial statements have been prepared under the applicable laws and regulations as per requirements of regulatory authorities.

External Auditor

M/s. Pinaki & Co., Chartered Accountants were appointed external auditors of the company for the year 2017 at the 22nd Annual General Meeting. They have audited the books of accounts for the period covering 1st January 2017 to 31st December 2017.

Accounting Policies & Maintenance of Books of Accounts

The Directors considered that in preparing the financial statements, the company has used appropriate policies, consistently applied and supported by reasonable and prudent judgments and estimates and that all international accounting standard as adopted by the institute of Chartered Accountants of Bangladesh (ICAB) have been followed. In preparing financial statements, information has been obtained from the book of accounts, which has been maintained properly as required by applicable rules and regulations.

Fairness of Accounts

The Directors accept responsibility for the annual financial statements, which has been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with Inferential Financial Reporting Standards (IFRS) and the requirements of Companies Act, 1994. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of their profits for the year ended December 31, 2017

Directors Statements Pursuant to the Disclosure and Transparency

The Directors confirms that to the best of each director's knowledge and belief:

- The financial statements, prepared in accordance with IAS/IFRS and BAS/BFRS as adopted by ICAB, give a true and fair view of the assets, liabilities, financial position and result of the company, and
- The management report contained in the operational and financial review includes a fair review of the development and performance of the business and position of the company, together with a description of the principal risks and uncertainties that may face

The internal control system is properly designed, implemented and effectively monitored

Report on the Compliance of the Conditions of BSEC's Notification

The directors are required by the BSEC'S notification dated August 07, 2012 to report on the compliance of certain conditions. The notification was issued for the purpose of establishing a framework for ensuring good governance practices in the listed companies for the interest for the investors and the capital market. A statement on the compliance with the BSEC'S conditions is given on the succeeding part of this report.

Notes of Appreciation

The undersigned and the Board of Bay Leasing & Investment Limited warmly appreciate the support and express gratitude to Bangladesh Bank, Securities and Exchange Commission. Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies & Firms, National Board of Revenue and Central Depository Bangladesh Limited for their continued assistance and guidance during the year.

Heartfelt appreciation goes to all our valued customers, partner banks, patrons and well-wishers for their generous support and co-operation. My special thanks and sincere appreciation on behalf of the Board goes to the management and members of the staff for their hard work, dedication and loyalty towards the company.

Finally, my sincere appreciation and thanks to all of my colleagues of the Board and all respected shareholders for their support and trust in our efforts to enhance the wealth and economic value of Bay Leasing & Investment Limited.

On behalf of the Board of Directors,

M. Ghani

Dr. Maswooda Ghani
Chairman

Report of the Audit Committee

The role and terms of reference of the Audit Committee is to assist the Board in fulfilling their oversight responsibilities regarding the integrity of Bay Leasing's financial statements, risk management and internal control, internal and external audit functions, compliance with laws and regulations and the external auditors' performance and independence.

Composition and members of the Audit Committee

In compliance with Bangladesh Bank circular dated October 26, 2011 and Corporate Governance Notification issued by BSEC on 07 August 2012, the Audit Committee was constituted. The present members of the committee are as follows:

Name	Status in the Committee	Status in the Board
Mr. Sheikh Abdul Hafiz FCA	Chairman	Independent Director
Prof. Suraiya Begum	Member	Director
Mr. Tarik Sujat	Member	Director
Mr. Zubayer Kabir	Member	Director
Mr. Zakir Ahmed Khan	Member	Independent Director

As per regulatory guidelines the Company Secretary of Bay Leasing Mr. M. Maniruz Zaman Khan is the secretary of the Audit Committee.

Meetings of the Audit Committee

Four meetings were held during 2017. The Managing Director, CFO and other Division Heads of Bay Leasing attended the meetings on invitation.

Terms of Reference of the Audit Committee

- Mr. Sheikh Abdul Hafiz FCA, in his capacity as the Independent Director shall be the Chairman of the Audit Committee.
- The tenure of office of the Audit Committee shall be 3 (three) years.
- The Company Secretary shall act as Secretary to the Audit Committee.
- The terms of reference of the Audit Committee shall also be as specified in the DFIM Circular and BSEC's Notification of 2012.

Internal Audit

- Received reports from the internal auditors.
- Monitored the performance of the internal audit function.
- Reviewed the internal audit plan.
- Reviewed the appropriate system and controls in place for effectiveness of internal audit function.
- Monitoring independence of audit work.

External Audit

Pinaki & Company, Chartered Accountants acted as external auditors to the company for the year. The external auditors are not engaged by the company on any non-audit work.

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Reporting of the Audit Committee

The Audit Committee reported its findings/observations to the Board of Directors according to BSEC Notification.

Independence of External Auditors and appointment of Statutory Auditors

As a policy, the committee prohibits the external auditors from performing any work that they may subsequently need to audit or which might otherwise create a conflict of interest. The committee also monitors the balance between audit and non-audit related functions to ensure that the auditors' independence are maintained. The Chief Financial Officer is permitted to engage the external auditors on matters that do not create such conflicts.

The committee considered the independence, expertise and objectivity of external auditors and also reviewed their effectiveness as external auditors before submitting its recommendation to the Board that their reappointment could be proposed to the shareholders.

Acknowledgement

The members of the Audit Committee express their thanks to the Board of Directors and the Management for their cooperation while performing its duties and responsibilities.



Sheikh Abdul Hafiz FCA

Chairman, Audit Committee

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Status of Compliance on Corporate Governance

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07 august, 2012 & Notification No. SEC/CMRRCD/2006-158/147/admin/48 Dated 21 July 2013 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is presented below:

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

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	√		
1.3	**Qualification of Independent director(ID)**			
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial regulatory and corporate laws and can make meaningful contribution to business	√		
1.3(ii)	Independent Director should be Business Leader/Corporate Leader/Bureaucrat/ University Teacher with Economics or Business Studies or law background/ Professional like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12(twelve) years of corporate management/ professional experiences	√		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of commission	-	-	Not applicable
1.4	**The Chairman of the board and the Chief executive officer:** The Chairman of the board and the Chief executive officer (CEO) shall be different individuals. The chairman shall be elected from the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	√		
1.5	**The directors' report shall include the following additional statements under section 184 of the companies Act, 1994 (Act No. XVIII of 1994)**			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment-wise or product –wise performance	√		
1.5(iii)	Risk and concerns	√		
1.5(iv)	A discussion on Cost of goods sold, Gross profit Margin and Net Profit Margin	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	--	--	Not applicable
1.5(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report	√		
1.5(vii)	Utilization of proceeds from public issues, right issues and/or through any other instruments			Not applicable
1.5(viii)	An explanations if the financial results deteriorate after the company goes for Initial Public Offering(IPO)			Not applicable
1.5(ix)	If significant variance occurs between quarterly financial performance and annual financial statements the management shall explain about the variance	√		
1.5(x)	Remuneration to directors including independent directors	√		
1.5(xi)	The financial statements present fairly its state of affairs , the result of its operations, cash flows and changes in equity	√		
1.5(xii)	Proper books of account have been maintained	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.5(xiii)	Adaption of appropriate accounting policies & estimates	√		
1.5(xiv)	IAS/BAS/IFRS/BFRS as applicable in Bangladesh have been followed and adequate disclosure for any departure	√		
1.5(xv)	The system of internal control is sound in design and has been effective implemented and monitored	√		
1.5(xvi)	Going Concern (ability to continue as a going concern)	√		
1.5(xvii)	Highlight and explain significant deviations from the last years operating results	√		
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized	√		
1.5(xix)	Reason for non declaration of dividend	-	-	Not applicable
1.5(xx)	The number of board meeting held during the year and attendance by each director	√		
1.5(xxi)	**Pattern of shareholding and name wise details (disclosing aggregate number of shares)**	√		
1.5(xxi)(a)	Parent/Subsidiary/Associate Companies and other related parties	√		
1.5(xxi)(b)	Directors, Chief Executive Officer(CEO), Company Secretary(CS), Chief Financial Officer(CFO), Head of Internal Audit(HIA) and their spouses and minor children	√		
1.5(xxi)(c)	Top five executives other than mentioned above			Not applicable
1.5(xxi)(d)	Shareholders holding ten percent(10%) or more voting interest in the company			Not applicable
1.5(xxii)	**In case of the appointment/re-appointment of a director, disclose**			
1.5(xxii)(a)	A brief resume of the director	√		
1.5(xxii)(b)	Nature of his/her expertise in specific functional areas	√		
1.5(xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		
2.	**Chief Financial Officer(CFO) Head of Internal Audit and Company Secretary(CS):**			
2.1	**Appointment:** Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties		√	CFO, CS is the same persons. Segregation is under process
2.2	**Requirement to attend the Board Meetings:** The CFO and the CS shall attend the meeting of the board of directors	√		
3	**Audit Committee**			
3(i)	The company shall have an Audit Committee as a sub-committee of the BoD	√		
3(ii)	The Audit Committee shall assist the BoD in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3(iii)	The Audit Committee shall be responsible to the Bod. The duties of the audit committee shall be clearly set forth in writing	√		
3.1	**Constitution of the Audit Committee**			
3.1(i)	The Audit Committee shall be composed of at least(3)three members	√		
3.1(ii)	The BoD shall appoint members of the audit committee who shall be directors of the company and shall include at least 1(one) Independent Director	√		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience	√		
3.1(iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy(ies) by the board not later than 1(one) month from the date of vacancy(ies)	-	-	No vacancy occurred
3.1(v)	The company secretary shall act as the secretary of the committee	√		
3.1(vi)	The quorum of the audit committee meeting shall not constitute without at least 1(one) independent director	√		
3.2	**Chairman of the Audit committee**			
3.2(i)	The BoD shall select the chairman of the Audit Committee who shall be an independent director	√		
3.2(ii)	Chairman of the audit committee shall remain present in the AGM	--	--	Will be ensured
3.3	**Role of Audit Committee**			
3.3(i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor choice accounting policies and principles	√		
3.3(iii)	Monitor Internal Control Risk management process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		
3.3(v)	Review the annual financial statements before submission to the board for approval	√		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review statements of significant related party transactions submitted by the management	√		Management Report
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
3.3(x)	Disclosure to the audit committee about the uses /applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital etc) on a quarterly basis, as a part of their quarterly declaration of financial results. Further on an annual basis shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus	--	--	Not applicable

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3.4	**Reporting the Audit Committee**			
3.4.1	**Reporting to the Board of Directors**			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	√		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings if any:-			
3.4.1(ii)(a)	Reporting on conflicts of interest	None		
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	None		
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations	None		
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately	None		
3.4.2	**Reporting to the Authorities**			
3.4.2	Reporting to BSEC(if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	None		
3.5.	**Reporting to the shareholders and General Investor:** Reporting to the shareholders of audit committee activities, which shall be signed by the chairman and disclosed in the annual report	√		
4.00	**External/Statutory Auditors**			
4(i)	Non-engagement in appraisal or valuation services or fairness opinion	√		
4(ii)	Non-engagement in designing and implementation of Financial information systems	√		
4(iii)	Non-engagement in book keeping or other services related to the accounting records or financial statements	√		
4(iv)	Non-engagement in Broker – dealer services	√		
4(v)	Non-engagement in actuarial services	√		
4(vi)	Non-engagement in internal audit services	√		
4(vii)	Non-engagement in any other services that the audit committee determines	√		
4(viii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	√		
5.00	**Subsidiary Company**			
5(i)	Provision relating to the composition of the BoD of the holding company shall be made applicable to the composition of the BoD of the subsidiary company	√		
5(ii)	At least 1(one) independent director on the BoD of the holding company shall be a director on the BoD of the subsidiary company	√		
5(iii)	The minutes of the board meeting of the subsidiary company shall be placed for review at the following board meeting of the holding company	√		

VIVAR STOCK

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(iv)	The minutes of the respective board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
5(v)	The audit committee of the holding company shall also review the financial statements, in particular the investment made by the subsidiary company	√		
6	**The CEO and CFO shall certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief**			
6(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
6(ii)	There are to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent , illegal or violation of the company's code of conduct	√		
7(i)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	√		
7(ii)	Directors statements in the directors report whether the company has complied with these conditions	√		

AMARSTOCK

COMPLIANCE REPORT ON BANGLADESH BANK'S GUIDELINES ON CORPORATE GOVERNANCE

Bangladesh Bank requires the Financial Institutions to comply with the guidelines on Corporate Governance as per the DFIM Circular no. 7 dated September 25, 2007 taking appropriate steps to comply with the guidelines and implemented the same. Status report on compliance with those guidelines is given below:

Condition No.	Particulars	Compliance Status		Remarks
		Complied	Not Complied	
Responsibilities and authorities of Board of Directors	**A. Work Planning and Strategic Management**			
	i. The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goal and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans.	√		
	ii. The Board shall have its analytical review incorporated in the Annual report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies.	√		
	iii. The Board will set the Key Performance Indicators (KPIs) for the CEO and other senior executives and will evaluate half yearly / yearly basis.	√		
	B. Formation of sub-committee			
	To expedite the process of making timely decision on key operational issues, Executive Committee and Audit Committee may be formed. No alternative director shall be included in this committee.	√		
	C. Financial Management			
	i. Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	√		
	ii. Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recovery of overdue loan/lease.	√		
	iii. Board shall approve the procurement policy and shall accordingly the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, decision relating to purchase of land, building and vehicles shall remain with the Board.	√		
	iv. The Board shall adopt the operation of bank accounts. Groups maybe formed among the management to operate bank accounts under joint signatures.	√		

Condition No.	Particulars	Compliance Status		Remarks
		Complied	Not Complied	
Responsibilities and authorities of Board of Directors	**D. Management of loan/lease/investments**			
	i. Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	√		
	ii. No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	√		
	iii. Any syndicated loan/lease/investment proposal must be approved by the Board.	√		
	E. Risk Management			
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	√		
	F. Internal Control and Compliance			
	A regular Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditor, external auditors and Bangladesh Bank Inspection team.	√		
	G. Human Resources Management			
	i. Board shall approve the policy on Human Resources Management and Service Rule. Chairman and director of the Board shall not interfere on the administrative job in line with the approved Service Rule.	√		
	ii. Only the authority for the appointment and promotion of the Managing Director/Deputy Managing Director/ General Manager and other equivalent position shall lie with the Board incompliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	√		
	H. Appointment of the Managing Director and Increase of Salaries & Allowances			
	The Board shall appoint a competent CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his salary and allowances.	√		
	I. Benefit to the Chairman			
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in th e business-interest of the Company subject to the approval of the Board.	√		
Responsibilities and authorities of the Chairman	i. Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	√		
	ii. The minutes of the Board meetings shall be signed by the Chairman;	√		
	iii. Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	√		

Condition No.	Particulars	Compliance Status		Remarks
		Complied	Not Complied	
Responsibilities of Managing Director	i. Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	√		
	ii. Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities;	√		
	iii. All recruitment/ promotion/ training, except recruitment/ promotion/ training of DMD, shall be vested upon the Managing Director. He shall act such in accordance with the approved HR Policy of the Company;	√		
	iv. Managing Director may re-schedule job responsibilities of employees;	√		
	v. Managing Director may take disciplinary actions against the employees except DMD and General Manager;	√		
	vi. Managing Director shall sign all the letters/statements relating to compliance of polices and guidelines. However, Departmental/Unit Heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so authorized by the Managing Director.	√		

AMARSTOCK

UHY Syful Shamsul Alam & Co
Chartered Accountants

Corporate Office:
Paramount Heights (Level-6)
65/2/1, Box Culvert Road
Purana Paltan, Dhaka-1000
Bangladesh

Phone : +880-2-9555915
+880-2-9515431
+880-2-9515491
Fax : +880-2-9560332
E-mail : ssac@ssacbd.com
Web : www.ssacbd.com

Certificate on Compliance with Corporate Governance Guidelines to the Shareholders of Bay Leasing & Investment Limited

We were engaged by Bay Leasing & Investment Limited (the "Company") to provide certification whether the Company has complied with the conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission in its notification number SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 (the "conditions of corporate governance guidelines") for the year ended 31 December 2017.

The Company's Responsibilities

Those charged with governance and management of the Company are responsible for complying with the conditions of corporate governance guidelines. Those charged with the governance of the Company are also responsible for stating in the director's report whether the Company has complied with the conditions of corporate governance guidelines.

Our Responsibilities

Our responsibility is to examine the Company's status of compliance with the conditions of corporate governance guidelines and to certify thereon in the form of an independent assurance conclusion based on the evidence obtained. For the purpose of the engagement, we have complied with ethical requirements, including independence requirements, and planned and performed our procedures to obtain assurance whether the Company has complied with the conditions of corporate governance guidelines.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Company has complied with the conditions of corporate governance guidelines for the year ended 31 December 2017 subject to the issues disclosed in the checklist.

