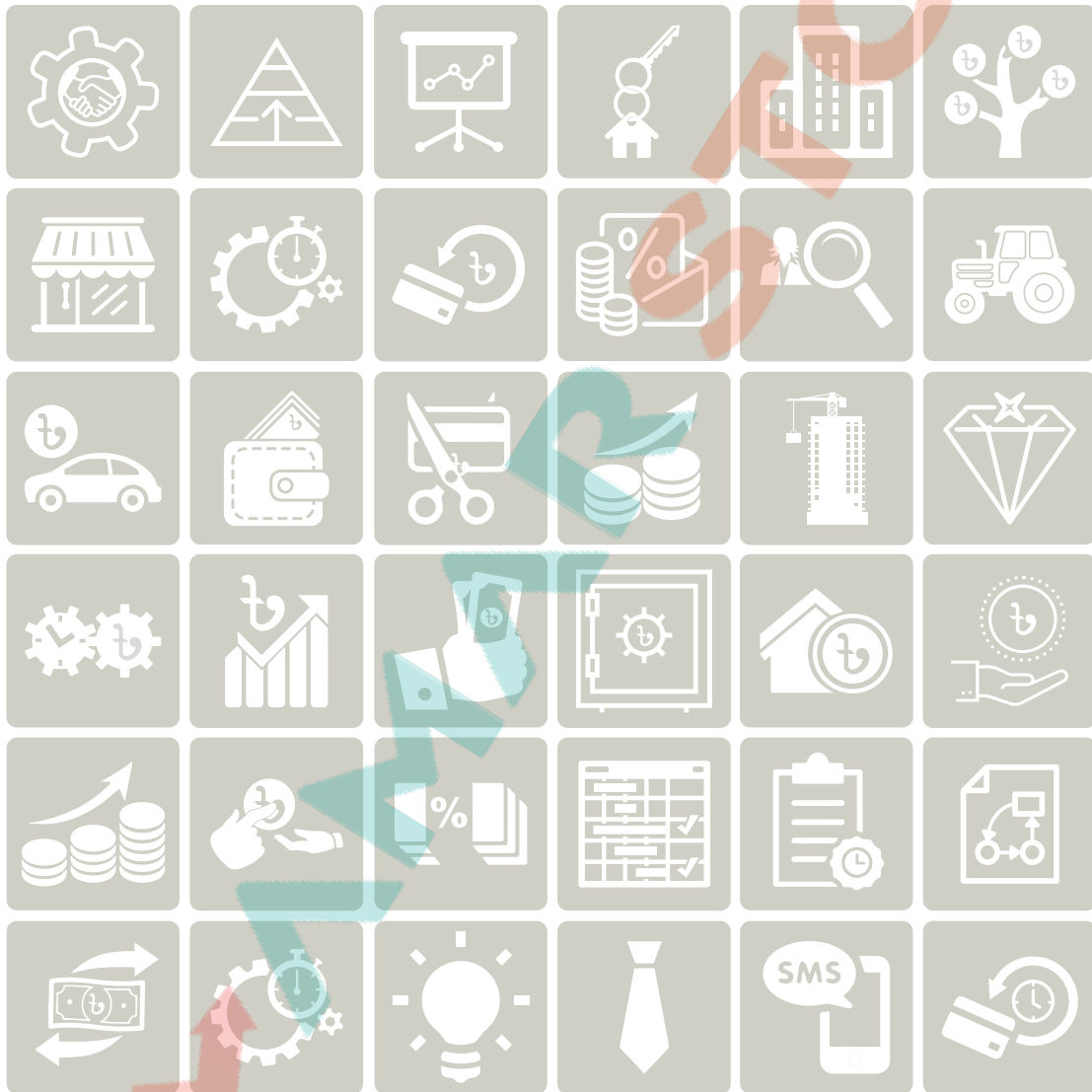


annual report 2016

REFORM & DEVELOPMENT



FAS Finance & Investment Ltd.



AMMR STOCK

annual
report
2016



FAS Finance & Investment Ltd.



AMMR STOCK

LETTER OF TRANSMITTAL

To
All Shareholders of FAS Finance & Investment Limited
Bangladesh Bank (BB)
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms of Bangladesh (RJSCB)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)

Sir,

Annual Report of FAS Finance & Investment Limited for the year ended on 31 December 2016.

We are pleased to present before you the Company's (FFIL) Annual Report 2016 along with the Audited Financial Statements (Consolidated and Separate) for the year ended on 31 December 2016 for your kind information and record. The Financial Statements of 'The Company' comprise with consolidated Financial Statements of 'The Company' and its subsidiary [FAS Capital Management Limited] presented separately.

Yours Sincerely,



Md. Mohsin Reza Khan
Company Secretary



WARR

STOCK



FAS Finance & Investment Ltd.

Corporate Office: Suvastu Imam Square (4th Floor) 65, Gulshan Avenue, Gulshan-1, Dhaka-1212

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

Notice is hereby given to all valued shareholders of FAS Finance & Investment Limited (FFIL) that the 20th Annual General Meeting (AGM) of the Company will be held on Thursday, June 15, 2017 at 10:30am at RAOWA Convention Hall, Hall No. 3 (EAGLE), VIP Road, Mohakhali, Dhaka-1206 to transact the following business:

AGENDA

1. To receive, consider and adopt the audited Financial Statements for the year ended on 31 December, 2016 along with the Directors' Report and Auditors' Report thereon;
2. To declare Dividend for the year ended on 31 December, 2016 as recommended by the Board of Directors;
3. To elect/re-elect of Directors;
4. To appoint/re-appoint Auditors for the term until the next Annual General Meeting, and fix their remuneration.

Dated: Dhaka, 21 May, 2017

By order of the Board

Md. Mohsin Reza Khan
Company Secretary

Notes:

- a) The 'Record Date', in lieu of Book Closure for AGM is on Monday, 15 May, 2017. The shareholders, whose names will appear in the Register of FFIL, under Central Depository System (CDS) on the Record Date, will be eligible to attend the 20th AGM and entitled to receive the dividend as recommended;
- b) The Board of Directors recommended for payment of Stock Dividend @ 5% (Five Percent) for the year ended on 31 December, 2016;
- c) A Member, who is entitled to attend and vote at the AGM, may appoint a proxy to attend the meeting and take part in the proceedings thereof, on his/her/their behalf. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney or if such appointer is a company/corporation under its common seal or under the hand a person duly authorized by such company/corporation and stamped with request stamp must be submitted to the Company Secretariat Department of FFIL at Suvastu Imam Square (4th Floor), 65, Gulshan Avenue, Gulshan-1, Dhaka-1212 not less than 48 (forty eight) hours before the time of AGM.
- d) Attendance of the Member(s)/Attorney (ies)/Proxy (ies) shall be recorded at the entrance of the venue. Attendance slip has to be submitted duly signed at the Registration Counter.
- e) Merchant Banks and Depository Participants are requested to provide the Company a statement with the details of their margin loan holders who held shares of the Company as on Record Date as well as their Bank Account Name & Number and Routing Number etc.
- f) Annual Report 2016 along with Notice of the 20th AGM, Proxy Form and Attendance Slip will be sent to all the shareholders by courier service as well as on the website of the company @ <http://www.fasbd.com>, in due course.
- g) In compliance with the Bangladesh Securities & Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 "No benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the Members i.e. no gift/gift coupon/food box etc. will be distributed at the 20th AGM".

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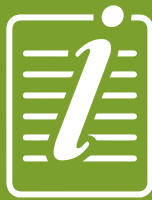
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ABOUT FFIL



SPIRITED FOR
SUCCESS, MOTIVATED
FOR EXCELLENCE





ZMMR STOCK

AT A GLANCE

FAS Finance & Investment Limited (FFIL) is a registered Public Limited Company established in 1997 under the Companies Act, 1994. The FFIL received a license in 2001 as a first generation Non-Banking Financial Institution (NBFI) under the Financial Institutions Act, 1993 from Bangladesh Bank with the beliefs of innovation, integration in financial services and creation of best value to the Shareholders. FAS Finance & Investment Limited sponsored by a group of renowned & dedicated Bangladeshi Industrialists and Businessmen with the initial paid up capital of Tk. 21.34 million against an Authorized Capital of Tk. 2100 million. Now the present paid up capital stands to Tk. 1229.25 million. Primarily, the company received license from Bangladesh Securities & Exchange Commission (BSEC) to act as a Merchant Bank. Subsequently, FFIL obtained license from Bangladesh Bank in 2001 to be a Financial Institution.