Dated: 04 April 2018
Dhaka

Syful Shamsul Alam & Co.
Chartered Accountants

Dhaka Office : 15, Dilkusha C/A (6th floor), Dhaka-1000, Bangladesh, Phone : +880-2-9572217
Chittagong Office : Yunusco City Centre (9th Floor) 807, CDA Avenue, Nasirabad, Chittagong, Bangladesh, Phone : +880-31-2859281, 2865269
E-mail : sarwar@ssacbd.com

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AUTHORISED TRAINING EMPLOYER ICAEW

Shareholding of Sponsor Directors

SL. No.	Name of Sponsor Directors	Status	No.of shares	% of total No. of Paid-up Shares
1	Dr. Maswooda Ghani	Chairman	8,214,300	6.27%
2	Prof. Suraiya Begum	Director	2,808,700	2.15%
3	Mr. Tarik Sujat	Director	2,731,530	2.09%
4	Mr. Zubayer Kabir	Director	2,618,550	2.00%
5	Mr. Sheikh Abdul Hafiz, FCA	Independent Director	-	0.00%
6	Mr. Zakir Ahmed Khan	Independent Director	-	0.00%
7	Prof. Shahid Uddin Ahmed, Ph.D	Independent Director	-	0.00%
8	Dr. Zaidi Sattar	Independent Director	-	0.00%
	Total		16,373,080	**12.51%**

Senior Executives Shareholding position

SL #	Name of Shareholders	Designation	Number of Shares	% of Holdings
1.	Mr. Iftekhar Ali Khan	Managing Director	-	-
2.	Mr. Mohammad Lutfur Rahman	Senior Executive Vice President	-	-
3.	Mr. M. Maniruz Zaman Khan	Executive Vice President	-	-
4.	Mr. Mohammad Rashedul Islam	Vice President	-	-
5.	Mr. Rashed Al Islam	Vice President	-	-
6.	Mr. Shabbir Minhaz Chowdhury	Senior Assistant Vice President	-	-
7.	Ms. Sharmin Akhter	Senior Assistant Vice President	-	-
8.	Mr. Md. Sameer Sazzad	Senior Assistant Vice President	-	-

Board Meeting and Attendance of Directors

During the year 2017 the 12 meetings of the Board were held. Attendance of the Director is stated below:

SL No	Name of Sponsor Directors/ Shareholders	Status	Number of meetings held	Attended	Remarks
1	Dr. Maswooda Ghani	Chairman	12	10	The Directors who could not attend any meeting were granted leave of absence
2	Prof. Suraiya Begum	Director	12	9	
3	Mr. Tarik Sujat	Director	12	12	
4	Mr. Zubayer Kabir	Director	12	7	
5	Mr. Zakir Ahmed Khan	Independent Director	12	11	
6	Mr. Sheikh Abdul Hafiz, FCA	Independent Director	12	11	
7	Prof. Shahid Uddin Ahmed, Ph.D	Independent Director	12	6	
8	Dr. Zaidi Sattar	Independent Director	12	6	

Audit Commettee Meeting and Attendance of Directors

During the year 2017 the 4 meetings of the Audit Committee were held. Attendance of the Director is stated below:

SL No	Name of Sponsor Directors/ Shareholders	Status	Number of meetings held	Attended	Remarks
1	Mr. Sheikh Abdul Hafiz, FCA	Chairman	4	4	
2	Prof. Suraiya Begum	Member	4	3	
3	Mr. Tarik Sujat	Member	4	4	
4	Mr. Zubayer Kabir	Member	4	3	
5	Mr. Zakir Ahmed Khan	Member	4	3	

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Green Banking Initiatives

Society is facing most complicated issues of climate change. People nowadays are more conversant with global warming and its inherent consequences on human life. So change is the need of the hour for the survival and continuous efforts should be made for the environmental management in a sustainable manner. It is not only the concern of the government and the direct polluters but also of other stakeholders like

financial institutions such as NBFI, which are playing a fundamental role in the development of the society.Banking activities are not physically related to the environment, but the external impact of their customer activities is substantial. So NBFI adopted green strategies into their operations, buildings, investments and financing strategies.

"Green Bank is like a normal bank, which considers all the social and environmental / ecological factors with an aim to protect the environment and conserve natural resources". It is also known as ethical bank or sustainable bank.

Green is becoming a symbol of Eco consciousness in the world. In response to increasing awareness over the climate change, environmental degradation, urgent measures for sustainable development and as per instruction of Bangladesh Bank Bay Leasing & Investment Ltd. has already established its "Green Banking Policy" and "Green Banking Unit" with the responsibility of developing policies, planning and administering the green banking initiatives of the Bay Leasing & Investment Ltd.Some aspects across the organization are as follows:



Auditors' Report

Bay Leasing & Investment Limited



Auditors' Report to the shareholders of
Bay Leasing & Investment Limited

We have audited the accompanying consolidated Financial Statements of Bay Leasing & Investment Limited ("the Company") and its subsidiary (the "Group") as well as the separate Financial Statements of Bay Leasing & Investments Limited (the "Company"), which comprises the consolidated and separate Balance sheet as at 31 December 2017, consolidated and separate Profit & Loss account, consolidated and separate Statement of Changes in Equity and consolidated and separate Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also the separate financial statements of the Company that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in note 2.3, the Financial Institution Act 1993, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchange Rules 1987,the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements of the Group and also the separate Financial Statements of the Company 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 consolidated financial statements of the Group and the separate financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Financial Statements of the Group and the separate Financial Statements of the Company are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated Financial Statements of the Group and the separate Financial Statements of the Company give a true and fair view of the consolidated Balance sheet of the Group and the separate Balance sheet of the Company as at 31 December 2017, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in note 2.3 and comply with the Financial Institution Act 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We also report that:

i) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof and found satisfactory;

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

iii) financial statements of subsidiary Company of the entity namely BLI Capital Limited has been also audited by us and issued an unqualified opinion;

iv) the consolidated balance sheet and consolidated profit and loss of the Group and the separate balance sheet and profit and loss statement of the Company together with annexed notes from 1 to 38 dealt with by the report are in agreement with the books of account;

v) the expenditure incurred was for the purpose of the Group and the Company's business;

vi) the consolidated Financial Statements of the Group and those of the Company have been drawn up inconformity with the Financial Institution Act 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank to the extent applicable to the Company;

vii) the records submitted by the parent company and the subsidiary company have been properly maintained and consolidated in the Financial Statements;

viii) adequate Provisions have been made as per Bangladesh Bank's inspection report dated 01 March, 2018 for leases, loans and advances and other assets which are doubtful of recovery;

ix) statements sent to Bangladesh Bank has been checked on sample basis and no inaccuracy has come to our attention;

x) taxes and other duties collected and deposited to Government treasury by the company as per Government instructions found satisfactory;

xi) nothing has come to our attention that the company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets & liabilities;

xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions issued by Bangladesh Bank & other regulatory authorities have been found complied;

xiii) the internal control and compliance of the company is satisfactory, and effective measures have been taken to prevent possible fraud, forgery and internal policies are being followed;

xiv) the Company has complied with relevant laws pertaining to capital, reserve & net worth, cash & liquid assets and procedure for sanctioning & disbursing loans/leases found satisfactory;

xv) the consolidated financial statements of the Group and the separate financial statement of the Company conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting body of Bangladesh;

xvi) we have reviewed over 80% of the risk weighted assets of the Group and the Company during the course of our audit and we have spent over 1150 person-hours for the audit of books and accounts of the Group and the Company;

Pinaki & Co

Place : Dhaka
Dated: April 09, 2018

Pinaki & Company.
Chartered Accountants

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Bay Leasing & Investment Limited

Consolidated Balance Sheet

as at December 31, 2017

Particulars	Notes	(Amount in Taka) 31-12-2017	31-12-2016
PROPERTY AND ASSETS			
Cash		**72,301,873**	**67,391,102**
In hand (including foreign currencies)	3 a	1,491,951	947,086
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.02	70,809,922	66,444,016
Balance with banks and other financial institutions	4 a	**866,154,978**	**247,263,485**
In Bangladesh		866,154,978	247,263,485
Outside Bangladesh		-	-
Money at call and short notice	5.00	-	-
Investments	6 a	**1,681,846,423**	**1,645,998,711**
Government		-	-
Others		1,681,846,423	1,645,998,711
Lease, loans and advances	7 a	**11,955,528,509**	**10,023,086,201**
Lease, loans and advances		11,955,528,509	10,023,086,201
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	8 a	**1,261,379,270**	**1,246,353,121**
Other assets	9 a	**487,891,041**	**321,394,064**
Non - financial institutional assets		-	-
Total Assets		**16,325,102,094**	**13,551,486,684**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks, other financial institutions and agents	10.01 a	**6,352,355,663**	**5,147,563,044**
Deposits and other accounts	11 a	**6,424,722,858**	**4,938,634,929**
Term Deposits		6,076,055,819	4,716,138,626
Other Deposit Products		64,649,629	56,695,129
Bearer certificates of deposit		-	-
Other Deposits		284,017,410	165,801,174
Other liabilities	12 a	**937,110,789**	**822,700,391**
Total Liabilities		**13,714,189,310**	**10,908,898,364**
Capital / Shareholders' equity			
Paid- up capital	13.02	1,309,068,000	1,309,068,000
Statutory reserve	14.00	518,843,000	476,264,000
Share premium	15.00	220,932,000	220,932,000
General reserve		60,449,854	123,639,800
Assets revaluation reserve	16.00	362,302,776	369,308,482
Retained surplus	17.a	139,307,149	143,365,795
Total equity attributable to the equity holders of the company		**2,610,902,779**	**2,642,578,077**
Non-Controlling Interest	18.00	10,004	10,243
Total Liabilities and Shareholders' Equity		**16,325,102,094**	**13,551,486,684**

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Bay Leasing & Investment Limited

Off-Balance Sheet Items

as at December 31, 2017

Particulars	Notes	(Amount in Taka)	
		31-12-2017	31-12-2016
Contingent liabilities	37.01	300,000,000	449,500,000
Acceptances and endorsements		-	-
Letters of guarantee		300,000,000	449,500,000
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 Off-Balance Sheet items including Contingent Liabilities		300,000,000	449,500,000

The annexed notes 1 to 38 form an integral part of these financial statements.

Chairman **Director** **Managing Director** **Company Secretary**

As per our report of same date.

Place: Dhaka
Dated: April 09, 2018

Pinaki & Company.
Chartered Accountants

AMARSTOCK

Bay Leasing & Investment Limited

Consolidated Profit & Loss Accounts

For the year ended December 31, 2017

	Notes	(Amount in Taka) 31-12-2017	31-12-2016
Interest Income	20 a)	1,123,043,151	913,462,618
Interest paid on Deposit, Borrowing etc.	21 a)	(963,863,482)	(757,578,631)
Net Interest Income		**159,179,669**	**155,883,987**
Investment Income	22 a)	179,884,841	79,840,174
Commission, Exchange and Brokerage Income	23 a)	36,457,853	28,559,484
Other Operating Income	24 a)	22,605,921	20,997,559
Total Operating Income		**398,128,284**	**285,281,204**
Salary and allowances	25 a)	60,792,186	41,321,942
Rent, taxes, insurance, electricity, etc	26 a)	7,654,302	7,097,601
Legal expenses		894,100	954,724
Postage, stamp, telecommunication, etc	27 a)	3,616,318	6,704,520
Stationery, Printing, advertisement, etc.	28 a)	2,691,934	2,049,119
Managing Director's salary and benefits		6,682,848	6,699,099
Director's fees	29.00	818,800	662,400
Auditor's fees	30.00	281,750	285,200
Charges on Loan Losses		-	-
Depreciation and repairs of assets	31 a)	27,512,797	21,571,641
Other expenses	32 a)	13,131,532	8,606,197
Total operating expenses		**124,076,567**	**95,952,443**
Profit before provision		**274,051,717**	**189,328,761**
Provision against lease, loans, advances	33 a)	20,558,662	14,000,000
Provision against diminution in value of Investment	34 a)	35,891,822	-
Other Provision		-	7,700,000
Total Provision		**56,450,484**	**21,700,000**
Total Profit before taxes		**217,601,233**	**167,628,761**
Provision For Tax	35 a)	54,844,125	66,325,582
Net Profit after taxation		**162,757,108**	**101,303,179**
Net profit after tax attributable to:			
Equaity holders of the Company		162,757,091	101,303,172
Non Controlling Interest		17	7
		162,757,108	**101,303,179**
Appropriations			
Statutory reserve	14	42,579,000	33,001,000
General reserve		-	-
Non-Controlling Interest		17	7
		42,579,017	**33,001,007**
Retained Surplus		**120,178,091**	**68,302,172**
Earning Per Share (EPS)	37 (a)	**1.24**	**0.77**

The annexed notes 1 to 38 form an integral part of these financial statements.

Chairman **Director** **Managing Director** **Company Secretary**

As per our report of same date.

Pinaki & Company.
Chartered Accountants

Place: Dhaka
Dated: April 09, 2018

Bay Leasing & Investment Limited
Consolidated Cash Flow Statements
For the year ended December 31, 2017

		(Amount in Taka)	
		31-12-2017	31-12-2016
A)	**Cash flows from operating activities**		
	Interest receipts in cash	847,044,762	998,829,695
	Interest payments	(943,284,811)	(825,923,640)
	Dividend receipts	95,216,732	49,128,602
	Fees and commission receipts in cash	36,457,853	44,734,305
	Payments to employees	(67,475,034)	(48,021,041)
	Payments to suppliers	(2,691,934)	(2,049,119)
	Receipts from other operating activities	21,810,321	11,623,027
	Payments for other operating activities	(54,812,776)	(78,120,330)
	Cash generated from operating activities before changes in operating assets and liabilities	**(67,734,887)**	**150,201,499**
	Increase / decrease in operating assets and liabilities		
	Other assets	(84,272,499)	71,130,828
	Lease, loans and advances to customers	(1,561,670,208)	(1,405,806,370)
	Margin Loan	(438,109,645)	(127,160,952)
	Margin Deposit	118,541,457	(11,480,875)
	Deposits from other banks / borrowings	1,230,857,206	839,298,282
	Deposits from customers	137,014,487	238,212,677
	Payment as Call Loan	(143,000,000,000)	(168,240,000,000)
	Receipt as Call Loan	143,690,000,000	168,240,000,000
	Other liabilities account of customers	2,501,706	(20,112,970)
		94,862,504	(415,919,380)
	Net cash from operating activities	**27,127,617**	**(265,717,881)**
B)	**Cash flows from investing activities**		
	Proceeds from sale of securities	1,077,882,732	30,276,942
	Payments for purchases of securities	(1,029,062,337)	(47,613,446)
	Proceeds from sale of Fixed Assets	-	-
	Receive from BLI Capital aagainst advance	29,520,000	27,060,000
	Purchase of property, plant and equipment	(40,572,111)	(223,375,182)
	Net cash from investing activities	**37,768,284**	**(213,651,686)**
C)	**Cash flows from financing activities**		
	Receipts of long term loan	2,723,198,904	2,162,068,789
	Repayment of long term loan	(2,041,858,103)	(1,412,277,058)
	Share Money Deposit	71,232	(45,814)
	Net draw down/(payment) of short term loan	97,440,140	(78,923,922)
	Dividend paid	(219,945,810)	(185,978,763)
	Net Cash from financing activities	**558,906,363**	**484,843,232**
D)	Net increase / (decrease) in cash and cash equivalents (A+ B + C)	623,802,264	5,473,665
E)	Effects of exchange rate changes on cash and cash equivalents	-	-
F)	Cash and cash equivalents at beginning of the year	314,654,587	309,180,922
G)	**Cash and cash equivalents at end of the year**	**938,456,851**	**314,654,587**
	Cash and cash equivalents at end of the year		
	Cash in hand (including foreign currencies)	1,491,951	947,086
	Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	70,809,922	66,444,016
	Balance with banks and other financial institutions (notes 4 (b))	866,154,978	247,263,485
	Total	**938,456,851**	**314,654,587**

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Bay Leasing & Investment Limited

Consolidated Statement of Changes in Equity

For the year ended December 31, 2017

Particulars	Paid-up capital	Share premium	Statutory reserve	General reserve	Assets Revaluation Reserve	Retained earnings	Total	Non-Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at January 01, 2017	1,309,068,000	220,932,000	476,264,000	123,639,800	369,308,482	143,365,795	**2,642,578,078**	10,243	**2,642,588,321**
Prior period error adjustment- Vat	-	-	-	-	-	(2,882,498)	**(2,882,498)**	-	**(2,882,498)**
Previous year adjustment	-	-	-	-	-	56	56	(56)	-
Restated balance as at January 01, 2017	**1,309,068,000**	**220,932,000**	**476,264,000**	**123,639,800**	**369,308,482**	**140,483,353**	**2,639,695,635**	**10,187**	**2,639,705,822**
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-
Dividend of BLI Capital						(34,999,801)	**(34,999,801)**		**(34,999,801)**
Transferred during the year					(7,005,705)	7,005,705	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	162,757,091	**162,757,091**	17	**162,757,108**
Dividends (Bonus shares)	-	-	-	-	-	-	-	-	-
Cash Dividend	-	-	-	(103,000,000)	-	(93,360,200)	**(196,360,200)**	(200)	**(196,360,400)**
Appropriation made during the year	-	-	42,579,000	39,810,054	-	(42,579,000)	**39,810,054**	-	**39,810,054**
Balance as at December 31, 2017	**1,309,068,000**	**220,932,000**	**518,843,000**	**60,449,854**	**362,302,776**	**139,307,149**	**2,610,902,779**	**10,004**	**2,610,912,783**
Balance as at December 31, 2016	**1,309,068,000**	**220,932,000**	**476,264,000**	**123,639,800**	**369,308,482**	**143,365,795**	**2,642,578,077**	**10,243**	**2,642,588,321**

Bay Leasing & Investment Limited

Balance Sheet

as at December 31, 2017

Particulars	Notes	(Amount in Taka) 31-12-2017	31-12-2016
PROPERTY AND ASSETS			
Cash	3.00	**72,221,883**	**67,327,637**
In hand (including foreign currencies)		1,411,961	883,621
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		70,809,922	66,444,016
Balance with banks and other financial institutions	4.00	**865,230,000**	**174,137,646**
In Bangladesh		865,230,000	174,137,646
Outside Bangladesh		-	-
Money at call and short notice	5.00	-	-
Investments	6.00	**991,273,096**	**1,024,736,680**
Government		-	-
Others		991,273,096	1,024,736,680
Lease, loans and advances	7.00	**9,527,068,023**	**7,767,886,521**
Lease, loans and advances		9,527,068,023	7,767,886,521
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	8.00	**894,679,262**	**873,830,217**
Other assets	9.00	**2,439,766,940**	**1,983,875,077**
Non - financial institutional assets		-	-
Total Assets		**14,790,239,204**	**11,891,793,778**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks, other financial institutions and agents	10.00	**5,152,410,007**	**3,713,067,000**
Deposits and other accounts	11.00	**6,168,413,802**	**4,800,867,330**
Term Deposits		6,076,055,819	4,716,138,626
Other Deposit Products		64,649,629	56,695,129
Bearer certificates of deposit		-	-
Other Deposits		27,708,354	28,033,575
Other liabilities	12.00	**859,211,455**	**768,036,024**
Total Liabilities		**12,180,035,264**	**9,281,970,354**
Capital / Shareholders' equity			
Paid- up capital	13.02	1,309,068,000	1,309,068,000
Statutory reserve	14.00	518,843,000	476,264,000
Share premium	15.00	220,932,000	220,932,000
General reserve		60,449,854	123,639,800
Assets Revaluation reserve	16.00	362,302,776	369,308,482
Retained surplus	17.00	138,608,309	110,611,142
		2,610,203,939	**2,609,823,424**
Total Liabilities and Shareholders' Equity		**14,790,239,204**	**11,891,793,778**

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Bay Leasing & Investment Limited

OFF-BALANCE SHEET ITEMS

as at December 31, 2017

	Notes	(Amount in Taka)	
		31-12-2017	31-12-2016
Contingent liabilities	37.00	**300,000,000**	**449,500,000**
Acceptances and endorsements		-	-
Letters of guarantee		300,000,000	449,500,000
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 Off-Balance Sheet items including contingent liabilities		**300,000,000**	**449,500,000**
Net asset value per share		**19.94**	**19.94**

The annexed notes 1 to 38 form an integral part of these financial statements.

Chairman **Director** **Managing Director** **Company Secretary**

As per our report of same date.

Place: Dhaka
Dated: April 09, 2018

Pinaki & Company.
Chartered Accountants

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Bay Leasing & Investment Limited

Profit & Loss Accounts

For the year ended December 31, 2017

	Notes	(Amount in Taka) 31-12-2017	31-12-2016
Interest Income	20	1,014,088,769	840,606,043
Interest paid on Deposit, Borrowing etc.	21	(832,653,212)	(653,887,925)
Net Interest Income		**181,435,557**	**186,718,118**
Investment Income	22	133,361,163	57,546,547
Commission, Exchange and Brokerage Income	23	768,285	456,270
Other Operating Income	24	15,489,623	12,418,627
Total Operating Income		**331,054,628**	**257,139,562**
Salary and allowances	25	47,645,859	35,138,002
Rent, taxes, insurance, electricity, etc	26	2,762,593	2,339,657
Legal & Professional fees		894,100	954,724
Postage, stamp, telecommunication, etc	27	688,380	698,627
Stationery, Printing, advertisement, etc.	28	2,527,862	1,962,603
Managing Director's salary and benefits		6,682,848	6,699,099
Director's fees	29	818,800	662,400
Auditor's fees	30	224,250	227,700
Charges on Loan Losses		-	-
Depreciation and repairs of assets	31	15,505,681	15,310,216
Other expenses	32	8,113,340	6,444,153
Total operating expenses		**85,863,713**	**70,437,181**
Profit before provision		**245,190,915**	**186,702,381**
Provision against lease, loans, advances	33	20,558,662	14,000,000
Provision against diminution in value of Investment	34	11,741,338	-
Other Provision		-	7,700,000
Total Provision		**32,300,000**	**21,700,000**
Total Profit before taxes		**212,890,915**	**165,002,381**
Provision For Tax	35	53,077,756	64,702,485
Net Profit after taxation		**159,813,159**	**100,299,896**
Appropriations			
Statutory reserve	14	42,579,000	33,001,000
General reserve		-	-
Dividends		-	-
		42,579,000	**33,001,000**
Retained Surplus		**117,234,159**	**67,298,896**
Earning Per Share (EPS)	36	**1.22**	**0.77**

The annexed notes 1 to 38 form an integral part of these financial statements.

Chairman **Director** **Managing Director** **Company Secretary**

As per our report of same date.

Place: Dhaka
Dated: April 09, 2018

Pinaki & Company.
Chartered Accountants

Bay Leasing & Investment Limited
Cash Flow Statements
For the year ended December 31, 2017

		(Amount in Taka)	
		31-12-2017	31-12-2016
A)	**Cash flows from operating activities**		
	Interest receipts	800,656,294	877,430,935
	Interest payments	(795,863,763)	(640,046,632)
	Dividend receipts	87,084,227	49,128,602
	Fees and commission receipts	768,285	456,270
	Payments to employees	(54,328,707)	(41,837,101)
	Payments to suppliers	(2,527,862)	(1,962,603)
	Receipts from other operating activities	14,694,023	11,623,027
	Payments for other operating activities	(9,525,550)	(6,947,036)
	Cash generated from operating activities before changes in operating assets and liabilities	**40,956,947**	**247,845,462**
	Increase / decrease in operating assets and liabilities		
	Other assets	(481,964,075)	(688,515,225)
	Lease, loans and advances to customers	(1,561,670,208)	(1,405,806,370)
	Deposits from other banks / borrowings	1,230,857,206	839,298,282
	Deposits from customers	137,014,487	238,212,677
	Payment as Call Loan	(143,000,000,000)	(168,240,000,000)
	Receipt as Call Loan	143,690,000,000	168,240,000,000
	Other liabilities account of customers	2,501,706	(20,112,970)
		16,739,116	(1,036,923,606)
	Net cash from operating activities	**57,696,063**	**(789,078,144)**
B)	**Cash flows from investing activities**		
	Proceeds from sale of securities	191,850,602	30,276,942
	Payments for purchases of securities	(112,110,083)	(21,858,997)
	Proceeds from sale of Fixed Assets	-	-
	Purchase of property, plant and equipment	(35,438,411)	(32,560,226)
	Receive from BLI Capital against advance	29,520,000	27,060,000
	Net cash from investing activities	**73,822,108**	**2,917,719**
C)	**Cash flows from financing activities**		
	Receipts of long term loan	2,723,198,904	2,162,068,789
	Repayment of long term loan	(2,041,858,103)	(1,412,277,058)
	Share Money Deposit	71,232	(45,814)
	Net draw down/(payment) of short term loan	68,002,206	214,325,556
	Dividend paid	(184,945,810)	(185,978,763)
	Net Cash from financing activities	**564,468,429**	**778,092,710**
D)	Net increase / (decrease) in cash and cash equivalents (A+ B + C)	695,986,600	(8,067,715)
E)	Effects of exchange rate changes on cash and cash equivalents	-	-
F)	Cash and cash equivalents at beginning of the year	241,465,283	249,532,998
G)	**Cash and cash equivalents at end of the year**	**937,451,883**	**241,465,283**
	Cash and cash equivalents at end of the year		
	Cash in hand (including foreign currencies)	1,411,961	883,621
	Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	70,809,922	66,444,016
	Balance with banks and other financial institutions (notes 4 (b))	865,230,000	174,137,646
	Total	**937,451,883**	**241,465,283**

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Bay Leasing & Investment Limited

Statement of Changes in Equity

For the year ended December 31, 2017

Particulars	Paid-up capital	Share premium	Statutory reserve	General reserve	Assets Revaluation Reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at January 01, 2017	1,309,068,000	220,932,000	476,264,000	123,639,800	369,308,482	110,611,142	2,609,823,424
Prior period error adjustment	-	-	-	-	-	-	-
Provision of Vat	-	-	-	-	-	(2,882,498)	(2,882,498)
Restated balance at January 01, 2017	**1,309,068,000**	**220,932,000**	**476,264,000**	**123,639,800**	**369,308,482**	**107,728,644**	**2,606,940,926**
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-
Prior period error adjustment	-	-	-	-	(7,005,705)	7,005,705	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	159,813,159	159,813,159
Cash Dividend	-	-	-	(103,000,000)	-	(93,360,200)	(196,360,200)
Appropriation made during the year	-	-	42,579,000	39,810,054	-	(42,579,000)	39,810,054
Balance as at December 31, 2017	**1,309,068,000**	**220,932,000**	**518,843,000**	**60,449,854**	**362,302,776**	**138,608,308**	**2,610,203,939**
Balance as at December 31, 2016	**1,309,068,000**	**220,932,000**	**476,264,000**	**123,639,800**	**369,308,482**	**110,611,142**	**2,609,823,424**

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Bay Leasing & Investment Limited

Liquidity Statement

(Analysis of Maturity of Assets & Liabilities)

For the year ended December 31, 2017

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand	1,411,961	-	-	-	-	**1,411,961**
Balance with Bangladesh Bank and its agent	70,809,922	-	-	-	-	**70,809,922**
Balance with banks and other financial institutions	59,256,184	117,014,230	688,959,586		-	**865,230,000**
Money at call and short notice	-	-	-	-	-	**-**
Investments	71,482,133	172,218,496	457,424,696	-	290,147,771	**991,273,096**
Leases, loans and advances	250,471,228	825,461,330	2,614,699,788	3,841,929,330	1,994,506,347	**9,527,068,023**
Fixed assets including premises, furniture and fixtures	-	-	-	-	894,679,262	**894,679,262**
Other assets	-	-	130,748,199	641,976,223	1,667,042,518	**2,439,766,940**
Non banking assets	-	-	-	-	-	**-**
Total assets (A):	**453,431,428**	**1,114,694,056**	**3,891,832,269**	**4,483,905,553**	**4,846,375,898**	**14,790,239,204**
Liabilities:						
Borrowings from banks, other financial institutions and agents	116,973,122	270,199,664	869,121,008	2,994,266,943	901,849,270	**5,152,410,007**
Deposits & Other Accounts	291,231,005	781,412,116	2,801,949,777	2,188,965,289	104,855,615	**6,168,413,802**
Provision and other liabilities	14,213,666	41,946,575	89,021,353	153,216,994	560,812,868	**859,211,456**
Total liabilities (B):	**422,417,793**	**1,093,558,355**	**3,760,092,138**	**5,336,449,226**	**1,567,517,753**	**12,180,035,265**
Net liquidity gap (A - B):	**31,013,635**	**21,135,701**	**131,740,131**	**(852,543,673)**	**3,278,858,144**	**2,610,203,939**

Bay Leasing & Investment Limited

Notes to the Financial Statements

as at and for the year ended December 31, 2017

1. Company and its activities

1.1 Legal status and nature of the Company

Bay Leasing & Investment Limited, a Public Limited Company was incorporated in Bangladesh on 7th February 1996 under the Companies Act 1994 and Bangladesh Bank granted license to the Company on 25-05-1996 to function as a Non-Banking Financial Institution under the Financial Institutions Act 1993 and the Financial Institutions Regulation of 1994.

The Company also registered itself as a Merchant Bank with the Securities & Exchange Commission on June 25, 1998.

The registered office of the Company is located at Eunoos Trade Centre, Level-18. 52-53 Dilkusha C/A, Motijheel C/A, Dhaka-1000.

1.2 Principal activities and nature of operation

The Company extends lease financing as its core business for all types of machinery and equipment including vehicles for industrial, commercial and private purposes. It has also expanded its activities into term finance, housing finance etc.

1.3 Subsidiary Company

BLI Capital Limited a subsidiary company of The Bay Leasing & Investment Limited Originally being incorporated as a Public Limited Company on 13th day of March 2011 under the Companies Act 1994. Registered office of the company is situated at Eunoos Trade Center, Level- 18.,52-53 Dilkusha C/A, Dhaka-1000.

1.4 Associate Company

Bay Leasing & Investment Limited has two Associate Companies namely Lucky Feed Limited and BLI Securities Limited.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the Companies Act 1994, the Financial Institutions Act 1993, Securities and Exchange Rules 1987, the Listing Rules of Dhaka and Chittagong Stock Exchanges and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), except the circumstances where local regulations differ, and other applicable laws and regulations. The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets of Bangladesh Bank.

The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been excluded in preparing the financial statements.

2.2 Basis of measurement

This financial statement has been prepared on the basis of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and inflationary factors were not considered in the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

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

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

2.3.1 As per FID circular No. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the Company measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value for quoted shares and book value for unquoted shares including investment in associate are higher than the cost. However as per requirements of BAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively. But as per BAS 28 investment in associate need to be accounted for using equity method.

2.3.2 As per FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03 dated 29 April 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per BAS 39.

2.3.3 Bangladesh Bank has issued templates for financial statements which shall strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank differ from **BAS 1:** Presentation of Financial Statements so long the templates do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to be included in the Single Comprehensive Income (SCI) Statement. As such the company does not prepare the other comprehensive income statement. However the company does not have any elements of OCI to be presented.

2.4 Directors' responsibility statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

2.5 Date of authorization

The Board of directors has authorized this financial statements on April 05, 2018 in the 154th Board of Directors meeting.

2.6 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

2.7 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. The most critical estimates and judgments are applied to the following:

- Provision for impairment of loans, leases and investments
- Gratuity
- Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values

of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised. In accordance with the guidelines as prescribed by BAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

Provisions:

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent Liability:

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized; rather they are disclosed in the financial statements when they arise.

2.8 Basis of consolidation of operations of subsidiaries

The financial statements of the Company and its subsidiaries have been consolidated in accordance with Bangladesh Financial Reporting Standard 10 "Consolidated Financial Statements". The consolidation of the financial statement has been made after eliminating all material inter-company balances, income and expenses arising from inter-company transactions. The total profits of the Company and its subsidiary are shown in the consolidated profit and loss account with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as 'Non-controlling Interest'. All assets and liabilities of the Company and of its subsidiary are shown in the consolidated balance sheet. The interest of non-controlling shareholders of the subsidiary are shown separately in the consolidated balance sheet under the heading 'Non-controlling Interest'.

2.9 Accounting for leases

The Company has been following Finance Method of accounting for lease transactions as per BAS-17. In accordance with the said standard, the aggregate lease receivable including un-guaranteed residual value are recorded as gross lease receivable while the excess of gross lease receivable over the total acquisition cost, including interest thereon for acquiring the lease equipment, constitutes the unearned lease income being usually amortized to revenue on a monthly basis over the lease term yielding a constant rate of return over the period.

2.10 Reporting period

The reporting period of the company cover one calendar year from 1st January 2017 to 31st December 2017.

2.11 Accounting for direct finance

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

2.12 Property, Plant and Equipment

Recognition and measurement

Owned assets

Items of own property and equipments are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard (BAS) 16 ''Property, Plant and Equipments''.

2.13 Subsequent expenditure on property and equipment

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

2.14 Depreciation

Depreciation is charged to amortize the cost of assets, over their estimated useful lives, using the reducing balance method in accordance with BAS-16 "Property, Plant and Equipment". Full depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged from the month of disposal. Asset category wise depreciation rates are as follows:

	Rates
Furniture and fixtures	10.00%
Building	2.50%
Electrical Goods	20.00%
Office equipment	15.00%
Office decoration	20.00%
Motor vehicles	20.00%

The difference between the sale proceeds and the carrying amount of an asset is recognized in the profit and loss account as gain or loss on disposal or retirement of an asset.

2.15 Revenue recognition

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will follow to the company and in accordance with Bangladesh Accounting Standard (BAS) 18 : Revenue unless otherwise mentioned or otherwise guided by the separate BAS/BFRS. Interest income from loans and other sources is recognized on an accrual basis of accounting.

Dividend income and profit or loss on sale of securities:
Dividend is recognized as income when the right to receive income is established whereas profit or loss arising from the sale of securities is accounted for only when the securities are sold/disposed off.

2.16 Accounts receivable

Accounts receivable at the balance sheet date is stated at amounts which are considered realizable. Specific allowance is made for receivable considered to be doubtful for recovery.

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2.17 Borrowing cost

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

2.18 Cash flow statements

The cash flow statement is prepared using the direct method as stipulated in Bangladesh Accounting Standard (BAS) 7 "Cash Flow Statements" as prescribed by DFIM circular no. 11 dated December 23, 2009.

2.19 Conversion of foreign currency transactions

Foreign currency transactions are translated into Taka at rates prevailing at the respective dates of transactions, while foreign currency monetary assets at the end of the year are reported at the rates prevailing on the balance sheet date. Exchange gains or losses arising out of the said conversions are recognized as income or expense for the year after netting off as per **BAS 21:** The Effects of Changes in Foreign Exchange Rates.

2.20 Investment in securities

Investment in marketable ordinary shares has been shown at cost. As per DFIM Circular No-02 dated 31-01-2012 provision against loss on investment in Securities Market may be made by netting off gain & loss. As such Bay Leasing & Investment Calculated the provision requirement as per the circular DFIM circular/02, date 31-01-2012 published by Bangladesh Bank. Investment in non-marketable shares has been valued at cost.

2.21 Write off

Write-off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The item's recognize value is thus canceled and removed from ("written off") the Company's balance sheet. Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/ properties or advances there-against or are considered recoverable.

2.22 Employees benefit obligation

Bay Leasing & Investment Limited offers a number of benefit plans which includes contributory provident fund & gratuity plan as per **BAS 19:** Employee Benefits.

2.23 Contributory Provident Fund

The company operates a contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustee and is funded by equal contribution from the company and the employees. This fund is invested separately from the company's assets.

2.24 Gratuity Scheme

Bay Leasing & Investment Limited has a funded gratuity for the qualifying officers and staff member on the retirement from the service of the company at the following rates:

i)	Those who have put in 1-7 years of service	-	One Basic pay (last basic pay) for each year of service.
ii)	Those who have put in 8-15 years of service	-	One and half basic pay (last basic pay drawn) for each year of service.
iii)	Those who have put in service of 16 years and above	-	Two basic pay (last basic pay drawn) for each year of service.

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2.25 Taxation

Tax expense comprises current and deferred tax.

2.26 Deferred tax

The Company accounts for deferred tax as per Bangladesh Accounting Standard (BAS) 12 "Income Taxes". Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base (as per assessment) of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

2.27 Current Tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

2.28 Cash and cash Equivalents

This represents cash in hand and cash at bank, the details of which is given in the note No.3.

2.29 Statutory Reserve

This represents 20% of Profit before tax set aside in compliance with Clause 6 of the Financial Institutions Regulation, 1994.

2.30 Provision for doubtful leases and loan

The provision has been made at an estimated rate of outstanding exposures based on rental receivable on Lease and Installment Receivable on Loan against Receivable as per Department of Financial Institutions and Markets (DFIM) Circular-08 dated 03-08-2002 of Bangladesh Bank. The Provision is considered adequate to meet probable losses.