FAS Finance & Investment Limited has been progressively growing over 15 years by providing prompt and high quality services to diverse group of customers within its territory. FFIL is dedicated to broaden the depth and width of its services while maintaining high asset quality. Incessant development and providing financial solutions in Individual Finance, Transport Finance, Home Loan, SME Finance, Corporate Finance, and other potential sectors are the significant concern of FFIL since its inception. As part of endeavors to capitalize the competitive advantages through widening the financial services, FFIL also offers factoring loan against receivables, finance to women entrepreneurs, green financing as well as lucrative deposit schemes.

FAS Finance & Investment Limited is an issuer listed by securities and recognized member of both the bourses of the country. FFIL maintains the Investors' Relations Department to meet up the shareholders' complaints (if any) regarding any inconvenience. In addition to part of Money Market, FFIL has also involvement with capital market through its subsidiary as "FAS Capital Management Limited" of the Country. FAS Capital Management Limited as a full-fledged Merchant Bank provides issue management, portfolio management, and other allied services with advisory support to the investors as and when required, even any uncalled situation.

FFIL'S STRONG BELIEFS



Our Vision

Become a market leader by providing innovative, integrated financial services and to create best value to our Shareholders.



Our Mission

Develop the company into an ideal and unique financial institution by providing excellent financial products and customer services to all our customers- corporate, SME and individuals.



Our Objectives

- Be one of the market leaders of the industry.
- Achieve excellence in customer service next to none and superior to all competitors.
- Provide customized multi-product financial services to entrepreneurs of different segments of the market.
- Maximize profitability and sustain steady growth.

FFIL'S CORE VALUE

For our Customers:	For our Employee:	For our Shareholders:	For our Community:
<ul style="list-style-type: none">● To provide the most courteous and efficient service in every aspect of its business.● To be innovative in the development of new products and services.	<ul style="list-style-type: none">● To promote their well-being through attractive remuneration and fringe benefits.● To promote good staff morale through proper staff training and development and provision of opportunities for career development.	<ul style="list-style-type: none">● To forge ahead and consolidating FFIL's position as a stable and progressive financial institution.● To generate profits and fair return on Shareholders' investment.	<ul style="list-style-type: none">● To assume our role as a socially responsible corporate citizen in a tangible manner.● To adhere closely to national policies and objectives thereby contributing towards the progress of the nation.● To uphold ethical values and best practices constantly seeking to improve performance by aligning our goals with stakeholders' expectations.

CODE OF CONDUCT AND PROFESSIONAL ETHICS

Individuals acting in a professional capacity take on an additional burden of ethical responsibility. For example, professional associations have codes of ethics that prescribe required behavior within the context of a professional practice such as medicine, law, accounting or engineering. These written codes provide rules of conduct and standards of behavior based on the principles of Professional Ethics, which include:

Objectivity and Independence:

The principle of our objectivity imposes the obligation to be impartial, intellectually honest and free of conflicts of interest. Independence precludes relationships that may appear to impair a member's objectivity in rendering attestation services. Our members often serve multiple interests in many different capacities and must demonstrate their objectivity in varying circumstances. Members in public practice render attest, tax, and management advisory services. Other members prepare financial statements in the employment of others, perform internal auditing services, and serve in financial and management capacities in industry, education and government. They also educate and train those who aspire to admission into the profession. Regardless of service or capacity, our members are protecting the integrity of their work, maintain objectivity and avoid any subordination of their judgment.

Due diligence / Duty of care:

Our members also have a continuing responsibility to cooperate with each other to improve the art of accounting, maintain the public's confidence and carry out the profession's special responsibilities for self-governance. The collective efforts of all members are required to maintain and enhance the traditions of the profession.

Integrity/ Confidentiality:

To maintain and broaden public confidence, members of our Company performs all professional responsibilities with the highest sense of integrity.

The Public Interest:

The members of our company have accepted the obligation to act in a way that will serve the public interest, honor the public trust and demonstrate commitment to professionalism.

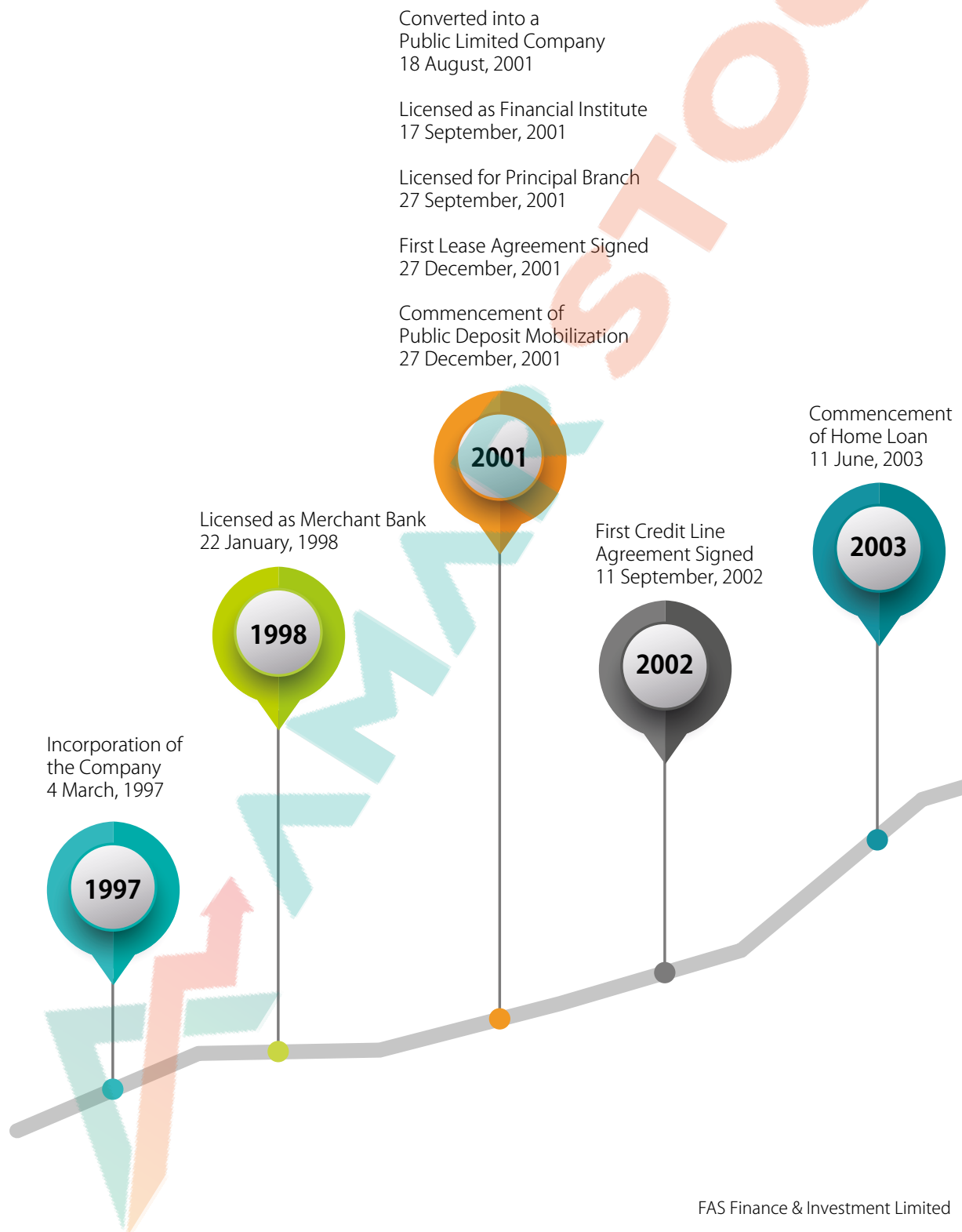
Scope and Nature of Services:

Members of our Company in public practice are observing the Principles of the Code of Professional Conduct in determining the scope and nature of services to be provided.