2.31 Earning per share (EPS)

The Company calculates earning per share in accordance with "Bangladesh Accounting Standards (BAS) 33 "Earnings Per Share" which has been shown in the face of the Profit and Loss Account and the computation is stated in note 37.

2.32 Related party disclosure

As per Bangladesh Accounting Standards (BAS) 24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 38.

2.33 Events after the Reporting Period (BAS-10)

Recommended:

Proposed Dividend:

The Board of Directors, in its 154th meeting, held on April 05, 2018 has recommended 10% cash dividend & 5% Stock Dividend for the year 2017. The above is subject to approval of the shareholders in the 22nd Annual General Meeting, scheduled to be held on 19th May, 2018 at 11:00a.m. at Institution of Diploma Engineers, Bangladesh (IDEB), IDEB Bhaban, 160/A Kakrail, Dhaka-1000.

2.34 Compliance of Bangladesh Financial Reporting Standards (BFRS)

Sl #	Name of BAS/BFRS	Status
01	**BAS 1:** Presentation of Financial Statements	***Partially Departed**
02	**BAS 2:** Inventories	**Not Applicable**
03	**BAS 7:** Statements of Cash Flows	***Partially Departed**
04	**BAS 8:** Accounting Policies, Changes in Accounting Estimates and Errors	**Complied**
05	**BAS 10:** Events after the Reporting Period	**Complied**
06	**BAS 11:** Construction Contracts	**Not Applicable**
07	**BAS 12:** Income Taxes	***Partially Departed**
08	**BAS 16:** Property, Plant and Equipments	**Complied**
09	**BAS 17:** Leases	**Complied**
10	**BAS 18:** Revenue	**Complied**
11	**BAS 19:** Employee Benefits	**Complied**
12	**BAS 20:** Accounting for Govt. Grants and disclosures of Govt. Assistances	**Not Applicable**
13	**BAS 21:** The Effects of Changes in Foreign Exchange Rates	**Complied**
14	**BAS 23:** Borrowing Costs	**Complied**
15	**BAS 24:** Related Party Disclosures	**Complied**
16	**BAS 26:** Accounting and Reporting by Retirement Benefit Plan	**Not Applicable**
17	**BAS 27:** Separate Financial Statements	**Complied**
18	**BAS 28:** Investments in Associates	***Partially Departed**
19	**BAS 32:** Financial Instruments: Presentation	***Partially Departed**
20	**BAS 33:** Earnings Per Share	**Complied**
21	**BAS 34:** Interim Financial Reporting	**Complied**
22	**BAS 36:** Impairment of Assets	**Complied**
23	**BAS 37:** Provisions, Contingent Liabilities and Contingent Assets	**Complied**
24	**BAS 38:** Intangible Assets	**Not Applicable**
25	**BAS 39:** Financial Instrument: Recognition and Measurement	***Partially Departed**
26	**BAS 40:** Investment Property	**Not Applicable**
27	**BAS 41:** Agriculture	**Not Applicable**
28	**BFRS 1:** First-time adoption of International financial Reporting Standards	**Not Applicable**
29	**BFRS 2:** Share-based Payment	**Not Applicable**
30	**BFRS 3:** Business Combinations	**Not Applicable**
31	**BFRS 4:** Insurance Contracts	**Not Applicable**
32	**BFRS 5:** Non-current Assets Held for Sale and Discontinued Operations	**Not Applicable**
33	**BFRS 6:** Exploration for and Evaluation of Mineral Resources	**Not Applicable**
34	**BFRS 7:** Financial Instruments: Disclosures	**Not Applicable**
35	**BFRS 8:** Operating Segments	**Complied**
36	**BFRS 10:** Consolidated Financial Statements	**Complied**
37	**BFRS 11:** Joint Arrangements	**Not Applicable**
38	**BFRS 12:** Disclosure of Interests in Other Entities	**Complied**
39	**BFRS 13:** Fair Value Measurement	**Complied**

***Partially Departed** standards are those requirements of which are different from those of Bangladesh Bank. Note – 1 contains details about such departure from BFRS requirements to comply with Bangladesh Bank.

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2.35 Financial risk management

Bay Leasing & Investment Ltd. always concentrates on delivering high value to its stakeholders through appropriate trade off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity and operations. In addition to the industry best practices for assessing, identifying and measuring risks, Bay Leasing & Investment Ltd. also considers guidelines for managing core risks of financial instructions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks.

Credit risk

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum sector and group exposure limit, policy for customers maximum asset exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, annual review of clients, adequate insurance coverage for funded assets, vigorous monitoring and follow up by Special Assets Management Team, strong follow up of compliance of credit policies by Operational Risk Management Department, taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc. The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks.

Market risk

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. Bay Leasing & Investment Ltd. has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

Operational Risk

Appropriate internal control measures are in place, Bay Leasing & Investment Ltd, to address operational risks. BLIL has also established an internal control and compliance department (ICCD) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk. The function of ICCD is to constant vigilance against leakage of Shareholders value by identify, assess, measure, manage and transfer operational risk resulting from inadequate or failed internal processes, people and system or from external events.

2.36 Others

a) There is no claim against the company, which has not been acknowledged as debt in the Balance sheet.

b) There exist no commitments except those already entered into agreement and are in the process of execution.

c) There was no contingent liability as on 31-12-2017 except which are disclosed in note- 38 of financial statements.

d) The figures appearing in these accounts have been rounded off to the nearest taka.

e) Figures of the previous year have been rearranged, wherever considered necessary to conform to current year's presentation.

f) The number of employees (53 nos.) engaged for the whole year or Part.

3.00 Cash :

Particulars		31-12-2017	31-12-2016
Cash in hand		1,411,961	883,621
Balance with Bangladesh Bank and its agent bank(s)		70,809,922	66,444,016
	Total:	**72,221,883**	**67,327,637**

3.01 Cash in hand:

Particulars		31-12-2017	31-12-2016
In local currency		1,411,961	883,621
In foreign currency		-	-
	Total:	**1,411,961**	**883,621**

3 a) Consolidated Cash in Hand

Bay Leasing & Investment Ltd.	1,411,961	883,621
BLI Capital Ltd.	79,990	63,465
	1,491,951	**947,086**

3.02 Balance with Bangladesh Bank and its agent bank(s):

Particulars		31-12-2017	31-12-2016
In local currency with Bangladesh Bank		70,809,922	66,444,016
In foreign currency		-	-
	Total:	**70,809,922**	**66,444,016**

3.03 Statutory Deposits:

Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (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 November 06,2003 and FID Circular No. 02 dated November 10, 2004.

The cash reserve requirement (CRR) has been calculated at the rate of 2.5% on the Company's time deposits which is preserved in current account maintained with Bangladesh Bank. Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5% on total liabilities, Including CRR and has been maintained in the form of balance with bank's and other Financial Institutions, call money deposit etc. Total Time Deposits means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks and FI's). Both the reserves maintained by the Company are in excess of the statutory requirements, as shown below:

a) Cash Reserve Requirement:

Required reserve	65,365,533	61,532,943
Actual reserve maintained	70,809,922	66,444,016
Surplus/(deficit)	**5,444,389**	**4,911,073**

b) Statutory Liquidity Reserve:

Particulars	31-12-2017	31-12-2016
Required reserve (including CRR)	137,968,073	130,561,840
Actual reserve maintained including CRR (note-3.04)	937,451,883	241,465,283
Surplus/(deficit)	**799,483,810**	**110,903,443**

3.04 Actual reserve maintained (including CRR):

Particulars		31-12-2017	31-12-2016
Cash in hand		1,411,961	883,621
Balance with Bangladesh Bank and its agent bank(s)		70,809,922	66,444,016
Balance with Banks and other financial institutions (note-4)		865,230,000	174,137,646
	Total:	**937,451,883**	**241,465,283**

4.00 Balance with banks and other financial institutions:

Particulars		31-12-2017	31-12-2016
In Bangladesh (4.01)		865,230,000	174,137,646
Outside Bangladesh		-	-
	Total:	**865,230,000**	**174,137,646**

4.01 In Bangladesh:

Current Deposits:

Particulars	31-12-2017	31-12-2016
Bank Alfalah Limited	270,626	272,276
BASIC Bank Limited	2,312	8,235
Bank Asia Ltd.	-	1,550
United Commercial Bank Ltd	-	114
Dutch Bangla Bank Ltd.	10,018,370	83,642
Midland Bank Ltd	596	1,025
EXIM Bank Limited	21,746	24,276
First Security Bank Ltd.	15,006	16,556
Janata Bank Ltd.	10,082	11,232
Modhomoti Bank Limited	2,102	3,252
NCC Bank Limited	2,323	820
Prime Bank Ltd	4,425	59,984
Social Islami Bank Ltd.	-	1,480
Southeast Bank Limited	5,537,751	2,470,640
Standard Bank Ltd	509,740	43,181
The City Bank Limited	29,296	29,986
Trust Bank Limited	7,980	9,130
Uttara Bank Limited	66	66
Sub Total:	**16,432,421**	**3,037,445**

Short-term deposits/SND:

In Local Currency:		
Jamuna Bank Limited	33,532	34,301
Southeast Bank Limited	6,433,386	11,274,118
	6,466,918	**11,308,419**
In Foreign Currency:		
Southeast Bank Limited	1,330,661	1,259,429
Sub Total:	**7,797,579**	**12,567,848**

Particulars	Amount	Exchange rate	Taka
Dollar	$13,326.70	82.20	1,095,455
Euro	€ 1,432.90	97.17	139,235
Pound	£873.98	109.81	95,972
			1,330,661

Fixed deposits:

Dhaka Bank Ltd.	50,000,000	50,000,000
Mercantile Bank Ltd.	-	66,092,353
National Credit & Commerce Bank Ltd.	41,000,000	42,440,000
Jamuna Bank Limited	700,000,000	-
Midland Bank Ltd	50,000,000	-
Sub Total:	**841,000,000**	**158,532,353**
Grand Total:	**865,230,000**	**174,137,646**

4 a) Consolidated Balance with banks and other financial institutions:

Bay Leasing & Investment Ltd.	865,230,000	174,137,646
BLI Capital Ltd.	924,978	73,125,839
	866,154,978	**247,263,485**

4.02 Maturity grouping of balance with banks and other financial institutions:

The above balance is made up as follows:

Particulars	31-12-2017	31-12-2016
On demand	-	-
Up to 1 month	59,256,184	33,921,451
Over 1 month but not more than 3 months	117,014,230	62,756,542
Over 3 months but not more than 1 year	688,959,586	77,459,653
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
Total:	**865,230,000**	**174,137,646**

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5.00 Money at call and short notice:

i) Investments are as follows:

	-	-
Total:	**-**	**-**

6.00 Investments for BLIL:

Particulars	**31-12-2017**	**31-12-2016**
Government securities	-	-
Treasury Bills	-	-
National Investment Bonds	-	-
Bangladesh Bank Bill	-	-
Govt. notes/bonds	-	-
Prize Bonds	-	-
Others	-	-
Other investment	**991,273,096**	**1,024,736,680**
Investment in non marketable ordinary shares (note-6.01)	1,569,450	1,569,450
Investment in Preference Shares	-	-
Investment in debenture and bond	-	-
Investment in marketable Securities (note-6.03)	989,703,646	1,023,167,230
Total:	**991,273,096**	**1,024,736,680**

6.01 Investment in non marketable ordinary shares

Particulars	**31-12-2017**	**31-12-2016**
Central Depository Bangladesh	1,569,450	1,569,450
Total:	**1,569,450**	**1,569,450**

6.02 Investment in marketable securities:

Listed Securities

Name of the Company	Qty.	Cost Price	Market price per share on 31-12-2017	Market Price	Provision
Apolo Ispat Ltd	150000	3,345,066	16.50	2,475,001	(870,065)
Asia Insurance Ltd	156898	5,842,596	23.90	3,749,862	(2,092,734)
Exim Bank Ltd.	2228029	53,914,233	17.20	38,322,099	(15,592,134)
Beacon Pharma Ltd	100000	2,484,900	21.30	2,130,000	(354,900)
BSRM Ltd	25000	2,556,394	78.50	1,962,500	(593,894)
GPH Ispat Ltd	98700	3,749,180	38.80	3,829,560	80,380
Khulna Power Co. Ltd	50000	3,383,982	58.50	2,925,000	(458,982)
Unique Hotel & Resorts Ltd	24288	1,460,671	56.80	1,379,558	(81,113)
National Life Insurance Co. Ltd.	3487443	303,355,297	160.70	560,432,090	257,076,793
Power Grid Ltd	63250	5,797,598	52.20	3,301,650	(2,495,948)
Southeast Bank Ltd.	7982305	282,224,281	22.20	177,207,171	(105,017,110)
Summit Power	1105187	54,465,448	35.90	39,676,213	(14,789,235)
Titas Gas	525000	53,789,915	44.20	23,205,000	(30,584,915)
Prime Bank Ltd	2637624	116,458,302	27.40	72,270,898	(44,187,404)
Pragati General Insurance	75836	8,388,555	29.80	2,259,913	(6,128,642)
Pragati Life Insurance	56631	14,586,250	113.60	6,433,282	(8,152,968)
United Air	935396	19,743,664	5.60	5,238,218	(14,505,446)
Popular Life 1st Mutual Fund	323310	2,344,340	6.20	2,004,522	(339,818)
Delta Life Insurance	171550	34,471,898	107.60	18,458,780	(16,013,118)
Lafarge Surma	153090	17,341,076	69.90	10,700,991	(6,640,085)
Total		**989,703,646**		**977,962,308**	**(11,741,338)**

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6 a) Consolidated Investment:

	31-12-2017	31-12-2016
Bay Leasing & Investment Ltd.	991,273,096	1,024,736,680
BLI Capital Ltd.	690,573,327	621,262,031
	1,681,846,423	**1,645,998,711**

All investments in marketable securities are valued on cost price at the balance sheet date. Provision has required after net off gain/loss from market price of shares as per DFIM Circular # 02; date: 31.01.2012.

6.03 Maturity grouping of investments:

Particulars	31-12-2017	31-12-2016
On demand	-	-
Up to 1 month	71,482,133	73,125,664
Over 1 month but not more than 3 months	172,218,496	189,751,428
Over 3 months but not more than 1 year	457,424,696	476,171,683
Over 1 year but not more than 5 years	-	-
Over 5 years	290,147,771	285,687,905
	991,273,096	**1,024,736,680**

7.00 Lease, loans and advances

Broad category-wise break up:

The above balance is made up as follows:

Particulars		31-12-2017	31-12-2016
Inside Bangladesh			
Lease Finance (note-7.01)		2,057,048,387	1,576,400,427
Term Finance (note-7.02)		5,574,229,317	4,846,413,165
Housing Finance (note-7.03)		1,895,790,319	1,345,072,929
		9,527,068,023	**7,767,886,521**
Outside Bangladesh		-	-
	Total:	**9,527,068,023**	**7,767,886,521**

7 a) Consolidated Lease, Loans & advances

Bay Leasing & Investment Ltd.		9,527,068,023	7,767,886,521
BLI Capital Ltd.		2,693,309,325	2,255,199,680
		12,220,377,348	10,023,086,201
Less: Inter company balance eliminited		264,848,839	-
	Total:	**11,955,528,509**	**10,023,086,201**

7.01 Lease Finance:

The above balance is made up as follows:

Particulars		31-12-2017	31-12-2016
Balance Principal		1,767,523,892	1,371,212,278
Rental Receivable		289,524,495	205,188,149
	Total:	**2,057,048,387**	**1,576,400,427**

Details are given below:

Particulars		31-12-2017	31-12-2016
Opening Balance		1,576,400,427	1,363,428,431
Add:	Disbursement during the year	864,225,990	479,687,828
Add:	Interest and other charges during the year	267,117,995	175,648,155
		2,707,744,412	**2,018,764,414**
Less:	Write-off during the year	-	-
	Realization during the year	(650,696,025)	(442,363,987)
	Total:	**2,057,048,387**	**1,576,400,427**

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Movement of Balance Principal:

Particulars	31-12-2017	31-12-2016
Gross lease receivable	3,695,947,675	2,970,650,461
Less: Unearned finance income	1,928,423,783	1,599,438,183
Balance Principal	**1,767,523,892**	**1,371,212,278**

7.02 Term Finance:

Particulars		31-12-2017	31-12-2016
Principal Outstanding		5,275,795,746	4,616,559,216
Interest Receivable		298,433,571	229,853,949
	Total:	**5,574,229,317**	**4,846,413,165**

Details are given below:
Movement of Outstanding Balance

Particulars	31-12-2017	31-12-2016
Opening Balance	4,846,413,165	4,798,240,920
Add: Disbursement during the year	2,186,241,160	1,219,272,222
Add: Interest and other charges during the year	516,407,876	457,317,553
	7,549,062,201	**6,474,830,695**
Less: Write-off during the year	-	-
Realization during the year	(1,974,832,884)	(1,628,417,530)
Total:	**5,574,229,317**	**4,846,413,165**

7.03 Housing Finance:

Particulars		31-12-2017	31-12-2016
Principal Outstanding		1,817,830,371	1,311,708,307
Interest Receivable		77,959,948	33,364,622
	Total:	**1,895,790,319**	**1,345,072,929**

Movement of Outstanding Balance

Particulars	31-12-2017	31-12-2016
Balance at January 01	1,345,072,929	228,814,739
Add: Disbursement during the year	799,705,076	1,088,650,000
Add: Interest and other charges during the year	194,976,323	194,976,323
	2,339,754,328	**1,512,441,062**
Realization during the year	(443,964,009)	(167,368,133)
Balance at December 31	**1,895,790,319**	**1,345,072,929**

7.04 Classification wise Lease, Loans & Advances

Particulars	31-12-2017	31-12-2016
Unclassified:		
Standard	**8,000,435,151**	**6,290,704,244**
SME	223,351,514	253,428,702
Other than SME	7,777,083,637	6,037,275,542
Special Mention Account (SMA)	726,717,394	801,086,087
	8,727,152,545	**7,091,790,331**
Classified:		
Sub-Standard	455,651,510	422,858,247
Doubtful	12,402,095	92,248,328
Bad/Loss	331,861,873	160,989,615
	799,915,478	**676,096,190**
Total:	**9,527,068,023**	**7,767,886,521**

7.05 Maturity grouping of lease, loans and advances:

Particulars	31-12-2017	31-12-2016
On demand	-	-
Up to 1 month	250,471,228	249,387,443
Over 1 month but not more than 3 months	825,461,330	810,231,486
Over 3 months but not more than 1 year	2,614,699,788	2,274,962,330
Over 1 year but not more than 5 years	3,841,929,330	3,096,134,787
Over 5 years	1,994,506,347	1,337,170,475
Total:	**9,527,068,023**	**7,767,886,521**

7.06 Lease, loans and advances on the basis of significant concentration

Lease, loans and advances to:		
Directors of the Company have interests	-	-
Chief Executive and other Senior Executives	28,768,214	27,153,798
Customers groups	9,498,299,809	7,740,732,723
	9,527,068,023	**7,767,886,521**

7.07

Number of clients with outstanding amount and classified lease, loans and advances exceeding 15% of total capital (Total capital of the Company was Taka 2,610.20 million as at December 31, 2017 & Tk 2,609.82 million in 2016) of the Company is as follows:

Number of clients	5	3
Amount of outstanding advances	2,423,983,073	1,550,105,958
Amount of classified advances	Nil	Nil
Measures taken for recovery	Not applicable	Not applicable

7.08 Details of large Lease, loans and advances

As per section 14 (1) (Ga) of the Financial Institutions Act 1993, a financial institution can not sanction any loan exceeding 30% of its capital and reserve with out permission of Bangladesh Bank. During the year 2017 BLIL has not disbursed large Lease, loans and advances;

Number of clients	-	-
Amount of outstanding advances	-	-
Amount of classified advances	-	-
Measures taken for recovery	Not applicable	Not applicable

7.09 Industry-wise distribution of lease, loans and advances

	31-12-2017	31-12-2016
1. Agricultural sector	254,219,718	100,524,651
2. Industrial sector:		
a) Textile	403,849,966	419,677,167
b) Garments	808,768,612	653,268,543
c) Jute and jute products	5,299,754	-
d) Food production/processing industry	465,766,652	200,709,503
e) Plastic industry	123,297,699	136,245,407
f) Leather & leather products	-	-
g) Ship manufacturing Industry	37,723,696	41,043,553
h) Chemical & Pharmaceutical	587,854,189	208,550,882
i) Cement/Concrete and allied industry	678,330,140	518,752,873
j) Service industry	-	-
k) Paper, Printing and packaging industry	346,489,939	362,935,732
l) Telecommunication/information Technology	-	-
m) Glass and ceramic industry	9,918,601	16,417,896
n) Electronics and electrical industry	26,164,332	35,633,227
3. Trade & Commerce	1,247,552,568	1,798,819,815
4. Power, Gas, Water and sanitary service	6,810,717	17,995,308
5. Transport & Communication	410,120,006	318,553,022
6. Real Estate & Housing	1,924,896,511	1,434,472,634
7. Margin Loan	-	-
8. Others	2,190,004,923	1,504,286,308
Total:	**9,527,068,023**	**7,767,886,521**

SUMMARY STOCK

7.10 Geographical location-wise lease, loans and advances:

Particulars	31-12-2017	31-12-2016
Inside Bangladesh		
Urban		
Dhaka Division	9,332,819,868	7,639,874,017
Chittagong Division	72,494,323	72,070,078
Khulna Division	-	-
Rajshahi Division	53,450,000	-
Rangpur Division	9,898,384	11,738,703
Barisal Division	-	-
Mymensingh Division	58,405,448	44,203,723
Sylhet Division	-	-
	9,527,068,023	7,767,886,521
Outside Bangladesh	-	-
Total:	**9,527,068,023**	**7,767,886,521**

7.11 Particulars of Lease, Loans and Advances

	31-12-2017	31-12-2016
i) Lease, loans and advances considered good in respect of the FI is fully secured	4,111,128,334	2,770,604,803
ii) Lease, loans and advances considered good in respect of the FI holds no security other than the debtors personal guarantee	1,291,187,512	974,126,412
iii) Lease, loans and advances considered good secured by the personal undertakings of one or more paties in addition to the debtors personal guarantee	4,124,752,177	4,023,155,306
	9,527,068,023	**7,767,886,521**
iv) Lease, loans & advances adversely classified; provision not maintained there against	-	-
v) Lease, loans & advances due by directors or officers of the company or any of them either separately or jointly with any other persons	28,768,214	27,153,798
vi) Lease, loans & advances due from companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members	3,072,054	222,020,858
vii) Maximum total amount of advances including temporary advances made at any time during the year todirectors or managers or officers of the financial institution or any of them either separately or jointly with any other person.	-	-
viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the financial institution have interest as directions, partners or managing agents or in the case of private companies, as member.	-	-
ix) Due from bank and financial institutions	5,550,257	12,716,178
x) Classified loans, advances and leases		
a) Classified loans, advances and leases on which interest has not been charged	799,915,478	676,096,190
b) Provision on doubtful loans, advances and leases	59,335,053	43,894,543
Provision on bad loans, advances and leases	71,906,089	68,903,213
Total provisions charged during the year	**131,241,142**	**112,797,756**
c) Amount of written off loans, advances and leases	137,010,447	137,010,447
Total amount realized against loans and leases previously written off	2,945,000	2,295,000
d) Provision kept against loans and advances classified as bad debts	71,906,089	68,903,213
e) Interest credited to Interest Suspense Account	101,528,223	114,001,616
xi) Cumulative amount of written off loans, advances and leases		
Opening Balance	137,010,447	137,010,447
Amount written off the year		-
	137,010,447	137,010,447

AMARSTOCK

7.12 Cumulative amount of written off loans, advances & leases

As per FID Circular no.03 dated 15 March 2007 of Bangladesh Bank , a financial institution should write- off loans/ lease to clean-up its financial statements subject to fulfilment of the following criteria:
(i) Loans /leases classified as Bad and Losses against which 100% provision has been made;
(ii) Approval from the Board of Directors is required;
(iii) Best endeavors shall be made to recover the written-of loans/ leases and legal process should be initiated if not started before.

Opening Balance	137,010,447	137,010,447
Amount written off during the year	-	-
The amount of written off loans, advances and leases	**137,010,447**	**137,010,447**

7.13 Particulars of Required provision for lease, loans & advances

Required provision has been made as per Bangldesh Bank guidelines. As per BB guidelines, provision at the following rates have been made in the financial statements depending on the status of classification (exclusive method).

Investment up to 5 years term	Classification status	Provision (%)
Below 3 months	Standard (SME)	0.25
Below 3 months	Standard (other than SME)	1
3 to 6 months	SMA	5
6 to 11 months	SS	20
12 to 18 months	DF	50
18 monts and above	BL	100
Investment up to 5 years term	**Classification status**	**Provision (%)**
Below 6 months	Standard (SME)	0.25
Below 6 months	Standard (other than SME)	1
6 to 12 months	SMA	5
12 to 18 months	SS	20
18 to 24 months	DF	50
24 months and above	BL	100

Status	Base for Provision	Rate	Provision	
			31-12-2017	31-12-2016
Unclassified- General Provision				
Standard	**8,000,435,151**		**78,329,215**	**62,907,042**
SME	223,351,514	0.25%	558,379	-
Other than SME	7,777,083,637	1.00%	77,770,836	62,907,042
Special Mention Account (SMA)	690,378,423	5.00%	34,518,921	37,829,380
			112,848,136	**100,736,422**
Classified- Specific provision				
Sub-Standard	292,764,313	20.00%	58,552,863	32,378,966
Doubtful	1,564,380	50.00%	782,190	11,515,577
Bad/Loss	71,906,089	100.00%	71,906,089	68,903,213
			131,241,142	**112,797,756**
Required provision for lease, loans & advances			**244,089,278**	**213,534,178**
Total provision maintained for lease, loans & advances			**244,258,662**	**216,000,000**
Excess provision for lease, loans & advances			**169,384**	**2,465,822**

8.00 Fixed assets including premises, furniture and fixtures:

Particulars	31-12-2017	31-12-2016
Cost & Revaluation		
Furniture and fixtures	13,960,644	13,268,145
Office equipment	14,146,173	13,501,510
Office Decoration	22,201,192	19,464,367
Motor Vehicles	18,811,456	16,386,646
Electrical Goods	616,796	595,450
Building	461,107,440	409,675,000
Construction WIP	80,079,800	131,512,240
Land	382,768,112	353,849,844
	993,691,613	**958,253,202**
Less: Accumulated depreciation	99,012,351	84,422,985
Net book value at the end of the year (Schedule-1)	**894,679,262**	**873,830,217**

8 a) Consolidated Fixed Assets

Bay Leasing & Investment Ltd.	894,679,262	873,830,217
BLI Capital Ltd.	366,700,008	372,522,904
	1,261,379,270	**1,246,353,121**

9.00 Other Assets:

Particulars	Notes	31-12-2017	31-12-2016
Income generating:			
Investment in associate & Subsidiaries	9.01	1,787,115,000	1,387,115,000
Interest receivable		6,291,030	2,843,242
Advance against lease finance		-	-
Receivable from BLI Capital Ltd		361,601,399	391,121,399
Other receivable		8,162,992	8,162,992
Non-income generating:			
Advance, deposit and Prepaid expenses		17,392,000	10,152,000
Advance corporate tax	9.02	259,128,992	184,390,466
Advance Office Rent		-	-
Stationery & Stamp in hand		45,777	70,978
Security Deposit		29,750	19,000
Advance against Decoration, Prliminary Exp, Development		-	-
Branch Adjustment		-	-
Suspense Account		-	-
		2,439,766,940	**1,983,875,077**
Outside Bangladesh		-	-
	Total:	**2,439,766,940**	**1,983,875,077**

9 a) Consolidated Other Assets :

Particulars	31-12-2017	31-12-2016
Bay Leasing & Investment Limited	2,439,766,940	1,983,875,077
BLI Capital Limited	159,715,500	78,630,386
Adjustment for dealing with Subsidiary	(2,111,591,399)	(1,741,111,399)
Total:	**487,891,041**	**321,394,064**

9.01 Investment in Associate / Subsidiaries:

	1,787,115,000	**1,387,115,000**

Investment in Associate	31-12-2017	31-12-2016
BLI Securities Limited	10,125,000	10,125,000
Lucky Feed Limited	27,000,000	27,000,000
Total:	**37,125,000**	**37,125,000**

Investment in associates recorded under the cost method.

Investment in Subsidiaries:	31-12-2017	31-12-2016
BLI Capital Ltd	1,749,990,000	1,349,990,000
Total:	**1,749,990,000**	**1,349,990,000**

BLIL has one susidiary company as on reporting date. Consolidated financial statements has bees prepared for subsidary following the requirments of Bangladesh Financial Reporting Standar (BFRS) 10; 'Consolidated Financial Statements'

9.02 Advance corporate tax:

Particulars	Notes	31-12-2017	31-12-2016
Balance as on January 01		184,390,466	106,080,132
Addition during the year		74,738,526	78,310,334
Adjustment of previous years' tax liabilities		-	-
Balance as on December 31		**259,128,992**	**184,390,466**

Consolidated Advance income tax		
Bay Leasing & Investment Ltd.	259,128,992	184,390,466
BLI Capital Ltd.	13,651,380	11,576,956
		(printing mistake rectified)
	272,780,372	**195,967,422**

10.00 Borrowing from banks, other financial institutions and agents:

Particulars	Note		31-12-2017	31-12-2016
In Bangladesh	10.01		5,152,410,007	3,713,067,000
Outside Bangladesh			-	
		Total:	**5,152,410,007**	**3,713,067,000**

10.01 In Bangladesh:

Particulars		31-12-2017	31-12-2016
Bank overdraft			
National Credit & Commerce Bank Ltd.		35,479,049	35,533,680
Dhaka Bank Ltd.		55,728,136	53,319,581
Mercantile Bank Ltd.		-	54,629,595
Mutual Trust Bank Ltd.		204,743,363	220,555,481
Eastern Bank Ltd		20,803,689	18,823,138
United Commercial Bank Ltd		184,849,607	189,226,648
Midland Bank Ltd		89,488,965	94,132,078
Basic Bank Ltd		143,129,598	-
	Sub Total (a)	**734,222,407**	**666,220,201**
Short term loan/Call Money			
Sonali Bank Ltd- Call Money		200,000,000	-
Southeast Bank Ltd- Call Money		340,000,000	-
Southeast Bank Ltd- STL		150,000,000	-
	Sub Total (b)	**690,000,000**	**-**
Long term loan			
Mutual Trust Bank Ltd		359,311,464	56,568,763
United Commercial Bank Ltd		67,174,380	89,731,169
Basic Bank Ltd		252,947,969	-
Dutch Bangla Bank Limited		317,411,442	419,364,458
Modhumoti Bank Limited		197,094,768	-
Midland Bank Ltd		490,112,986	286,142,709
Bank Asia Ltd		226,367,118	172,558,831
Jamuna Bank Ltd		183,541,371	-
Mercantile Bank Ltd		279,295,216	-
Pubali Bank Limited		194,219,910	176,695,125
Prime Bank Ltd		332,565,681	264,868,232
NCC Bank Ltd		183,256,663	147,830,247
Uttara Bank Limited		275,072,735	682,507,965
Shahjalal Islami Bank Ltd		238,047,435	393,283,121
Standard Bank Ltd		-	160,975,615
Eastern Bank Ltd		100,648,385	141,916,728
The UAE-Bangladesh Investment Co.Ltd.		-	19,955,346
	Sub Total (c)	**3,697,067,523**	**3,012,398,309**
Bangladesh Bank refinancing			
Bangladesh Bank		31,120,077	34,448,490
	Sub Total (d)	**31,120,077**	**34,448,490**
	Total (a+b+c+d)	**5,152,410,007**	**3,713,067,000**

10.01 a Consolidated Borrowing from Banks & Other FI's

Bay Leasing & Investment Ltd.		5,152,410,007	3,713,067,000
BLI Capital Ltd.		1,464,794,495	1,434,496,044
		6,617,204,502	5,147,563,044
Less: Inter company balance eliminited		264,848,839	-
	Total:	**6,352,355,663**	**5,147,563,044**

10.02 Analysis by security against borrowing from banks,other financial institutions and agents:

Particulars	31-12-2017	31-12-2016
Secured (assets pledged as security for liabilities)	91,207,185	143,482,856
Unsecured	5,061,202,822	3,569,584,144
Total:	**5,152,410,007**	**3,713,067,000**

The loans are secured by first charge on all present and future floating assets of the Company ranking pari passu among the lenders.

10.03 Maturity grouping of borrowing from banks, other financial institutions and agents

Particulars	31-12-2017	31-12-2016
On demand	-	-
Up to 1 month	116,973,122	107,453,122
Over 1 month but within 3 months	270,199,664	257,187,125
Over 3 months but within 1 year	869,121,008	662,213,666
Over 1 year but within 5 years	2,994,266,943	1,844,713,330
Over 5 years	901,849,270	841,499,757
Total:	**5,152,410,007**	**3,713,067,000**

11.00 Deposits and other accounts:

Particulars	Notes	31-12-2017	31-12-2016
Term deposits	11.01	6,076,055,819	4,716,138,626
Flexi Savings		545,500	503,000
Super DPS		19,960,000	12,098,000
Double Money Plan		44,144,129	44,094,129
Bearer certificates of deposit		-	-
Other deposits	11.02	27,708,354	28,033,575
Total:		**6,168,413,802**	**4,800,867,330**

11 a) Consolidated Deposits and other accounts:

Bay Leasing & Investment Ltd.	6,168,413,802	4,800,867,330
BLI Capital Ltd.	256,309,056	137,767,599
	6,424,722,858	**4,938,634,929**

11.01 Term deposits:

These represent deposits from individuals and institutions under the Company's term deposit schemes for a period of not less than six months for institutions and one year for individuals.

Deposits from banks and financial institutions	3,575,955,488	2,345,098,282
Deposits from other than banks and financial institutions	2,500,100,331	2,371,040,344
Total:	**6,076,055,819**	**4,716,138,626**

11.1.1 Sector-wise break-up of term deposits:

Particulars	31-12-2017	31-12-2016
Government	-	-
Banks and financial institutions	3,575,955,488	2,345,098,282
Other public	766,204,626	739,210,289
Private	1,733,895,705	1,631,830,055
Total:	**6,076,055,819**	**4,716,138,626**

11.1.2 Maturity analysis of term deposits:

Particulars	31-12-2017	31-12-2016
a) Maturity analysis of deposits from Banks & Financial Institutions		
Payable on demand	-	-
Up to 1 month	190,200,000	180,000,000
Over 1 month but within 3 months	471,100,000	460,000,000
Over 3 months but within 1 year	1,703,235,488	1,045,098,282
Over 1 year but within 5 years	1,211,420,000	660,000,000
Over 5 years but within 10 years	-	-
Over 10 years	-	-
Sub Total:	**3,575,955,488**	**2,345,098,282**
b) Maturity Analysis of Deposits from other than Banks and Financial Institutions		
Payable on demand	-	-
Up to 1 month	92,328,499	85,754,253
Over 1 month but within 3 months	301,121,330	298,799,161
Over 3 months but within 1 year	1,091,312,170	1,153,542,660
Over 1 year but within 5 years	969,716,976	832,944,270
Over 5 years but within 10 years	45,621,356	-
Over 10 years	-	-
Sub Total:	**2,500,100,331**	**2,371,040,344**
Grand Total:	**6,076,055,819**	**4,716,138,626**

11.02 Other deposits:

Particulars	31-12-2017	31-12-2016
Security deposit	3,513,900	4,309,500
Sundry Deposit (11.2.1)	24,194,454	23,724,075
Total:	**27,708,354**	**28,033,575**

11.2.1 Sundry Deposits:

Particulars	31-12-2017	31-12-2016
Lease Advance	19,956,061	19,556,914
Share money deposit	4,238,393	4,167,161
Total:	**24,194,454**	**23,724,075**

11.2.2 Maturity analysis of Super DPS, Flexi Savings, Double Money Plan & other deposits:

Particulars	31-12-2017	31-12-2016
Payable on demand	-	-
Up to 1 month	8,702,506	24,209,902
Over 1 month but within 3 months	9,190,786	9,942,062
Over 3 months but within 1 year	7,402,119	15,812,815
Over 1 year but within 5 years	7,828,313	4,550,571
Over 5 years but within 10 years	59,234,259	30,213,354
Over 10 years	-	-
Total:	**92,357,983**	**84,728,704**

12.00 Other liabilities:

Particulars	Notes	31-12-2017	31-12-2016
Interest suspense account	12.01	101,528,223	114,001,616
Accrued expenses and payables	12.02	209,792,133	163,125,401
Provision for lease, loans and advances	12.03	256,000,000	223,700,000
Provision for income tax	12.04	252,000,000	197,000,000
Deffered Tax Liability	12.05	3,741,494	5,663,738
Dividend payable		36,149,605	64,545,269
Total:		**859,211,455**	**768,036,024**

Bangladesh Bank FID circular no.3 of 2006 requires that interest on classified loans/ lease will be credited to interest suspense account, instead of crediting the same to income account. In accordance with the above circular interest on various facilities as SMA, SS ,DF and BL has been set-aside in the interest suspense account.