CORPORATE DIRECTORY

Registered Name of the Company	: FAS Finance & Investment Limited
Company Registration Number	: C-32457
Bangladesh Bank License	: FID(L)/27(1)/2001
Legal Form	: Incorporated in 1997 with RJSCB as a Public Limited Company under the Companies Act. 1994 and issuer listed by securities with Dhaka Stock Exchange & Chittagong Stock Exchange
Corporate Head Office	: Suvastu Imam Square (4 th Floor), 65, Gulshan Avenue, Gulshan-1, Dhaka-1212, Phone : +88 096 0404 6565, FAX : +88 02 9860531
Extended Head Office	: BDDL Aftab Tower (1 st Floor), 323, DIT Road, East Rampura, Dhaka.
Company E-mail	: info@fasbd.com
Company Website	: www.fasbd.com
Chittagong Branch	: Ayub Trade Center (4 th Floor), 1269/B, S.K. Mujib Road, Agrabad Commercial Area, Chittagong-4100, E-mail: chittagong@fasbd.com
Sylhet Branch	: Feroz Centre (4 th Floor) Chouhatta, Sylhet Sadar Sylhet-3100, E-mail: sylhet@fasbd.com
Narsingdi Branch	: Index Plaza (Mezzanine Floor) Station Road Bowakur, Narsingdi, E-mail: narsingdi@fasbd.com
Managing Director & CEO	: Mr. Md. Russel Shahrior
Chief Financial Officer	: Mr. Md. Maniruzzaman Akan
Company Secretary	: Mr. Md. Mohsin Reza Khan
Accounting Year End	: 31 December
Authorized Capital	: Tk. 210,00,00,000/-
Paid-up Capital	: Tk. 122,92,50,580/-
No. of Employees	: 114
Auditors (For Financial Statements)	: M/s. Pinaki & Company Chartered Accountants Ahsandell, 2/A Mymensingh Road (2 nd Floor), Shahbag, Dhaka-1000
Auditors (For CG Guidelines Compliances)	: MRH DEY & CO. Chartered Accountants 95, Kazi Nazrul Islam Avenue, 2nd Floor, Kawran Bazar, Dhaka-1215
TIN	: 1427-26239751
VAT Registration No.	: 5101098077
Trade License No.	: 0921401
Principal Bankers	: Uttara Bank Ltd. Mutual Trust Bank Ltd. Bank Asia Ltd. NCC Bank Ltd. Dhaka Bank Ltd. NRB Commercial Bank Ltd. Social Islami Bank Ltd. BASIC Bank Ltd. Mercantile Bank Ltd. The Premier Bank Ltd. Midland Bank Ltd. South Bangla Agriculture & Commerce Bank Ltd. State Bank of India Ltd. Woori Bank Ltd.
Stock Brokers	: Khwaja Equity Services Limited Stock & Bond Limited
Memberships	: Bangladesh Leasing & Finance Companies Association Bangladesh Association of Publicly Listed Companies The Institute of Bankers, Bangladesh (IBB) India-Bangladesh Chamber of Commerce and Industry (IBCCI)

HISTORY OF KEY MILESTONES



Licensed for Chittagong Branch
14 February, 2007

Licensed for Narsingdi Branch
18 July, 2007

Credit Rating by CRAB
3 May, 2007

Prospectus Date of IPO
31 July, 2007

Subscriptions Open of IPO
28 October, 2007

Subscriptions Close of IPO
1 November, 2007

Publication of Prospectus of IPO
2 August, 2007

Allotment of IPO Share
5 December, 2007

Licensed for
Sylhet Branch
9 July, 2008

Listing with DSE & CSE
9 January, 2008

First trading of
shares in DSE & CSE
16 January, 2008

Subscription Opens of 1st Right Share
8 March, 2013

Subscription Closes of 1st Right Share
4 April, 2013

Allotment of 1st Rights Shares
24 April, 2013



OUR PRODUCTS AND SERVICES

CORPORATE FINANCE

- **Lease/Sale & Lease Back**
 - Term Loan
 - Bridge Finance
 - Loan to procure Commercial Space
 - Loan for Real Estate Developers
- **Project Finance**
 - Project Financing – Fixed Assets
 - Club Financing for Relatively Larger Projects
 - Preferred Equity Investments
- **Short Term Loan (Revolving)**
- **Specialized Products**
 - Refinancing of Existing Liabilities
 - Arranging Special Funds

STRUCTURED FINANCE

- **Fund – Raising**
 - Syndication
 - Private Placement of Equity
 - Project/Infrastructure Finance
 - Foreign-Currency Loan
- **Advisory Services**
 - Merger & Acquisition
 - Joint-Venture Matchmaking
 - Feasibility Study

- **Securitization of Assets**

SME FINANCE

- Lease
- Term Loan
- Short Term Loan against Work Order
- Short Term Loan (Revolving)
- Factoring
- Women Entrepreneur Loan
- Green Finance

RETAIL FINANCE

Loans

- Home Loan
 - a) Apartment Purchase
 - b) Building Construction
- Auto Loan
- Personal Loan
- Loan against TDR

DEPOSIT SCHEMES

- FFIL Term Deposit Scheme (3-12 Months)
- FFIL Cumulative Profit Scheme (1 year+)
- FFIL Profit Earner Scheme (Monthly/Quarterly/Half Yearly)
- FFIL Earn Ahead Fixed Deposit Scheme
- FFIL Double Money Program
- FFIL Triple Money Program

TREASURY

- Call Money Lending & Borrowing
- Short Term Lending & Borrowing
- Term Deposit

CAPITAL MARKET SERVICES

Products

- Portfolio Management
- Margin Loan Facility

SERVICES

- Issue Management
- Underwriting
- Corporate Advisory

**INVESTORS'
RELATION**



**WE INVEST IN AND
LEVERAGE OUR
RESOURCES TO
EMPOWER OUR
INVESTORS**





এর যে কোন ঋণ
সহজ শর্ত বামেলাহীন

Financial solutions
to Advance your
BUSINESS

Financial Strength
is the cornerstone of your
SUCCESS

OUR PRODUCT
&
SERVICES

CORPORATE
FINANCE

DEPOSIT
PRODUCTS

AUTO
LOAN

HOME
LOAN

SHORT TERM
REVOLVING
LOAN

WOMEN
ENTREPRENEURS

GREEN
FINANCE

SME
FINANCE

FACTORING

WORK
ORDER

FFIL'S CAPACITY

Credit Rating Report from NCR



National Credit Ratings Limited

Ratings are based on Audited Financial Statement up to December 31, 2015 along with the other relevant Quantitative as well as Qualitative information provided by the Client up to the Date of Rating Declaration.

Followed Financial Institutions Rating Methodology (Bank & NBF) of NCR published in our website.

Website: www.ncrbd.com

NBFI

FAS FINANCE & INVESTMENT LIMITED

SURVEILLANCE ENTITY RATING - 2016

Date of Rating Declaration	Long Term	Short Term
29.06.2016	A (Single A)	ST-2
Outlook	Stable	

SURVEILLANCE ENTITY RATING - 2015

Date of Rating Declaration	Long Term	Short Term
28.07.2015	A- (Single A Minus)	ST-3

The ratings are valid for one year from the date of rating declaration.

RATING RATIONALE

NCR has upgraded the ratings of FAS Finance & Investment Limited based upon satisfactory track record, experienced and qualified Board and Management team and enhanced business performance reflected by increase in total gross finance and total net revenue, enhanced spread due to increased asset yield and decreased cost of funds. The ratings also favorably consider maintenance of provision against non-performing loans as per requirement and provision against diminution in investment value as well as surplus of CRR and SLR. The ratings are, however, constrained by decrease in net income and other profitability ratios like ROE and ROA, declining trend of NIM over the last three years and occurrence of loss of market value against the investment made in securities, upward moving non-performing loan for the last three years, low liquidity position reflected by negative liquidity gap in 1 to 3 months maturity, 3 to 12 months maturity and above 5 years maturity buckets. The ratings also take into consideration low interest rate environment and economic expansionary policies taken by the government. NCR, in the view of the company's recent operational performance and current economic position, considers the outlook of the company as 'Stable' indicating that the existing fundamentals may remain unchanged in near future.

FINANCIAL DATA (TK in Millions)

Particulars	2015	2014
Total Assets	13,908.47	7,590.05
Risk weighted Assets (RWA)*	14,717.32	8,494.33
Required Capital (10% of RWA)*	1,471.73	1,000.00
Tier I Capital*	1,396.30	1,375.03
Tier II Capital*	230.30	187.51
Capital Surplus*	154.87	562.53
Gross Finance	11,776.54	6,083.45
Gross Finance*	11,286.13	5,845.52
Non Performing Loan (NPL)*	823.49	551.99
Provision Required against NPL*	190.84	127.47
Provision Maintained against NPL*	190.84	127.47
Total Net Revenue	510.95	384.31
Net Income	129.68	136.54
CRR*	52.71	26.30
SLR*	257.04	322.70
CAR (%)*	11.05	18.40
NPL/Gross Advances (%)*	7.30	9.44
ROE (%)	7.92	8.60
ROA (%)	1.21	2.21
NIM (%)	4.34	5.23
Asset Yield (%)	15.05	14.85
Cost of Fund (%)	11.86	12.04
Spread (%)	3.19	2.81
Finance / Deposit (%)	167.05	202.84