12 a) Consolidated Other Liabilities

Bay Leasing & Investment Ltd.	859,211,455	768,036,024
BLI Capital Ltd.	77,899,334	54,664,367
	937,110,789	**822,700,391**

12.01 Interest suspense account:

This represents interest receivable on lease, hire purchase, term finance and short term finance outstanding over ninety days as per Bangladesh Bank guidelines.

Particulars	31-12-2017	31-12-2016
Balance on January 01	114,001,616	109,392,000
Add: Amount trans. to "interest suspense" account during the year	-	4,609,616
Less: Amount recovered from "interest suspense" account during the year	(12,473,393)	-
Less: Amount written-off during the year	-	-
Balance as on December 31 **Total:**	**101,528,223**	**114,001,616**

12.02 Accrued expenses and payables:

Particulars	**Notes**	31-12-2017	31-12-2016
Liabilities For Financial expenses	12.02.1	183,824,967	147,035,518
Liabilities for accrued expenses	12.02.2	676,696	587,087
Liabilities for Provident Fund		-	-
Liabilities for Gratuity Fund		17,797,299	12,994,680
Others Payable		7,493,171	2,508,116
	Total:	**209,792,133**	**163,125,401**

2.02.1 Liabilities For Financial expenses:

Particulars	31-12-2017	31-12-2016
Interest Payable on Term Deposits	159,496,668	131,162,198
Interest Payable on Other Deposit	24,328,299	15,873,320
Total:	**183,824,967**	**147,035,518**

2.02.2 Liabilities for accrued expenses:

Particulars	31-12-2017	31-12-2016
Audit Fee	201,250	201,250
Telephone bill	9,985	22,880
Electricity bill	105,945	89,472
Service charges	39,025	39,025
Internet Bill	-	4,000
Credit Rating Fee	287,500	172,500
Salary	32,991	
Office Rent	-	57,960
Total:	**676,696**	**587,087**

12.03 Provision for lease, loans, advances & Investments:

Management, on the basis of guidelines issued by Bangladesh Bank has computed provisions for loans, advances andleasas. Adequate provision has been kept as per BB circular to cover possible future lossess.

Particulars	31-12-2017	31-12-2016
General provision on unclassified lease, loans and advances	113,017,520	103,202,244
Specific provision on classified lease, loans and advances	131,241,142	120,497,756
Provision against Investment in Shares	11,741,338	-
Provision as on 31 December	**256,000,000**	**223,700,000**
Movement of General provision;		
Balance on January 01	103,202,244	95,269,637
Add: Provision made during the year	9,815,277	7,932,607
Less: Provision released during the year	-	-
Provision as on 31 December	**113,017,520**	**103,202,244**
Movement of Specific provision ;		
Balance on January 01	120,497,756	106,730,363
Add: Provision made during the year	10,743,385	6,067,393
Add: Provision made on other assets	-	7,700,000
Less: Provision released during the year	-	-
Provision as on 31 December	**131,241,142**	**120,497,756**

12.04 Provision for Income Tax:

Particulars	31-12-2017	31-12-2016
Balance on January 01	197,000,000	133,000,000
Add: Provision made for the year 2017	55,000,000	-
Provision made for the year 2016	-	64,000,000
Less: Settlement of previous years' tax liabilities	-	-
	252,000,000	**197,000,000**

12.05 Deferred Tax Liability

Deferred tax has been calculated based on deductible taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of Bangladesh Accounting Standard (BAS) 12 "Income Taxes" and DFIM circular- 07; dated 31-07-2011.

Particulars	31-12-2017	31-12-2016
Balance at January 01	5,663,738	4,961,253
Addition during the year	(1,922,244)	702,485
Balance at December 31	**3,741,494**	**5,663,738**

	31-12-2017	31-12-2016
13.00 Share Capital:		
13.01 Authorized capital		
300,000,000 ordinary shares of Taka 10 each	3,000,000,000	3,000,000,000
13.02 Issued, subscribed and fully paid-up capital		
130,906,800 ordinary shares of Taka 10 each	1,309,068,000	1,309,068,000

13.03 Capital adequacy ratio:

In terms of Bangladesh Bank DFIM circulars no. 08 and 14 dated August 02, 2010 and December 28, 2011 respectively; required implementation of Basel Accord Minimum Capital Requirement (MCR) of the Company at the close of business on December 31, 2017 was Taka 1,437,860,000 as against available Core Capital (Tier-I) of Taka 2,247,901,163 and Supplementary Capital (Tier-II) of Taka 294,168,909 making a Total Eligible Capital of Taka 2,542,070,071 thereby showing a Surplus capital/equity of Taka 1,104,210,071 at that date. Details are shown below:

Core capital (Tier-I)		
Fully paid-up Capital/Capital lien with B B	1,309,068,000	1,309,068,000
Statutory Reserve	518,843,000	476,264,000
Non-repayable Share premium account	220,932,000	220,932,000
General Reserve	60,449,854	123,639,800
Retained Earnings	138,608,309	110,611,142
	2,247,901,163	**2,240,514,942**
Supplementary capital (Tier-II)		
General provision maintained against Unclassified loan	113,017,520	103,202,244
General provision on off-balance sheet items	-	-
General provision on off-shore Banking Units	-	-
Revaluation gain / loss on investments	-	-
Assets revaluation reserve	181,151,388	184,654,241
	294,168,909	**287,856,485**
	Amount	
A. Eligible Capital:		
1. Tier-1 Capital	2,247,901,163	2,240,514,942
2. Tier-2 Capital	294,168,909	287,856,485
3. Total eligible Capital (1+2)	**2,542,070,071**	**2,528,371,427**
B. Total Risk Weighted Assets (RWA)	14,378,600,000	12,664,300,000
C. Capital Adequacy Ratio	17.68%	19.96%
D. Core Capital to RWA (A1/B)*100	15.63%	17.69%
E. Supplementary Capital to RWA (A2/B)*100	2.05%	2.27%
F. Minimum Capital Requirement (MCR) 10% of RWA =Bx10%	**1,437,860,000**	**1,266,430,000**
G) Surplus (A-F)	**1,104,210,071**	**1,261,941,427**

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13.04 Percentage of shareholding at the closing date:

		No. of shares		Percentage	
		2017	2016	2017	2016
(i)	Sponsors & Director				
	Foreign	-	-		
	Domestic	47,456,515	51,171,425	36.25	39.09
		47,456,515	**51,171,425**	**36.25**	**39.09**
(ii)	Corporate Bodies				
	Foreign	277,269	276,690	0.21	0.21
	Domestic	46,438,950	38,317,933	35.47	29.27
		46,716,219	**38,594,623**	**35.69**	**29.48**
(iii)	General public				
	Foreign	-	-	-	-
	NRB	240,048	339,730	0.18	0.26
	Domestic	36,494,018	40,801,022	27.88	31.17
		36,734,066	**41,140,752**	**28.06**	**31.43**
	Total:	**130,906,800**	**130,906,800**	**100.00**	**100.00**

13.05 Shareholding range on the basis of shareholding as at December 31, 2017

No. of shares	Number of Shareholders	Total number of shares	Percentage of total holdings
Less than 5000	6477	9,768,546	7.46%
5,001 to 10,000	653	4,809,796	3.67%
10,001 to 20,000	346	4,899,067	3.74%
20,001 to 30,000	116	2,801,820	2.14%
30,001 to 40,000	56	1,922,849	1.47%
40,001 to 50,000	33	1,538,354	1.18%
50,001 to 100,000	59	4,141,984	3.16%
100,001 to1,000,000	60	15,423,334	11.78%
1,000,001 to 10,000,000	23	85,601,050	65.39%
	7,823	130,906,800	100.00%

14.00 Statutory Reserve:

Particulars	31-12-2017	31-12-2016
Balance as at January 01	476,264,000	443,263,000
Addition during the year	42,579,000	33,001,000
Balance as at December 31	**518,843,000**	**476,264,000**

As per section 9 of the Financial Institutions Act, 1993 and regulation 6 of the Financial Institutions Regulations 1994, at least **20% of pre-tax profit or Tk. 42,579,000** has to be transferred to Statutory Reserve Fund. During the year the Company has transferred same to the statutory reserved fund.

15.00 Share Premium:

Particulars	31-12-2017	31-12-2016
Balance as at January 01	220,932,000	220,932,000
Addition during the year	-	-
Less: Premium use against stock dividend	-	-
Balance as at December 31	**220,932,000**	**220,932,000**

This represents a premium of Tk.150 per share for issuance of 10,20,000 shares in 2009 amounting to Tk. 153,000,000 & Tk.250 per share over the per value of Tk.100 per share received against the issue of 30,60,000 right shares in 2010 amounting to Tk. 765,000,000. Stock dividend declare @20% on 2011 & @15% on 2013 which is adjusting against share premium.

16.00 Assets Revaluation Reserve:

Particulars	31-12-2017	31-12-2016
Balance as at January 01	369,308,482	376,493,821
Revaluation during the year	-	-
Transferred to Retained Earnings (Note- 2.36)	(7,005,705)	(7,185,339)
Balance as at December 31	**362,302,776**	**369,308,482**

17.00 Adjusted Retained Earnings Balance

Particulars		31-12-2017	31-12-2016
Balance as at January 01		110,611,142	106,126,907
Dividend for last year		(93,360,200)	(70,000,000)
Provision of Vat		(2,882,498)	-
Transfer from Revaluation reserve (Note- 2.34)		7,005,705	7,185,339
		21,374,150	**43,312,246**
Net profit after taxation for the year		159,813,159	100,299,896
Appropriation from current years profit:			
Transfer to statutory reserve		(42,579,000)	(33,001,000)
Transfer to General Reserve		-	-
		117,234,159	**67,298,896**
Balance as at December 31	**Grand total (a + b)**	**138,608,309**	**110,611,142**

17 a) Consolidated Retained Earnings

	31-12-2017	31-12-2016
Bay Leasing & Investment Ltd.	138,608,309	110,611,142
BLI Capital Ltd.	698,840	32,754,653
Last year adjustment Non-controling interest	-	-
Balance as at December 31	**139,307,149**	**143,365,795**

18.00 Non-Controlling Interest

Persuant to the Bangladesh Financial Reporting Standard (BFRS) 10, ' Consolidated Financial Statements", non-controlling interest has been presented in the consolidated Balance Sheet within equity, seperately from the equity of the owners of the parent. Non controlling interest is made up as follows:

Particulars	31-12-2017	31-12-2016
Opening balance	10,243	10,423
Add: Previous year's adjustment	(56)	(187)
Restated opening balance	**10,187**	**10,236**
Less: Interim Dividend	(200)	-
Add: addition during the year	17	7
Closing balance	**10,004**	**10,243**
Share Capital	10,000	10,000
Retained Earnings	4	243
	10,004	**10,243**

19.00 Net asset value per share

Particulars	31-12-2017	31-12-2016
Total asset	14,790,239,204	11,891,793,778
Total liabilities	12,180,035,264	9,281,970,354
	2,610,203,939	2,609,823,424
Number of share outstanding	130,906,800	130,906,800
Net asset value per share	**19.94**	**19.94**

19 (a) Consolidated Net asset value per share

	31-12-2017	31-12-2016
Total asset	16,325,102,094	13,551,486,684
Total liabilities	13,714,189,310	10,908,898,364
	2,610,912,783	2,642,588,320
Number of share outstanding	130,906,800	130,906,800
Consolidated Net asset value per share	**19.94**	**20.19**

20.00 Interest Income:

Particulars		31-12-2017	31-12-2016
Interest from Lease		267,117,995	177,162,920
Interest from Lease Advance		-	-
Interest from Term Finance		711,384,199	652,509,385
Interest on Fixed Deposits with Banks and Other FI's		30,608,352	10,595,311
Interest on balance with Banks		353,193	338,427
Interest on Overdue		4,625,030	-
	Total:	**1,014,088,769**	**840,606,043**

20 (a) Consolidated Interest Income

Bay Leasing & Investment Ltd.		1,014,088,769	840,606,043
BLI Capital Ltd.		125,165,160	155,042,877
		1,139,253,929	995,648,920
Less: Inter company balance eliminited		16,210,778	82,186,302
	Total:	**1,123,043,151**	**913,462,618**

21.00 Interest paid on Deposit, Borrowing etc.:

Particulars	31-12-2017	31-12-2016
Interest on Call Loan	25,086,972	36,357,090
Interest on Over Draft	36,046,763	33,596,783
Interest on Term Deposits	408,631,030	315,115,597
Interest on Other Deposits	9,530,631	9,562,255
Interest on Term Loan	353,357,816	259,256,200
Total:	**832,653,212**	**653,887,925**

21 (a) Consolidated Interest paid on Deposit, Borrowing etc.

Bay Leasing & Investment Ltd.		832,653,212	653,887,925
BLI Capital Ltd.		147,421,048	185,877,008
		980,074,260	**839,764,933**
Less: Inter company balance eliminited		16,210,778	82,186,302
	Total:	**963,863,482**	**757,578,631**

22.00 Investment Income:

Particulars	31-12-2017	31-12-2016
Dividend Income	87,084,227	49,128,602
Gain on Investment on Share	46,276,936	8,417,945
Total:	**133,361,163**	**57,546,547**

22 (a) Consolidated Investment Income

Bay Leasing & Investment Ltd.		133,361,163	57,546,547
BLI Capital Ltd.		46,523,678	22,293,627
	Total:	**179,884,841**	**79,840,174**

23.00 Commission, Exchange and Brokerage Income:

Particulars	31-12-2017	31-12-2016
Income from Commission	768,285	456,270
Total:	**768,285**	**456,270**

23 (a) Consolidated Commission, Exchange and Brokerage Income:

Bay Leasing & Investment Ltd.		768,285	456,270
BLI Capital Ltd.		35,689,568	28,103,214
	Total:	**36,457,853**	**28,559,484**

24.00 Other Operating Income:

Particulars	31-12-2017	31-12-2016
Service Charge	5,143,669	3,505,088
Gain on sale of Fixed Assets	-	-
Early settlement charge	1,443,012	58,507
Documentation Fee	2,583,519	2,504,677
Rental Income	5,616,000	5,616,000
Recovery from Write Off	650,000	600,000
Miscellaneous Income	53,423	134,355
Total:	**15,489,623**	**12,418,627**

24 (a) Consolidated Other Operating Income

Bay Leasing & Investment Ltd.	15,489,623	12,418,627
BLI Capital Ltd.	7,116,298	8,578,932
Total:	**22,605,921**	**20,997,559**

25.00 Salary and allowances

Particulars	31-12-2017	31-12-2016
Salary and Allowance	39,175,920	29,763,796
Festival Bonus	2,545,420	1,889,143
Incentive Bonus	3,112,135	1,554,598
Insurance Premium	289,034	-
Car Allowance	2,400,000	1,696,000
Mobile Allowances	123,350	71,000
Medical Allowance	-	163,465
Total:	**47,645,859**	**35,138,002**

25 (a) Consolidated Salary and allowances

Particulars	31-12-2017	31-12-2016
Bay Leasing & Investment Ltd.	47,645,859	35,138,002
BLI Capital Ltd.	13,146,327	6,183,940
Total:	**60,792,186**	**41,321,942**

26.00 Rent, Taxes, Insurance & Electricity:

Particulars	31-12-2017	31-12-2016
Office Rent	695,520	460,656
Rates & Taxes	-	-
Utility	1,946,738	1,784,965
Insurance Premium	120,335	94,036
Total:	**2,762,593**	**2,339,657**

26 (a) Consolidated Rent, Taxes, Insurance & Electricity

Bay Leasing & Investment Ltd.	2,762,593	2,339,657
BLI Capital Ltd.	4,891,709	4,757,944
Total:	**7,654,302**	**7,097,601**

27.00 Postage, stamp, telecommunication, etc

Particulars	31-12-2017	31-12-2016
Postage & stamp	429,481	452,748
Telecommunication	258,899	245,879
Total:	**688,380**	**698,627**

27 (a) Consolidated Postage, stamp, telecommunication, etc

Bay Leasing & Investment Ltd.	688,380	698,627
BLI Capital Ltd.	2,927,938	6,005,893
Total:	**3,616,318**	**6,704,520**

28.00 Stationery, Printing, advertisement, etc.

Particulars	31-12-2017	31-12-2016
Stationery & Printing	1,429,404	873,593
Advertisement	1,098,458	1,089,010
Total:	**2,527,862**	**1,962,603**

28 (a) Consolidated Stationery, Printing, advertisement, etc.

Bay Leasing & Investment Ltd.	2,527,862	1,962,603
BLI Capital Ltd.	164,072	86,516
Total:	**2,691,934**	**2,049,119**

29.00 Directors Fee:

Particulars		31-12-2017	31-12-2016
Directors Fee		818,800	662,400
	Total:	**818,800**	**662,400**

Each Director is paid TK. 8,000/- per meeting per attendance.

30.00 Consolidated Auditor's Fees

Particulars		31-12-2017	31-12-2016
Bay Leasing & Investment Ltd.		224,250	227,700
BLI Capital Ltd.		57,500	57,500
	Total:	**281,750**	**285,200**

31.00 Depreciation and repairs of assets

Particulars		31-12-2017	31-12-2016
Depreciation		14,589,366	14,640,721
Fuel & Repair of assets		916,315	669,495
	Total:	**15,505,681**	**15,310,216**

31 (a) Consolidated Depreciation and repairs of assets

Bay Leasing & Investment Ltd.		15,505,681	15,310,216
BLI Capital Ltd.		12,007,116	6,261,425
	Total:	**27,512,797**	**21,571,641**

32.00 Other Expenses

Particulars		31-12-2017	31-12-2016
Bank Charges		731,739	368,904
Conveyances & Travelling		107,732	32,981
Credit Rating Fees		287,500	172,500
Office Maintenance		2,055,414	2,395,435
Entertainment Expenses		1,096,799	606,160
Listing & Other Regulatory Fees		1,259,628	1,123,628
AGM & EGM Expenses		766,350	780,070
Subscription & Donation		1,234,000	564,130
Surveyors fee		465,373	298,585
Newspaper & Periodicals		15,805	7,685
Training Fee		93,000	94,075
	Total:	**8,113,340**	**6,444,153**

32 (a) Consolidated Other Expenses

Bay Leasing & Investment Ltd.		8,113,340	6,444,153
BLI Capital Ltd.		5,018,192	2,162,044
	Total:	**13,131,532**	**8,606,197**

33.00 Provision against lease, loans and advances:

Particulars		31-12-2017	31-12-2016
On classified loans (Note-12.03)		10,743,385	6,067,393
On un-classified loans (Note-12.03)		9,815,277	7,932,607
	Total:	**20,558,662**	**14,000,000**

33 (a) Consolidated Provision against lease, loans and advances:

Bay Leasing & Investment Ltd.		20,558,662	14,000,000
BLI Capital Ltd.		-	-
	Total:	**20,558,662**	**14,000,000**

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34.00 Provision for Diminutation in Value of Investment in Shares:

Particulars		31-12-2017	31-12-2016
Balance 01-01-2017		-	-
(Adjustment)/Addition during the year		11,741,338	-
	Total:	**11,741,338**	**-**

34 (a) Consolidated Provision for Diminutation in Value of Investment in Shares:

Bay Leasing & Investment Ltd.		11,741,338	-
BLI Capital Ltd.		24,150,484	-
	Total:	**35,891,822**	**-**

35.00 Provision for Tax:

Particulars		31-12-2017	31-12-2016
Current Year Tax		55,000,000	64,000,000
Deferred Tax		(1,922,244)	702,485
	Total:	**53,077,756**	**64,702,485**

35 (a) Consolidated Provision for Tax:

Bay Leasing & Investment Ltd.		53,077,756	64,702,485
BLI Capital Ltd.		1,766,369	1,623,097
	Total:	**54,844,125**	**66,325,582**

36.00 Earnings per share (EPS):

Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31, 2017 as per Bangladesh Accounting Standard (BAS) -33.

Particulars	31-12-2017	31-12-2016
Net profit after tax	159,813,159	100,299,896
Number of ordinary shares outstanding	130,906,800	130,906,800
Earnings per share	**1.22**	**0.77**

36 (a) Consolidated Earnings per share (EPS):

Net profit after tax	162,757,108	101,303,179
Number of ordinary shares outstanding	130,906,800	130,906,800
Earnings per share	**1.24**	**0.77**

	31-12-2017	31-12-2016
37.00 Contingent liabilities		
Letters of guarantee (in favour of Aman Shipyard)	-	149,500,000
Corporate Guarantee	300,000,000	300,000,000
Total Off-Balance Sheet items including contingent liabilities	**300,000,000**	**449,500,000**

37.01 Corporate Guarantee

The Company is contingently liable on behalf of BLI Securities ltd for the guarantee given below in favour of:

Dhaka Stock Exchange	**300,000,000**	**300,000,000**

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38.00 Related Party Disclosures

38.01 Particulars of Directors of the Company as on December 31, 2017

Sl.no	Name of Directors	Designation	Shareholding status
1	Dr. Maswooda Ghani	Chairman	6.27%
2	Mr. Tarik Sujat	Director	2.09%
3	Mr. Zubayer Kabir	Director	2.00%
4	Prof.Suraiya Begum	Director	2.15%
5	Mr. Zakir Ahmed Khan	Independent Director	0.00%
6	Mr. Sheikh Abdul Hafiz	Independent Director	0.00%
7	Prof. Shahid Uddin Ahmed	Independent Director	0.00%
8	Dr. Zaidi Sattar	Independent Director	0.00%
	Total		12.51%

38.02 Name of Directors and their interest in different entities as on December 31, 2017

Sl.no	Name of Directors	Designation	Entities Where they have interest
1	Dr. Maswooda Ghani	Chairman Director	**Managing Director:** Pushpo Clinic
2	Prof. Suraiya Begum	Director	N/A
3	Mr. Tarik Sujat	Director	**CEO** Colors of Bangladesh One Stop Print Shop Managing Director: MediaScene Ltd. (Daily Bhorer Kagoj) I- Info Media Ltd. Director Desh Television Limited
4	Mr. Zubayer Kabir	Director	**Managing Director:** 1. National Securitis & Conaultants Ltd. 2.Erebus Properties Ltd.
5	Mr. Zakir Ahmed Khan	Independent Director	**Advisor:**
			SouthEast Bank Ltd.
6	Mr. Sheikh Abdul Hafiz	Independent Director	Member Governing Body: a) Bangladesh Medical College b) Bangladesh Dental College c) Uttara Adhunik Medical College d) Past President, ICAB and South Asian Federation of Accountants (SAFA)
7	Prof. Shahid Uddin Ahmed (Ph.D)	Independent Director	Independent Director: Argon Denim Fabrics Ltd.
8	Dr. Zaidi Sattar	Independent Director	Chairman Policy Research Institute

38.03 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard 24: Related Party Disclosures. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at December 31, 2017 were as follows:

Name of the related party	Relationship	Nature of transaction	Transaction amount / Outstanding receivable/ (Payable)	
			2017	2016
BLI Capital Ltd	Subsidiary Company	Receivable	361,601,399	391,121,399
		Loan	264,848,839	-
BLI Securities Ltd	Associate Company	Term Deposit	45,129,033	36,443,595
		Contingent Liability	300,000,000	300,000,000
Lucky Feed Ltd	Associate Company	Term Deposit	143,143	134,287
		Term Finance	71,569,143	68,963,629

38.04 Significant contract where FI is party and wherein Directors have interest

As on 31 December 2017 no such contract exists.

Bay Leasing & Investment Limited

Schedule of Fixed Assets

as at December 31, 2017

Schedule-1

Particulars	Cost as on 01.01.2017	Revaluation as on 01-01-2017	Addition during the year	Disposals/ Adjustments during the year	Balance as on 31.12.2017			Depreciation									W.D.V.as on 31.12.2017
					Cost	Revaluation	Total	Rate of Depreciation	Balance as on 01.01.2017		Charged during the Year		Adjustment for Disposals	Balance as on 31.12.2017			
									Cost	Revaluation	Cost	Revaluation		Cost	Revaluation	Total	
	1	2	3	5	(1+3-5)=6	(2+4)=7	(6+7)=8	9	10	11	12	13	14	(10+12-14)=15	(11+13)=16	17	(8-17)=18
Furniture and Fixtures	13,268,145	-	692,499	-	13,960,644	-	13,960,644	10%	4,268,770	-	960,179	-	-	5,228,949	-	5,228,949	8,731,695
Office Equipment	13,501,510	-	644,663	-	14,146,173	-	14,146,173	15%	7,578,012	-	920,083	-	-	8,498,095	-	8,498,095	5,648,078
Office Decoration	19,464,367	-	2,736,825	-	22,201,192	-	22,201,192	20%	10,247,452	-	1,875,111	-	-	12,122,562	-	12,122,562	10,078,630
Motor Vehicles	16,386,646	-	2,424,810	-	18,811,456	-	18,811,456	20%	8,757,376	-	1,913,164	-	-	10,670,540	-	10,670,540	8,140,916
Electrical Goods	595,450	-	21,346	-	616,796	-	616,796	20%	586,361	-	3,580	-	-	589,941	-	589,941	26,855
Building	89,005,460	320,669,540	51,432,440	-	140,437,900	320,669,540	461,107,440	2.50%	12,543,691	40,441,324	1,911,544	7,005,705	-	14,455,235	47,447,030	61,902,265	399,205,175
Construction WIP	131,512,240	-	-	51,432,440	80,079,800	-	80,079,800	0%	-	-	-	-	-	-	-	-	80,079,800
Land	262,145,192	91,704,652	28,918,268	-	291,063,460	91,704,652	382,768,112	0%	-	-	-	-	-	-	-	-	382,768,112
Total	545,879,010	412,374,192	86,870,851	51,432,440	581,317,421	412,374,192	993,691,613		43,981,661	40,441,324	7,583,661	7,005,705	-	51,565,322	47,447,030	99,012,351	894,679,262
2016	513,318,784	412,374,192	32,560,226	-	545,879,010	412,374,192	958,253,202		36,526,279	33,255,985	7,455,381	7,185,339	-	43,981,661	40,441,324	84,422,985	873,830,217

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Bay Leasing & Investment Limited

Some Pertinent Highlights

as on December 31, 2017

Sl No.	Particulars	31-12-2017 (Taka)	31-12-2016 (Taka)
1	Paid-up capital	1,309,068,000	1,309,068,000
2	Total Shareholder's Equity	2,610,203,939	2,609,823,424
3	Capital Surplus/(deficit)	1,104,210,071	1,261,941,427
4	Total Assets	14,790,239,204	11,891,793,778
5	Total Deposits	6,168,413,802	4,800,867,330
6	Total Loans and advances	9,527,068,023	7,767,886,521
7	Total Contingent Liabilities and Commitment	300,000,000	449,500,000
8	Investment Deposit Ratio	1.54	1.62
9	Percentage of Classified Investment against Total Investments	8.40%	8.70%
10	Net Profit after Tax	159,813,159	100,299,896
11	Total Classified Investments	799,915,478	676,096,190
12	Provision Kept against classified Investments	131,241,142	120,497,756
13	Provision Surplus/(deficit)	169,384	2,465,822
14	Cost of Fund	9.35%	9.19%
15	Interest earning Assets	10,392,298,023	7,942,024,167
16	Non-Interest earning Assets	4,397,941,181	3,949,769,611
17	Return on equity	6.12%	3.84%
18	Return on Average Assets	1.60%	1.52%
19	Income from Investment	133,361,163	57,546,547
20	Income Per Share	1.22	0.77
21	Earning Per Share	1.22	0.77
22	Price earning Ratio (P/E Ratio)	22.46	31.82

AMAR STOCK

Auditors' Report

BLI Capital Limited



Auditor's Report To The Shareholders Of
Bli Capital Limited

We have audited the accompanying Financial Statements of **BLI CAPITAL LIMITED** as at December 31, 2017 which comprises the Statement of Financial Position and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information for the purpose of consolidation with Bay Leasing & Investment Limited

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Financial Reporting standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules1987 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.

Auditor's Responsibility

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

In our opinion, the Financial Statements along with notes thereon of the company prepared in accordance with Bangladesh Financial Reporting standards (BFRS), give a true and fair view of the state of the company's affairs as at December 31,2017 and its cash flows for the year then ended and comply with the rules and Regulations issued by Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

We also report that:

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

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

(iii) The Company's Financial Position as at December 31,2017 and Statement of Profit or Loss and Other Comprehensive Income and its Statement of Cash Flows 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 company's business;

Dhaka
Dated: 29 March, 2018

Pinaki & Company
Chartered Accountants

BLI CAPITAL LIMITED

Statement of Financial Position

as at December 31, 2017

		TAKA	
PROPERTY AND ASSETS		31-12-2017	31-12-2016
NON-CURRENT ASSETS			
Property, Plant and Equipment	Note-4	366,700,007	372,522,904
CURRENT ASSETS			
Advance Deposit and Pre-Payments	Note-5	25,902,380	23,593,956
Accounts Receivable	Note-6	133,813,120	55,036,428
Investment In Share	Note-7	690,573,327	621,262,031
Margin Loan		2,693,309,325	2,255,199,680
Cash and cash equivalent	Note-8	1,004,968	73,189,304
TOTAL		**3,911,303,127**	**3,400,804,303**
EQUITY AND LIABILITIES			
CAPITAL & RESERVE			
Shareholders equity	Note-9	1,750,000,000	1,350,000,000
Retained Earnings	Note-10	698,844	32,754,896
NON-CURRENT LIABILITIES			
Loan From Bank & Financial Institution	Note-11	263,988,322	-
CURRENT LIABILITIES			
Short Term Loan		1,199,945,656	1,434,496,044
Margin Deposit		256,309,056	137,767,599
Other Payable	Note-12	368,054,279	399,395,647
Provision for Tax	Note-13	29,690,781	27,924,412
Provision against Unrealized loss in Margin Loan		24,150,484	-
Provision against Unrealized loss in Margin Loan		18,465,705	18,465,705
TOTAL		**3,911,303,127**	**3,400,804,303**

Managing Director **Director** **Director**

PINAKI & COMPANY
Chartered Accountants

AMAR STOCK

BLI CAPITAL LIMITED

Statement of Profit or Loss and Other Comprehensive Income

for the year ended December 31, 2017

		TAKA	
		01-01-2017 to 31-12-2017	01-01-2016 to 31-12-2016
Income :			
Brokerage Settlement Charges		24,813,429	14,697,738
Gain on Investment in Share		38,391,173	16,230,973
Dividend Income		8,132,505	6,062,654
Interest Income		125,165,160	155,042,877
Documentation Fee		121,000	14,000
Underwriting Commission		202,500	-
Other Income	Note-14	6,995,297	8,564,932
Portfolio management Fee		10,673,639	13,405,476
TOTAL		**214,494,703**	**214,018,651**
Expenses :			
Salary & Allowance		13,146,327	6,183,940
Office Rent		4,222,800	4,131,000
Registration & Renewal Fee		3,680,512	5,436,895
Printing & Stationary		164,072	86,516
Entertainment		228,318	242,564
Internet & Network Charge		95,535	61,350
CDBL Charges		2,794,593	1,634,941
Consultancy Fees		-	175,000
Repair & Maintenance		309,972	194,521
Legal & Other Charges		364,280	-
Software maintenance Fee		240,000	422,425
Conveyance		8,885	3,610
Newspaper		9,523	7,035
Electricty Bill		443,614	473,944
Wasa bill		72,295	-
Courier		380	15
Telephone & Mobile bill		161,511	85,208
Awareness Programme		-	11,600
Advertisement Expenses		-	20,952
Car maintenance		305,337	256,392
Fuel & Lubricants		435,210	223,901
Service Charge(Eunoos Centre)		153,000	153,000
Trainning & Conferece		25,000	-
Audit Fees		57,500	57,500
Bank Charge		337,593	87,294
Bank Interest		147,421,048	185,877,008
Depreciation		10,956,597	5,565,660
Total Expenses		**185,633,902**	**211,392,271**
Net Profit/loss Before Provision		**28,860,801**	**2,626,380**
Provision for Investment In Share	Note-07	24,150,484	-
		4,710,317	**2,626,380**
Provision for Tax		1,766,369	1,623,097
Net profit Transfer to Retained Earnings		**2,943,948**	**1,003,282**

Managing Director **Director** **Director**

PINAKI & COMPANY
Chartered Accountants

AMARSTOCK

BLI CAPITAL LIMITED

Statement of Changes in Equity

for the year ended December 31, 2017

Particulars	Share Capital	Retained Earnings	Total
Balance as at January 01, 2017	1,350,000,000	32,754,896	1,382,754,896
During the year	400,000,000	2,943,948	402,943,948
Interim Dividend	-	(35,000,000)	(35,000,000)
Balance as at December 31, 2017	**1,750,000,000**	**698,844**	**1,750,698,844**

Statement of Changes in Equity

for the year ended December 31, 2016

Particulars	Share Capital	Retained Earnings	Total
Balance as at January 01, 2016	750,000,000	31,751,614	781,751,614
During the year	600,000,000	1,003,282	601,003,282
Balance as at December 31, 2016	**1,350,000,000**	**32,754,896**	**1,382,754,896**

Managing Director

Director

Director

AMARSTOCK

BLI CAPITAL LIMITED

Statement of Cash Flows

for the year ended December 31, 2017

Particulars		TAKA	
		31-12-2017	31-12-2016
A.	**Cash Flow from operating activities**		
	Receipt from Customer	46,388,468	121,398,760
	Received from Others	89,329,543	44,278,035
	Paid to Suppliers and Others	(57,895,752)	(77,356,456)
	Advance Deposit & Pre-Payment	(234,000)	162,295,100
	Income Tax Paid	(2,074,424)	(2,649,047)
	Bank Charge	(701,873)	(87,294)
	Bank Interest	(147,421,048)	(185,877,008)
	Net Cash flow from operating activities	**(72,609,086)**	**62,002,090**
B.	**Cash Flow from investment activities**		
	Acquisition of Asset	(5,133,700)	(190,814,956)
	Investment in Share	(69,311,296)	(25,754,449)
	Net Cash flow from investment activities	**(74,444,996)**	**(216,569,405)**
C.	**Cash Flow from financing activities**		
	Shareholders equity	400,000,000	600,000,000
	Mergin Deposit	118,541,457	(11,480,875)
	Divident Paid	(35,000,000)	
	Mergin Loan	(438,109,645)	(127,160,952)
	Loan From Bank & Financial Institutes	29,437,934	(293,249,477)
	Net Cash flow from financing activities	**74,869,746**	**168,108,696**
D.	**Net Cash inflow/outflow for the year (A+B+C)**	**(72,184,336)**	**13,541,381**
E.	**Opening Cash and Bank balance**	**73,189,304**	**59,647,923**
F.	**Closing Cash and Bank balance (D+E)**	**1,004,968**	**73,189,304**

Managing Director | Director | Director

AMAR STOCK

BLI CAPITAL LIMITED
Notes to the Financial Statements
as at December 31, 2017

1. Corporate Information

BLI CAPITAL LIMITED (hereinafter referred to as "the Company") was incorporated in Bangladesh as a public limited company on 13.04.2011 under the Companies Act 1994 and granted registration number C-91999/11.