* Performance on Solo Basis

ASSESSMENT

- The total eligible capital was reported TK 1,626.60 million that included Core Capital (Tier-I) of TK 1,396.30 million and Supplementary Capital (Tier-II) of TK 230.30 million in 2015, representing a capital surplus of TK 154.87 million. Finally the CAR was posted 11.05% which was composed of Core Capital (Tier-I) of 9.49% and Supplementary Capital (Tier-II) of 1.56%.
- The consolidated gross loan, advances and lease of FFIL increased to TK 11,776.54 million in 2015 from TK 6,083.45 million in 2014. The loan, advances and lease of FFIL on solo basis increased to TK 11,286.13 million in 2015 from TK 5,845.52 million in 2014. The Non-Performing loan, advances and lease of FFIL on solo basis was recorded TK 823.49 million in 2015 against TK 551.99 million in 2014, recording a growth of 49.19%, implies the quality of lease assets was deteriorating during 2015. FFIL maintained provision in accordance with the required amount of TK 190.84 million in 2015 against TK 127.47 million in 2014. The gross NPL coverage of FFIL declined to 34.06% in 2015 from 39.34% in 2014.
- The total net revenue increased to TK 510.95 million in 2015 from TK 384.31 million in 2014, registering a rise of 32.95%. The Net Interest Income increased to TK 444.02 million in 2015 from TK 294.47 million in 2014, showing a growth of 50.78%. The other operating income declined by 25.50% and stood at TK 66.93 million in 2015 against TK 89.84 million in 2014. FFIL evidenced net income of TK 129.68 million in 2015 against TK 136.54 million in 2014, registering a fall of 5.02%. ROE and ROA decreased to 7.92% and 1.21% in 2015 respectively from 8.60% and 2.21% in 2014 respectively.
- The intermediation efficiency depreciated in 2015 as the net interest margin (NIM) decreased to 4.34% in 2015 from 5.23% in 2014. The Yield on Assets increased to 15.05% in 2015 from 14.85% in 2014 and the Cost of Fund also improved to 11.86% in 2015 against 12.04% in 2014. As a result, spreads reflected an improvement and stood at 3.19% in 2015 against 2.81% in 2014.
- The company maintained TK 52.71 million of Cash Reserve Requirement (CRR) against the required reserve of TK 42.18 million in 2015, having a surplus of 10.52 million in 2015. FFIL also maintained Statutory Liquidity Reserve (SLR) of TK 257.04 million against the required reserve of TK 112.10 million in 2015 having a surplus of TK 144.94 million in 2015. The borrowing increased to TK 4,036.97 million in 2015 from TK 2,204.67 million in 2014. The fixed deposit of FFIL on solo basis increased to TK 7,049.85 million in 2015 from TK 2,999.10 million in 2014.

PROFILE

- FAS Finance & Investment Limited (hereinafter called as 'FFIL' or 'The Company') is a Non-Banking Financial Institution (NBFI) formed under The Companies Act, 1994 on March 4, 1997. FFIL was turned into a Public Limited Company on August 18, 2001. The company started lease financing operation by receiving license under the Financial Institutions Act, 1993 from Bangladesh Bank on September 17, 2001. The registered and Corporate Head Office is located at Suvastu Imam Square (4th Floor), 65, Gulshan Avenue, Dhaka-1212.
- FFIL offers various products and services namely Loan Products and Deposit Schemes. The company operates with 04 (four) Branches located in Dhaka, Chittagong, Narsingdi and Sylhet. FAS Capital Management is a subsidiary of FFIL. The company was listed on Dhaka Stock Exchange and Chittagong Stock Exchange on January 09, 2008.

DISCLAIMER



NCR has used due care in preparation of this document. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. NCR shall owe no liability whatsoever to any loss or damage caused by or resulting from any error in such information. None of the information in this document may be copied or otherwise reproduced, stored or disseminated in whole or in part in any form or by any means whatsoever by any person without NCR's written consent. Our reports and ratings constitute opinions, not recommendations to buy or to sell.

Tel: + 88-02-9359878 Fax: +88-02-9332769 website: www.ncrbd.com



SECTOR WISE INVESTMENT

Taka in Lac



Garments and Knitwear

Investment in 2016 % in 2016
 **5,469.40**  **3.95%**



Textile

Investment in 2016 % in 2016
 **2,924.49**  **2.11%**

Food Production and Processing Industry

Investment in 2016 % in 2016
 **349.93**  **0.25%**

Jute and Jute Products

Investment in 2016 % in 2016
 **1,840.69**  **1.33%**

Pharmaceuticals and Chemicals

Investment in 2016 % in 2016
 **13,497.00**  **9.75%**



Trade and Commerce

Investment in 2016 % in 2016
 **40,424.74**  **29.21%**



Agriculture

Investment in 2016 % in 2016
 **1,451.05**  **1.05%**

Housing

Investment in 2016 % in 2016
 **21,061.43**  **15.22%**

Telecommunication and Information Technology

Investment in 2016 % in 2016
 **13.91**  **0.01%**



Paper, Printing and Packaging

Investment in 2016 % in 2016
 **1,278.41**  **0.92%**

Ship Manufacturing Industry

Investment in 2016 % in 2016
 **2,706.00**  **1.95%**

Iron, Steel and Engineering

Investment in 2016 % in 2016
 **528.43**  **0.38%**



Power, Gas, Water and Sanitary Service

Investment in 2016 % in 2016
 **2,099.09**  **1.52%**



Transport and Aviation

Investment in 2016 % in 2016
 **15,701.14**  **11.34%**

Brokerage & Securities / Merchant Banking

Investment in 2016 % in 2016
 **26,662.25**  **19.26%**

Others Loan

Investment in 2016 % in 2016
 **2,408.61**  **1.74%**

FINANCIAL HIGHLIGHTS AS REQUIRED BY BANGLADESH BANK

Sl. No.	Particulars		Amount in Taka	
			31-Dec-2016	31-Dec-2015
1	Paid up capital	Taka in Million	1,229.25	1,117.50
2	Total capital	Taka in Million	1,849.23	1,626.60
3	Capital surplus/deficit	Taka in Million	849.23	626.60
4	Total assets	Taka in Million	17,110.15	13,278.22
5	Total deposits	Taka in Million	8,224.28	7,049.85
6	Total loans, advances and leases	Taka in Million	13,841.66	11,286.13
7	Total contingent liabilities and commitments	Taka in Million	679.64	806.89
8	Credit deposit ratio	%	168.30	160.09
9	Percentage of classified loans, advances and leases	%	9.99	7.30
10	Profit after tax and provision	Taka in Million	126.05	126.67
11	Classified loans, advances and leases during the year	Taka in Million	1,382.79	823.49
12	Provisions kept against classified loans	Taka in Million	124.37	82.41
13	Provision surplus/deficit	Taka in Million	-	-
14	Cost of fund	%	10.58	12.03
15	Interest earning assets	Taka in Million	16,260.49	12,558.20
16	Non-interest earning assets	Taka in Million	849.66	720.02
17	Return on investment (ROI)	%	1.67	2.42
18	Return on asset (ROA)	%	0.83	1.22
19	Income from investment	Taka in Million	17.21	26.71
20	Earnings per share	Taka	1.03	1.03
21	Net income per share	Taka	1.03	1.03
22	Price earning ration (Times)	Times	14.08	11.07