1.1 Address of the registered office

The company operates its activities from Eunoos Trade Center, Level –18, 52/53 Dilkusha C/A, Dhaka-1000.

1.2 Nature of Business Activities

The main object of BLI CAPITAL LIMITED is to carry on the business of merchant banking under the Securities and Exchange (Merchant Banking and Portfolio Management) Regulation 1996.

2. Significant accounting policies

2.1 Statement of Compliance

The Financial Statements of BLI CAPITAL LIMITED has been prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable laws and regulations.

2.2 Going Concern

Financial Statements have been prepared on going concern basis as there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future.

2.3 Presentation of Financial Statements

The Financial Statements are presented in accordance with guidelines provided by IAS-1: 'Presentation of Financial Statements'. The Financial Statements comprises of:

(i) A Statement of Financial Position as at December 31, 2017;
(ii) A Statement of Profit or Loss and Other Comprehensive Income for the year ended December 31, 2017;
(iii) A Statement of Changes in Equity for the year ended December 31, 2017;
(iv) A Statement of Cash Flows for the year ended December 31, 2017; and
(v) Notes, comprising a summary of significant accounting policies and explanatory information.

3. Basis of Preparation of Financial Statements

3.1 Cash flow Statement

Cash Flow Statement is prepared in accordance with IAS 7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of IAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

1.2 Functional and Presentation Currency

The Financial Statements have been prepared and presented in Bangladeshi Currency (Taka), which is the functional currency of the Company. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

3.3 Property, Plant & Equipment:

This has been stated at cost less accumulated depreciation in compliance with the requirement of IAS 16: Property Plant and Equipment.

3.4 Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash in hand and cash at bank that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

3.5 Others

Figures of the previous year have been rearranged, wherever considered necessary to conform to current year's presentation.

AMAR STOCK

No.	Particulars		TAKA 31-12-2017	TAKA 31-12-2016
4.	**Property, Plant and Equipment**			
	Details of Property, Plant and Equipment and Depreciation as on December 31, 2017 are shown in the annexed Schedule - A. This is arrived at as follows:			
	Written Down Value (a-b)		**366,700,007**	**372,522,904**
	a) Cost Value			
	Opening Balance - At Cost		383,700,272	192,885,316
	Add: Addition during the year (At Cost)		5,133,700	190,814,956
			388,833,972	383,700,272
	Less : Adjustment during the year		-	-
			388,833,972	383,700,272
	b) Accumulated Depreciation			
	Opening Balance		11,177,368	5,611,708
	Add: Charged during the year		10,956,597	5,565,660
			22,133,965	11,177,368
	Less : Adjustment during the year		-	-
			22,133,965	**11,177,368**
5.	**Advance Deposit and Pre-Payments**		**25,902,380**	**23,593,956**
	Advance Income Tax	Note-5.1	13,651,380	11,576,956
	Advance for Office Space(Eunoos Trade Centre)	Note-5.2	6,273,000	8,109,000
	Advance to Others		5,978,000	3,908,000
5.1	**Advance Income Tax**		**13,651,380**	**11,576,956**
	As per Last Account		11,576,956	8,927,909
	Add: During the Year		2,074,424	2,649,047
5.2	**Advance for Office Space(Eunoos Trade Centre)**		**6,273,000**	**8,109,000**
	As per Last Account		8,109,000	9,945,000
	Add: During the Year		-	-
			8,109,000	9,945,000
	Less: Adjustment During the year		(1,836,000)	(1,836,000)
6.	**Accounts Receivable**		**133,813,120**	**55,036,428**
	BLI Securities Ltd.		8,372,602	23,174,441
	Platinum Securities Ltd		-	1,541,987
	Others Receivable		125,440,518	30,000,000
	Cash Divedend Receivable(Own)		-	320,000

AMAR STOCK

No.	Particulars		TAKA 31-12-2017	31-12-2016
7.	**Investment in shares:**		**690,573,327**	**621,262,031**

The above balance is made up as follows:

Name of the Company	Qty.	Cost Price	Market Price	Unrealise Gain
BD. Thai Aluminium	276,250	8,605,270	7,900,750	(704,520)
BSCCL	50,000	6,357,118	5,155,000	(1,202,118)
DESCO	250,000	14,316,625	11,350,000	(2,966,625)
I T Consultants Limited	150,000	6,613,444	5,325,000	(1,288,444)
Lafarge Surma Ce.	200,000	14,986,116	13,980,000	(1,006,116)
Pragati Life Insurance	16,000	1,900,206	1,817,600	(82,606)
Summit Alliance Port Ltd.	150,000	6,125,215	5,145,000	(980,215)
AB Bank Limited	210,000	5,005,428	4,641,000	(364,428)
ACI Limited	2,500	1,229,254	1,149,500	(79,754)
Al-Arafa Bank	125,000	3,183,354	3,012,500	(170,854)
Asia Insurance ltd	413,950	10,231,712	9,893,405	(338,307)
C & A Textiles Limited	151,000	1,291,177	1,313,700	22,523
Delta Life Ins.	250,000	41,288,439	26,900,000	(14,388,439)
Dhaka Bank	100,000	2,497,939	2,200,000	(297,939)
Eastland Insurance	140,655	3,549,157	3,347,589	(201,568)
GPH Ispat Ltd.	315,000	13,522,936	12,222,000	(1,300,936)
Islami Bank	50,000	1,765,327	1,830,000	64,673
Islamic Finance & Inv.	100,000	2,535,060	2,100,000	(435,060)
Jamuna Bank Limited	125,000	3,004,183	2,750,000	(254,183)
Mercantile Insurance	25,000	601,200	582,500	(18,700)
MJL BANGLADESH LTD.	4,000	424,940	436,400	11,460
NATIONAL FEED MILL LTD.	160,000	3,574,215	2,880,000	(694,215)
National Life Ins.	2,307,994	367,954,349	370,894,636	2,940,287
Standard Bank	200,000	3,311,480	3,120,000	(191,480)
Western Marine Shipyard Ltd.	56,000	1,863,720	1,640,800	(222,920)
		525,737,864	**501,587,380**	**(24,150,484)**
Investment for IPO		4,835,463		
Investment in Placement Shares		160,000,000		
TOTAL		**690,573,327**		

8.	**Cash and Cash Equivalent**		**1,004,968**	**73,189,304**
	Cash in Hand		79,990	63,465
	Cash at bank	Note-8.1	924,978	73,125,839
8.1	**Cash at bank :**		**924,978**	**73,125,839**
	Southeast Bank Ltd.		282,328	10,071,356
	First security Islami Bank		552,612	-
	Mercantile Bank Ltd.		80,913	-
	Social Islamic Bank		9,125	-
	FDR-Southeast Bank Ltd.		-	63,054,483

No.	Particulars		TAKA 31-12-2017	TAKA 31-12-2016
9.	**Shareholders Equity**			
	Authorised Capital		**2,000,000,000**	**2,000,000,000**
	20,00,00,000 shares of Tk. 10/-each			
	Issued, Subscribd and Paid Up Capital		**1,750,000,000**	**1,350,000,000**
	17,50,00,000 shares of Tk. 10/-each			
10.	**Retained Earnings**		**698,844**	**32,754,896**
	As per last account		32,754,896	31,751,614
	Add: Profit During the year		2,943,948	1,003,282
	Less: Interim Dividend		(35,000,000)	-
11.	**Loan From Bank & Financial Institution**		**263,988,322**	**-**
	Bay Leasing & Investment Ltd.		263,988,322	-
12.	**Other Payable**		**368,054,279**	**399,395,647**
	Bay Leasing & Investment Ltd.		361,601,397	391,121,397
	Devidend payable		700	500
	Creditor for Expenses		155,816	57,500
	Interest Payable to Bay Leasing		860,516	-
	Service Charge (Eunoos Trade Centre)		122,850	131,250
	Rent received in Advance	Note-12.1	5,313,000	8,085,000
12.1	**Advance Received for Office Space (Eunoos Trade Centre)**		**5,313,000**	**8,085,000**
	As per Last Account		8,085,000	10,857,000
	Less: Adjustment During the year		(2,772,000)	(2,772,000)
13.	**Provision for Tax**		**29,690,781**	**27,924,412**
	As per Last Account		27,924,412	26,301,315
	Add: During the year		1,766,369	1,623,097
14.	**Other Income**		**6,995,297**	**8,564,932**
	Interest Income From FDR		1,744,727	3,916,858
	Interest Income From STD A/C		91,570	28,074
	IPO Commission Income		-	-
	Rental Income		5,159,000	4,620,000

AMARSTOCK

BLI CAPITAL LIMITED

Schedule of Fixed Assets

AS ON DECEMBER 31, 2016

Schedule - A

Property, Plant and Equipment

Particulars	C O S T				DEPRECIATION				W.D.V
	Bal.as.on 01.01.17	Addition	Adjustment	Bal.as.on 31.12.17	Rate	Bal.as.on 01.01.17	Charged	Bal.as.on 31.12.17	Bal.as.on 31.12.17
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
Computer	656,720	476,970	-	1,133,690	15%	321,609	121,812	443,421	690,269
UPS	-	9,800	-	9,800	15%	-	1,470	1,470	8,330
Monitor	-	6,300	-	6,300	15%	-	945	945	5,355
Fax Machine	26,000	-	-	26,000	15%	18,617	1,107	19,724	6,276
Chair	73,201	-	-	73,201	10%	34,959	3,824	38,783	34,418
Telephone Set	39,400	-	-	39,400	15%	15,678	3,558	19,236	20,164
Internet Modem	40,655	4,100	-	44,755	15%	24,250	3,076	27,326	17,429
Vacuum Cleaner	17,320	-	-	17,320	15%	9,940	1,107	11,047	6,273
Software	609,903	1,710,000	-	2,319,903	15%	263,418	308,473	571,891	1,748,012
Website	31,700	33,180	-	64,880	15%	15,653	7,384	23,037	41,843
Micro Oven	7,200	-	-	7,200	15%	4,776	364	5,140	2,060
File Cabinet	95,465	-	-	95,465	10%	32,710	6,276	38,986	56,479
Fan	25,050	1,150	-	26,200	10%	11,531	1,467	12,998	13,202
Printer	38,600	18,200	-	56,800	15%	21,573	5,284	26,857	29,943
Networking Switch	31,900	9,200	-	41,100	15%	8,530	4,885	13,415	27,685
Photocopier	80,000	-	-	80,000	15%	43,306	5,504	48,810	31,190
Scaner	4,350	-	-	4,350	15%	1,879	371	2,250	2,100
Cookeries	7,850	-		7,850	15%	1,119	1,010	2,129	5,721
Car DM-GA-25-0900	901,000	-	-	901,000	20%	324,360	115,328	439,688	461,312
Car DM-GA-26-6541	-	2,403,600	-	2,403,600	20%	-	480,720	480,720	1,922,880
Car DM-GA-27-1411	902,000	-	-	902,000	20%	324,720	115,456	440,176	461,824
Access Control	22,000	-	-	22,000	15%	3,300	2,805	6,105	15,895
Water Cooler	13,500	-	-	13,500	15%	2,025	1,721	3,746	9,754
PABX System	32,600	13,000	-	45,600	15%	4,890	6,107	10,997	34,603
Furniture & Fixtures	153,520	-	-	153,520	10%	15,352	13,817	29,169	124,351
Office Decoration	6,403,347	434,200	-	6,837,547	10%	640,335	619,721	1,260,056	5,577,491
Server Cabinet	14,000	-	-	14,000	10%	1,400	1,260	2,660	11,340
Krone Rack & Networking Con Plate	37,410	14,000	-	51,410	15%	5,144	6,940	12,084	39,326
Tea Maker	2,900	-	-	2,900	15%	435	370	805	2,095
Refrigerator	**35,000**	**-**	**-**	**35,000**	**15%**	**875**	**5,119**	**5,994**	**29,006**
Floor Space Rupayan Housing	**190,597,176**	**-**	**-**	**190,597,176**	**2.5%**	**-**	**4,764,929**	**4,764,929**	**185,832,247**
Floor Space(Eunoos Trade Centre)	**182,800,505**	**-**	**-**	**182,800,505**	**2.5%**	**9,024,983**	**4,344,388**	**13,369,371**	**169,431,134**
Total	**383,700,272**	**5,133,700**	**-**	**388,833,972**		**11,177,368**	**10,956,597**	**22,133,964**	**366,700,007**

Proxy No:.....Date:.....

Bay Leasing & Investment Limited

SECURE YOUR FUTURE©

Authorized Officer Signature

PROXY FORM

I/We.....

Registered BO ID : | | | | | | | | | | | | | | | | |

of.....

being a shareholder of **Bay Leasing & Investment Limited** ("the Company") do hereby appoint Mr./Mrs./Ms. .....

.....

of.....

as my/our proxy to attend and vote for my/us on my/our behalf at the **22nd Annual General Meeting** of the Company to be held on by **May 19, 2018 (Saturday) at 11.00 a.m** at the Institution of Diploma Engineers, Bangladesh IDEB Bhaban, 160/A Kakrail VIP Sarak, Dhaka-1000

Signed this.....day of 2018.....

Revenue stamp @ 20/-

SIGNATURE OF THE PROXY **SIGNATURE OF THE SHAREHOLDER**

Note:

i) Signature of the shareholder must be in accordance with specimen signature registered with Depository Participant(s)/Company.

ii) A Member of the Company entitled to attend and vote at the 22nd Annual General Meeting may appoint as a Proxy to attend and vote on his/her/their behalf. The Proxy Form duly signed and stamped must be deposited at the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

Bay Leasing & Investment Limited

SECURE YOUR FUTURE©

ATTENDANCE SLIP

Name of Shareholder/Proxy.....

Registered BO ID : | | | | | | | | | | | | | | | | |

I hereby record my attendance at the **22nd Annual General Meeting** of the Company to be held on by **May 19, 2018 (Saturday) at 11.00 a.m** at the Institution of Diploma Engineers, Bangladesh, IDEB Bhaban 160/A Kakrail VIP Sarak, Dhaka-1000

SIGNATURE OF THE PROXY **SIGNATURE OF THE SHAREHOLDER**

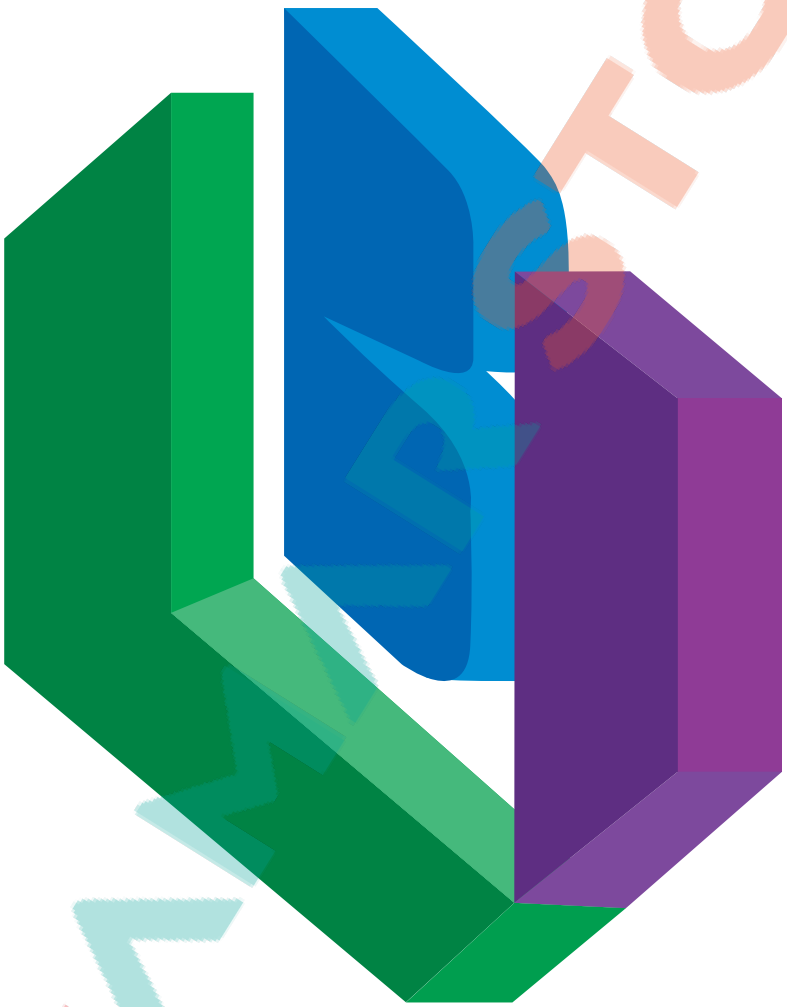
N.B.:

i) Please present this Slip at the Reception Desk.

ii) Please note that Annual General Meeting can only be attended by the honourable Shareholders or Properly Constituted Proxy/Attorney/Representative therero of, any friend or children accompanying with honourable shareholder or Proxy/Attorney/Representative will not be allowed to the meeting.

AMAR STOCK

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Corporate Office: Eunoos Trade Centre (Level 18), 52-53, Dilkusha C/A, Dhaka -1000, Bangladesh
Tel: 9592501, Fax: 88 02 9592500, email: info@blilbd.com, www.blilbd.com