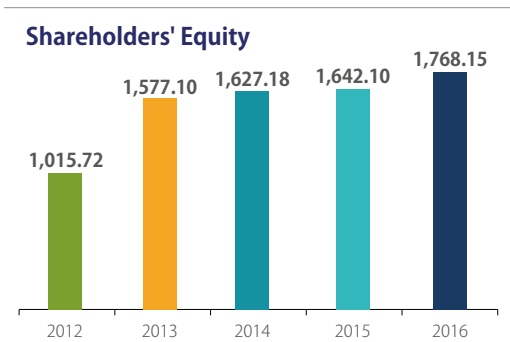
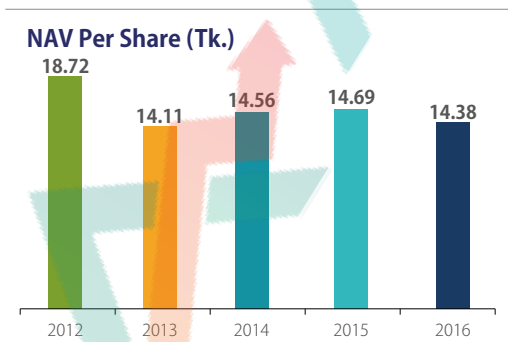
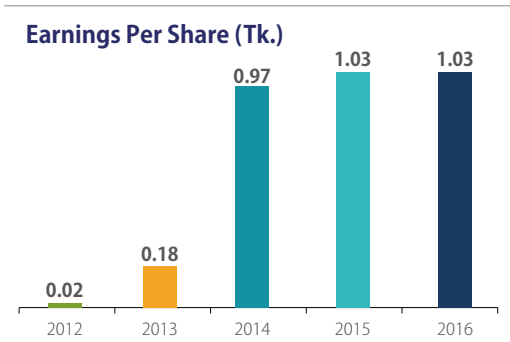
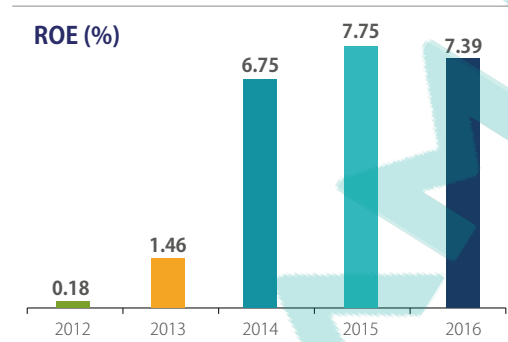
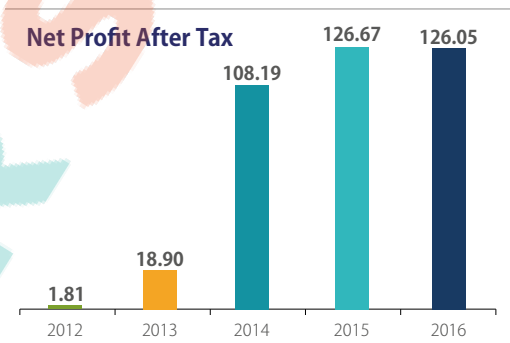
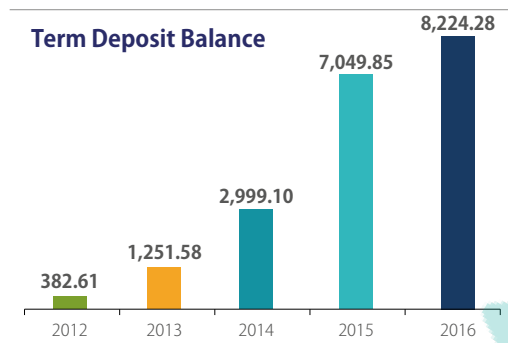
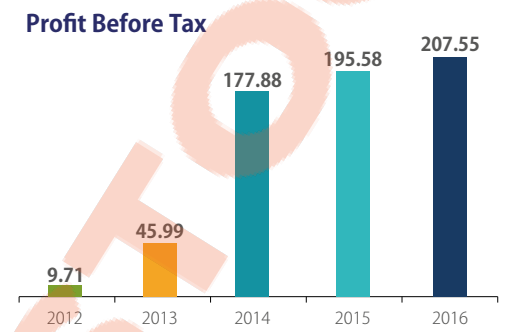
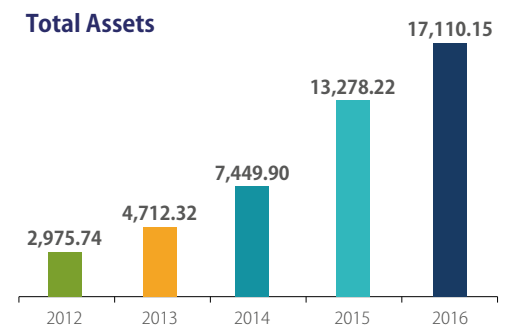
KEY OPERATING AND FINANCIAL DATA

BDT in Million

Operating Year	2016	2015	2014	2013	2012
Financial Performance					
Total Assets	17,110.15	13,278.22	7,449.90	4,712.32	2,975.74
Total Liability	15,341.96	11,636.12	5,822.72	3,135.22	1,960.02
Financial Liabilities	14,024.95	10,637.03	5,174.25	2,691.01	1,612.46
Investment Portfolio	14,424.50	11,989.42	6,434.23	3,822.89	2,342.93
Term Deposit Balance	8,224.28	7,049.85	2,999.10	1,251.58	382.61
Operational Performance					
Operating Income	349.54	433.75	271.50	196.35	81.44
Operating Expenses	113.15	88.29	78.29	78.84	64.61
Financial Expenses	1,412.45	948.78	473.35	266.13	206.62
Profit Before Tax	207.55	195.58	177.88	45.99	9.71
Net Profit After Tax	126.05	126.67	108.19	18.90	1.81
Financial Ratios					
Debt to Equity (times)	8.68	7.09	3.58	1.99	1.93
Financial Expenses Coverage (Times)	1.15	1.21	1.38	1.17	1.05
ROA (%)	0.83	1.22	1.78	0.49	0.06
ROE (%)	7.39	7.75	6.75	1.46	0.18
Earnings Per Share (Tk.)	1.03	1.03	0.97	0.18	0.02
Dividend Per Share (%)	5	10	10	5.20	6
P/E Ratio (Times)	14.08	11.07	19.59	82.78	1,370
Dividend Yield (%)	0.34	0.88	0.53	0.35	0.22
Dividend Payout Ratio (%)	4.85	9.71	10.31	28.89	300.00
Equity Statistics					
No. of Shares	122.93	111.75	111.75	111.75	54.25
Year End Market Price Per Share (Tk.)	14.50	11.40	19.00	14.90	27.40
NAV Per Share (Tk.)	14.38	14.69	14.56	14.11	18.72
Shareholders' Equity	1,768.15	1,642.10	1,627.18	1,577.10	1,015.72

GRAPHICAL PRESENTATION OF FINANCIAL INDICATORS

BDT in Million



SOME PROJECTS FINANCED BY FAS FINANCE & INVESTMENT LIMITED



Textile Industry



Textile Industry



Power Industry



Pharmaceutical Industry



Packaging Industry



Cable Industry



Service Industry



Service Industry

MESSAGE FROM THE CHAIRMAN



Dear Stakeholders, Assalamu Aliakum

It is indeed a great pleasure for me to be here with you in the 20th Annual General Meeting (AGM) of FAS Finance and Investment Limited. On behalf of the Board of Directors and myself, at the very outset I would like to express my heartfelt thanks and profound gratitude to all of you for continuous support and guidance in achieving excellence in the performance of the Company and to brief you on the events and developments following the Audited Financial Statements for the year ended on 31 December 2016.

Years back, we had a bold dream, to become a leading Financial Institution of reference for the corporate

segments of Bangladesh. We became a unique entity that blended entrepreneurial verve, tactical thinking, and operational excellence, with everything united by a passionate commitment to success. The global economy had a modest growth in 2016 and Bangladesh witnessed a healthy GDP growth of 7.05%, making it among the top-performing countries of Asia and the world. While the central bank maintained the historical stable exchange rates resulting moderate liquidity during the year which ultimately reduced the cost of fund for the FIs. There was also the manageable inflation rate, high foreign exchange reserve, good inward remittance flow etc. All this, for next years, eases up the realization of the growth projections.

I am pleased to announce that FFIL has continued

its success this year also. We have achieved healthy growth in all the areas of our operation. The asset size of the company at the end of the year has been BDT 17,110.15 million which is 28.86% higher than that of the last year. FFIL increased the loan portfolio to BDT 13,841.66 million at the end of 2016 which was BDT 11,286.13 million in 2015. The deposits of the company have increased to BDT 8,224.28 million indicating 16.66% growth over that of last year's level of BDT 7,049.85 million. Our company's strength lies in its wide reach covering all levels of society and the trust of the people. Due to this, the customer acquisition growth is also encouraging. The credit rating of the company in 2016 was "A" which was 'A-' in 2015. The EPS of the company in 2016 is BDT 1.03.

FFIL, along with its subsidiaries and branches, is committed to help ensuring the national tax compliance while providing the financial products and services. Therefore the Company has made a provision for taxation of BDT 85.61 million against the corporate tax at 40% for 2016.

As we continue in our mission of growing for the benefit of all stakeholders, we are conscious of the necessity of keeping a strong corporate governance framework and managing risks. The compliance framework of FFIL also needs to evolve in line with regulatory requirements that become more complex and stringent. Accordingly, we are committed to uphold the highest levels of corporate governance and have implemented a comprehensive governance framework.

Our company's foundation is built on our values. We conduct our business socially in a responsible and ethical manner. The high ethical standards, professionalism, commitment and excellent teamwork demonstrated by every member of FFIL family over the years have been remarkable. I believe that the achievements are the result of the efficiency, competence and diligence of employees and business partners.

I strongly believe 2017 will be an even better year for FFIL. We will not only achieve sustainable growth but also complete some major technological initiatives for institution. In 2017, I trust, you will see the FFIL reaching a truly new height in achieving both in short term and long term goals i.e. profitability and institution building.

I thank all my colleagues on the esteemed Board of Directors for their continued faith on my leadership and support and guidance over the years. I also thank the senior management of the FFIL who created excellent culture of care and teamwork. My heartfelt thanks to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, and Central Depository Bangladesh Ltd, for their faith, trust and support to do better.

Finally, I thank my Shareholders of the FFIL for their continued support throughout the difficult periods. Your loyalty to FFIL and your guidance and feedback have always powered me with greater zeal in my endeavour to help creating a better institution with a more respectable brand.

With warm regards,

Sincerely yours,



.....
Md. Siddiqur Rahman, FCS
Chairman

MESSAGE FROM THE MANAGING DIRECTOR



Dear Stakeholders,

Assalamu Aliakum

I am very happy to express my sincere thanks to all of our Honorable Shareholders for their understanding and support. It was a huge honour for me to have the privilege to lead FFIL. I always had enormous admiration for FFIL – its people, passion, and expertise.

Clearly, for a number of years, the global market has been highly competitive and had significant internal challenges. In spite, the fiscal year 2016 FFIL has

continued to deliver strong performance and further strengthened its position. The Company has been trying to reduce reliance on conventional borrowing and deposit from the commercial banks. Major source of fund are hunting by way of implementing Deposit Mobilization Unit and intensive fund Management in money market.

The FFIL's performance is reflected in all the key parameters such as:

- FFIL has increased its portfolio to BDT 14,424.50 million and Deposit mobilization growth of 16.66%;

- Total asset size increased to BDT 17,110.15 million which is 28.86% higher over the year 2015;
- With added focus on deposit mix, FFIL improves to reduce the cost of fund to the tune at 10.58% (as per base rate) as on December 31, 2016;
- FFIL maintained a capital adequacy ratio of 11.62% i.e. above the regulatory requirement;
- The EPS stood at BDT 1.03 and the Total Provision stood at BDT 28.84 million which is 80.76% lower over last year;
- FFIL are committed to perform CSR activities and aspire to achieve even better results.

Our only subsidiary – FAS Capital Management Limited, a full-fledged Merchant Bank affected badly by the debacle of Capital Market in early 2011 are now trying hard to come out of the setbacks and showed signs of upward growth in 2016.

The Management of FFIL with kind support of the Board of Directors had been able to achieve the projected business, disbursement and profit growth. In the year 2017, major task of FFIL would be to intensify:

- Diversify and strengthen the SME business;
- Enhance the retail portfolio through extending the market share acquiring new customers both in terms of number and amount;
- Enlarge Deposit Mobilization Unit towards a commitment of better services and ensure deposit mix;

- Intensify involvement in Merchant Banking business etc.

I believe the biggest asset of an institution is its human resources. The quality of their output forms the basis for the institution's overall performance and the resulting goodwill. This year, we have invested substantially towards the professional development of our employees through training, seminars and FFIL is focused on creating value for our customers, adhering to the concept of sustainable development. The training focus of FFIL in 2016 was not only to develop its experienced officers but also the new Management Trainees. FFIL believes in diversity and therefore, we consciously employ deserving candidates from diverse backgrounds. We believe diversity is an important source of creativity and innovation.

We welcome you to be a part of FFIL and join us on our journey. Thank you for your confidence and expect your future support. As we are reaching closer to our 20 years of services, we strongly believe that we will drive our societies to a future of renewed growth and prosperity. We aim to be a part of it and contribute our valuable share.

My sincere thanks and gratitude to our valuable lenders, depositors, shareholders, regulators and other stakeholders for their continuous support and co-operation.

Sincerely,

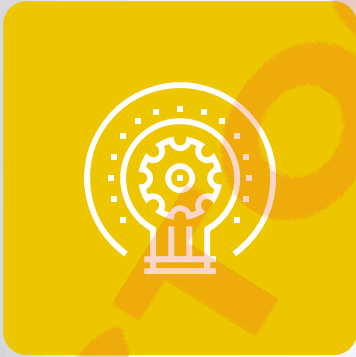


.....
Md. Russel Shahrior
 Managing Director & CEO

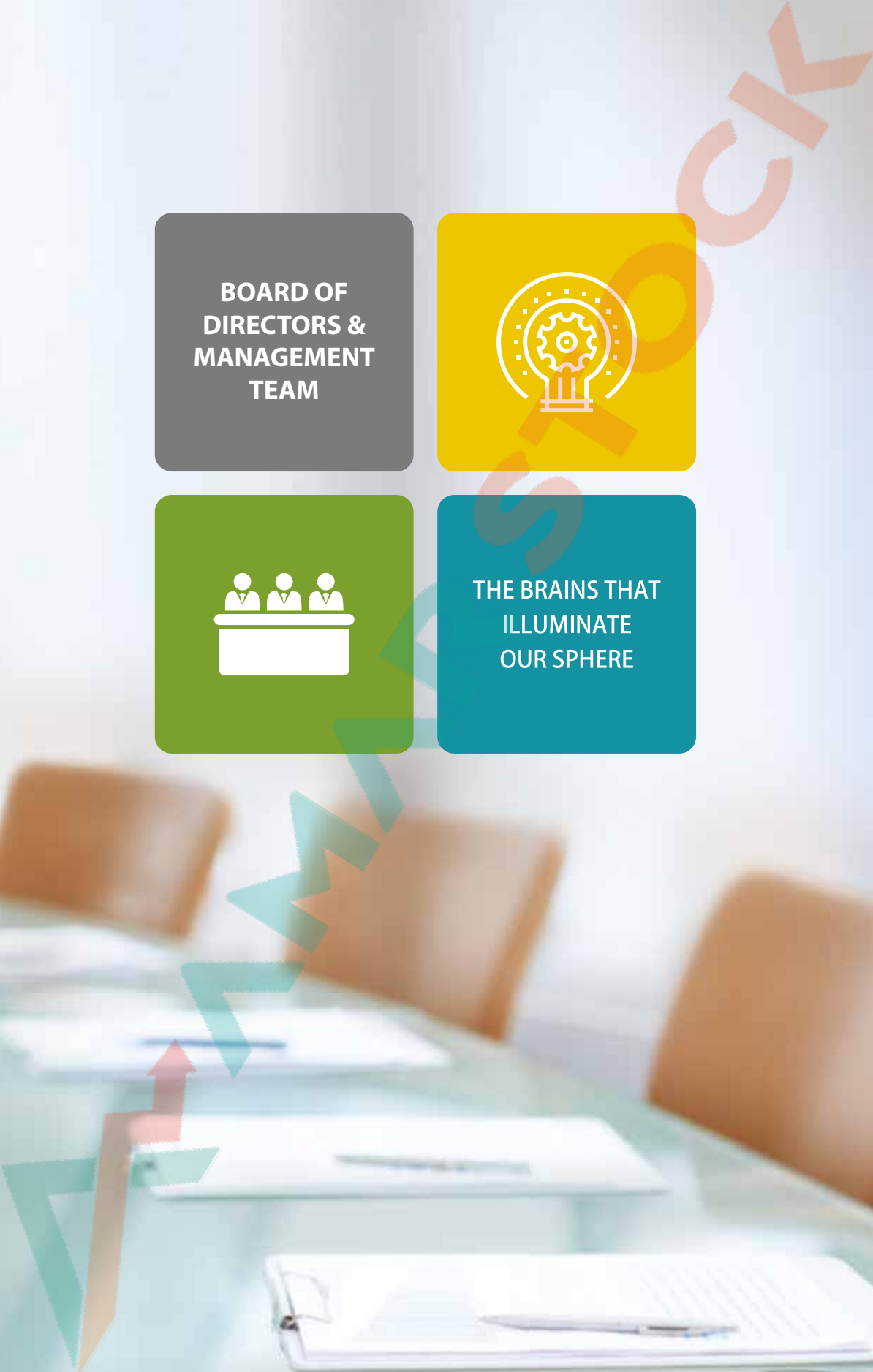


AMMR STOCK

**BOARD OF
DIRECTORS &
MANAGEMENT
TEAM**



**THE BRAINS THAT
ILLUMINATE
OUR SPHERE**



MEMBERS OF THE BOARD OF DIRECTORS



Sitting (From Left)

Soma Ghosh
Director

Kazi Mahjaben Momtaz
Director

Md. Zahangir Alam, FCS
Vice-Chairman

Mohammad A. Hafiz, MBA
Director

Standing (From Left)

Md. Abul Shahjahan
Director

Md. Mostain Billah, FCA
Director

Anjan Kumer Roy, FCA
Independent Director

Birendra Kumar Shome
Independent Director



Sitting (From Left)

Md. Siddiqur Rahman, FCS

Chairman

Dr. Uddab Mallick

Director

Mahfuza Rahman Baby

Director

Md. Atharul Islam

Director

Standing (From Left)

Arun Kumer Kundu, FCA

Director

Pradip Kumar Nandi, ITP

Independent Director

Md. Russel Shahrion

Managing Director & CEO

BOARD OF DIRECTORS & ITS COMMITTEES

Chairman	:	Mr. Md. Siddiqur Rahman, MBA, FCS
Vice Chairman	:	Mr. Md. Zahangir Alam, FCS
Directors	:	Mr. Mohammad A. Hafiz, MBA
	:	Mr. Md. Abul Shahjahan
	:	Mr. Md. Mostain Billah, FCA
	:	Ms. Kazi Mahjaben Momtaz
	:	Ms. Mahfuza Rahman Baby
	:	Ms. Soma Ghosh
	:	Dr. Uddab Mallick
	:	Mr. Arun Kumer Kundu, FCA
	:	Mr. Md. Atharul Islam
Independent Directors	:	Mr. Anjan Kumer Roy, FCA
	:	Mr. Pradip Kumar Nandi, ITP
	:	Mr. Birendra Kumar Shome
Managing Director & CEO	:	Mr. Md. Russel Shahrrior (Ex-Officio)

Executive Committee:

Chairman	:	Mr. Md. Zahangir Alam, FCS
Members	:	Mr. Md. Siddiqur Rahman, MBA, FCS
	:	Mr. Anjan Kumer Roy, FCA
	:	Mr. Arun Kumer Kundu, FCA
	:	Dr. Uddab Mallick

Audit Committee:

Chairman	:	Mr. Anjan Kumer Roy, FCA
Members	:	Mr. Md. Zahangir Alam, FCS
	:	Mr. Md. Abul Shahjahan
	:	Mr. Pradip Kumar Nandi, ITP
	:	Mr. Md. Mostain Billah, FCA

CODE OF PRACTICE OF THE BOARD OF DIRECTORS

The Board of Directors of FAS Finance & Investment Limited has adopted the following code of business conduct and ethics for directors of the Company. In addition to complying with the Company's Standards of Ethics and Conduct each Director shall also be responsible for complying with this Director's Code.

If any director or officer believes that a prohibited act under this Directors' Code has occurred, then he or she shall promptly report such belief to the Chairman of the Board or Audit Committee. No code or policy can replace the thoughtful behavior of an ethical director.

Directors also must comply with the applicable requirements and restrictions for directors of Bangladesh Securities and Exchange Commission/ Bangladesh Bank.

CONFLICT OF INTEREST:

Directors must avoid any conflict or appearance of any conflict of interest among the Director and the Company. "Conflict of interest" can, but is not limited, to occur when:

- A director's personal interest is adverse to or may appear to be adverse to the interests of the Company as a whole.
- A director, or a person closely related to a director (director's immediate family spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons and daughters-in law, brothers and sisters-in-law, and anyone who share such person's home) receives improper personal benefits as a result of his or her position as a director of the Company.

A director shall also reclude him or herself from any Company Board decision involving another firm or company with which the director is affiliated.

Other examples of conflicts that directors also must avoid include:

- i. Directors may not receive a personal benefit from a person or firm which is seeking to do business or to retain business with the Company, unless such a relationship is fully disclosed by the interested director and approved by the vote of the directors disinterested in the transaction;
- ii. Directors may not accept compensation (in any form) for services performed by the Director for the Company from any source other than the Company;
- iii. Directors may not offer, give or receive gifts from persons or entities that deal with the Company in those cases where any such gift is being made in order to influence a director's actions as a member of the Company's Board, or where acceptance of the gifts could create any appearance of a conflict of interest;
- iv. Directors may not use Company assets, labor or information for personal use unless approved by disinterested directors, or as part of a compensation or expense reimbursement program available to all directors.

CORPORATE OPPORTUNITIES:

Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors also must not:

- i. Take for themselves or their own companies or other companies with which they have a fiduciary relationship any opportunities that are discovered through the use of Company property, Company information or position as a director; unless such opportunities are fully disclosed by the interested director and approved by the vote of the disinterested directors;

- ii. Use the Company's property or information or the director's position in the Company for personal gain; or
- iii. Compete with the Company for business opportunities. However, if the Company's disinterested directors determine in advance that the Company will not pursue an opportunity that relates to the Company's business, a director may then do so.

CONFIDENTIALITY:

Directors also must maintain the confidentiality of information entrusted to them by the Company and any other non-public information relating to the Company and its clients that comes to them, from whatever source, in their capacity as a director, except when disclosure is authorized or legally mandated.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS:

Directors also must comply with all regulators laws, rules / regulations applicable to the Company, including insider trading laws and the Company's policies, including the Company's insider trading policy.

FAIR DEALING:

Directors also must deal fairly with the Company's Customers, Suppliers, Depositors, Shareholders, Competitors and Employees.

ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR:

Directors should also promote ethical behavior and take steps to ensure the Company:

- i. Maintains an ethics hotline to answer ethics questions when employees may be in doubt

about the best course of action in a particular situation;

- ii. Encourages employees to report violations of laws, rules, regulations or the Company's Code of Ethics and Business Conduct to appropriate personnel;
- iii. Informs employees that the Company will not allow retaliation for reports made in good faith.

PROTECTION AND PROPER USE OF COMPANY ASSETS:

All Directors must protect the Company's assets and ensure their efficient use. All Company assets should be used only for legitimate business purposes.

ENFORCEMENT:

The Board (or the disinterested members of the Board) will review and investigate any allegation of a breach of this policy by a director, with or without the participation of any director who may be the subject of such report.

Any Director who is subject to such an allegation shall be informed of such allegation and be allowed ample opportunity to review the details of such allegation and respond to such allegation to the Board. If the Board determines that any such act represents a violation under the Company's Standards of Ethics and Conduct or this Directors' Code, then appropriate action as determined by a majority of the disinterested directors will be taken and, if applicable, disclosed.

WAIVERS:

Any waiver of this Directors' Code or the Company's Standards of Ethics and Conduct may be made only by the Board of Directors and must be disclosed to the Company's shareholders.

BRIEF PROFILE OF THE DIRECTORS



Md. Siddiqur Rahman, FCS
Chairman

Mr. Md. Siddiqur Rahman is the Chairman of the Board of Directors as well as a member of the Executive Committee of FAS Finance & Investment Limited. Simultaneously, he is the Managing Director of Simtex Industries Limited, a public limited Company listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Mr. Rahman is also a Director of Clewiston Foods and Accommodation Limited (owner Company of Radisson BLU, Cox's Bazar) and Nitol Insurance Company Limited.

Mr. Rahman has a brilliant academic career and secured many scholarships in public level examinations. Mr. Rahman did his Masters in Business Administration from London Institute of Technology and Research and obtained Advance Certificate in Business Administration (ACBA) from IBA, University of Dhaka. He is also an FCS (Fellow member of The Institute of Chartered Secretaries of Bangladesh). Besides, Mr. Rahman holds a Postgraduate Diploma in Financial Management from Bangladesh Institute of

Management (BIM) and has wide working experience in different private and public limited companies before starting his own business career in the year 2001.

Mr. Rahman is a dynamic businessman with experience for pretty long time. Mr. Rahman established his first business venture Simtex Bangladesh Limited in a very small scale in the year 2001. Since then by the dint of his dynamic leadership and excellent entrepreneurship, he expanded his business ventures both vertically and horizontally. He is a permanent member of Dhaka Club Limited, Kurmitola Golf Club and Dhanmondi Club Limited. He is also donor member of Uttara Club Limited and All Community Club Limited.

He visited many countries of the world for studies and business purposes including UK, USA, Australia, Canada, Germany, Belgium, France, Italy, China, Malaysia, Thailand, UAE and many more. Mr. Rahman is happily married and is blessed with three sons.



Md. Zahangir Alam, FCS
Vice-Chairman

Mr. Md. Zahangir Alam, Vice-Chairman of the Company contributes his expertise as a member of the Board of FAS Finance & Investment Limited since December, 2013. Mr. Alam is also the Chairman of the Executive Committee as well as the Member of the Audit Committee of the Board of the Company. He is the Director nominated by Design & Source Limited. Mr. Alam did his M. Com. in Accounting from Dhaka College. He is also a fellow of the Institute of Chartered Secretaries of Bangladesh.

He started his career as Chief Accountant and served many reputed companies, he also served as Company Secretary in a Public Limited Company. He started his business career as the Chairman of Simtex Industries Limited and later on entered in the RMG sector as an owner and Managing Director of Design & Source Ltd, Denim Processing Plant Ltd. Z A Apparels Ltd. and Z A Sweaters Ltd. In addition, Mr. Alam is also Managing Director of Radisson BLU, Cox's Bazar (concern of Clewiston Foods and Accommodation Limited).

Mr. Alam is now among the leading garments manufacturers and exporters in Bangladesh. He owns seven (7) garments manufacturing units with

a marketing office in Hong Kong. He is in the verge of setting a state of the Art Washing Plant which is environment friendly. As a businessman he is involved with business activities and holds position in good number of business entities in the area of garments and garments accessories and finance.

Mr. Alam has traveled various countries including Saudi Arabia, U.A.E, UK, Canada, Germany, Spain, Italy, Poland, South Africa, Brazil, Sri Lanka, Malaysia, Hong Kong, Taiwan, Macau, China, Brunei, Myanmar, India, Pakistan, Nepal, Belgium and many others for business purposes. He enthusiastically takes part and contributes to various social activities as well. Mr. Alam gets a pleasant personality. He is married and blessed with one son and one daughter.



Mohammad A. Hafiz, MBA

Director

Mr. Mohammad A. Hafiz one of the members of the Board of Directors of the Company nominated by Nikita & Company Limited is a prominent business personality as well as a Capital Market Professional in Bangladesh. He was also Chairman(Acting) of the Company for the period from October 29, 2014 to April 22, 2017. He obtained MBA in 6th Batch from the Institution of Business Administration, University of Dhaka and having more than 40 (Forty) years of extensive professional experiences in different Industrial Organizations in top level management. Mr. Hafiz carries immense experience in investment banking and widely recognized in the Merchant Banking arena of the country. He is a former President of Bangladesh Merchant Bankers' Association (BMBA) of Bangladesh. Accordingly, he has been associated with his expertise in developing the efficient, vibrant and transparent capital market in Bangladesh. Mr. Hafiz is well efficient and have maneuvering knack in managing and counselling the investment portfolio and corporate advisory in the primary and secondary market of country's Capital Market.

Besides, Mr. Hafiz is the Chairman of AAA Finance & Investment Ltd. and Director of the Board of Stock & Bond Limited, a member of DSE. Furthermore, Mr. Hafiz is a former President of Rotary Club of Banani, Dhaka and Deputy Governor of Rotary International District # 3281 for 2015-16, and Life Member of Banani Society & Banani Club Limited respectively. He is widely travelled person across the globe on business trips.



Md. Abul Shahjahan

Director

Mr. Shahjahan is a member in the Board of Directors since May, 2014 of FAS Finance & Investment Limited as nominated by Simtex Industries Limited. He is also a member of the Audit Committee of the Board. Currently Mr. Shahjahan is working with Simtex Industries Ltd. as Executive Director. Mr. Shahjahan did his Masters in Management from the University of Dhaka and joined United Bank Limited (Now Janata Bank Limited) as a Probationary Officer in the year 1970. Throughout his banking carrier in addition to Janata Bank Limited, he worked with Mutual Trust Bank Limited, Mercantile Bank Limited, Social Islami Bank Limited and Jamuna Bank Limited.

He retired from banking services in the year 2013 as Additional Managing Director from Jamuna Bank Ltd. after completing about 43 years of active services. In his long career he attended a number of seminars, workshops and training courses home & abroad including one with School of Banking Citi Corp. NY USA. Mr. Shahjahan is happily married and is blessed with two sons and a daughter.



Md. Mostain Billah, FCA

Director

Mr. Mostain is a member of the Board of Directors since May, 2014 nominated by P&L International Limited and member of the Audit Committee of the Board as well. Mr. Mostain is a Fellow member of Institute of Chartered Accountants of Bangladesh (ICAB). He is the Partner of Mak & Co., Chartered Accountants. Mr. Mostain obtained his MBA (major in AIS) from Dept. of Accounting & Information Systems (AIS), Faculty of Business Studies from University of Dhaka. He also completed his BBA (Hon's.) from the same university.

At the early stage of his career he started working as Manager Audit & Assurance Service in Hoda Vasi Chowdhury & Co. one of the leading firms of Bangladesh affiliated with Deloitte Touche Tohmatsu. Afterwards he joined as Assistant Controller of Finance in Envoy Textile Limited. He also served at National Bank Limited as Assistant Vice President and lately he was the Senior Assistant Vice President of Shahjalal Islami Bank Limited. In his long career he attended a number of seminars, workshops and trainings, relating to the key areas of banking especially in globalization of BASEL-II, Stress Testing, Asset & Liability Management, Bond Market Operation of Bangladesh and so on.



Arun Kumer Kundu, FCA

Director

Mr. Kundu is a member of the Board of FAS Finance & Investment Limited since March, 2014 and also a member of the Executive Committee. He is the Director nominated by Reptiles Farm Limited. Mr. Kundu is a Fellow member of Institute of Chartered Accountants of Bangladesh (ICAB) and now he is working as a Managing Partner of "ARUN & ANJAN, Chartered Accountants" of which he is a co-founder. Mr. Kundu obtained his M. Com as well as B.Com (Hon's) in Accounting from Dhaka College. Mr. Kundu worked in various roles and vital positions in banking sector of Bangladesh. In his service life he joined as an Audit Assistant & Supervisor at KPMG Rahman Rahman Huq, Chartered Accountants a top rated audit and consultancy firm in the world, then he served as Assistant Vice President at The City Bank Limited. He also served at ICB Islamic Bank Limited as Head of Finance and after that he was the Senior Assistant Vice President of The Premier Bank Limited. In his long career he attended a number of seminars, workshops and trainings at home and abroad, relating to the key areas of banking, especially in Internal control & audit environment, effective audit committee, entrepreneur risk management framework, assets-liability management etc.



Kazi Mahjaben Momtaz

Director

Ms. Mahjaben is the Director of the Board of FAS Finance & Investment Ltd. since March, 2015. She is representing P&L Agro Farms Ltd. She is a self-motivated and resourceful person with a proven ability to develop and strengthen management teams in order to maximize company profitability and efficiency. She is the chairman of Design & Source Ltd, Z A Apparels Ltd. and Z A Sweaters Ltd. Besides, she is actively involved in agro based activities. She is wife of Mr. Md. Zahangir Alam.

She visited many countries like India, Nepal, UK, Dubai, Saudi Arabia, Hong Kong, China, Thailand and many other countries for personal and professional purpose. Besides her professional activities, she is involved with many social activities. She is also a member of Saver Golf Club.



Mahfuza Rahman Baby

Director

Ms. Mahfuza Rahman Baby is one of the Directors of FAS Finance & Investment Limited. Simultaneously, she is the Chairman of Simtex Industries Limited, a public limited Company listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. She did her graduation from Home Economics College, Dhaka. Ms. Rahman is a capable and energetic business woman with experience for pretty long time and is contributing significantly in the day to day operation of Simtex Group.

Ms. Rahman is a life member of Dhanmondi Club Limited, Gulshan Health Club and associated with various cultural and humanitarian organizations. She visited many countries of the world for business purpose including UK, USA, Canada, European countries, China, Malaysia, Thailand, UAE and many more. Ms. Rahman is happily married and is blessed with three sons.



Soma Ghosh

Director

Ms. Soma Ghosh has been the Director of the Board of FAS Finance & Investment Limited since November, 2015. She is representing P&L International Ltd. In her educational background she did B.Ed. in Science from Rajshahi T.T College. She obtained Honour's as well as Master's degree in Geography from Rajshahi University after that she has successfully completed a Diploma course in "Personnel Management", from Bangladesh Institute of Management, Dhaka.

She has also done a professional course in "Geographical Information System (GIS) from the University of Dhaka. She began her career as a school teacher in the year 2000 and her first teaching high school was Yale International School, Uttara, Dhaka. Then she spent a total of fourteen years teaching with various schools i.e., SAFS London School & College, Uttara Branch, Dhaka, Kids Campus, Uttara, Dhaka, Beautiful mind and Abdul Kadir Molla International School, Narsingdi. Ms. Ghosh has visited many historical, cultural and tourist places of the country and abroad.



Dr. Uddab Mallick

Director

Dr. Mallick is a member of the Board since November, 2014 and also a member of the Executive Committee of the Board. He is the Director nominated by Reptiles Farm Limited. He completed MBBS from Rajshahi Medical College in 1990 as well as obtained FCPS in 2002. He did post graduate from the International Council of Ophthalmology (ICO London) in 2006.

Presently he is practicing as Associate Professor (OPHTHALMOLOGY) at Kumudini Women's Medical College & Hospital, Mirzapur, Tangail and also the In-charge of the Department since 2008. Dr. Mallick is the faculty member of BCPS (Bangladesh College of Physician and Surgeons). In the journey of his fifteen years career he attended various training courses and participated in seminars and workshops on different aspects. Dr. Mallick has interest in music and literature and various cultures of different regions and has visited wide cultural and tourist places of national and international regions.



Md. Atharul Islam

Director

Mr. Md. Atharul Islam has been nominated as Director in the Board of FFIL. He represents P&L Agro Farms Limited. He has completed M.Com in Accounting from University of Rajshahi. Thereafter he has completed his MBA from Eastern University. He started his career in 1981 as an Assistant Commissioner, Civil Officers Training Academy, Government of Bangladesh. He also worked in various capacities holding important positions during his services and he retired as Secretary from Ministry of Civil Aviation & Tourism, Government of the People's Republic of Bangladesh. In his long career he attended a number of seminars, workshops and training at home and abroad.



Anjan Kumer Roy, FCA

Independent Director

Mr. Roy is a member of the Board since December, 2013. He is the Independent Director of FAS Finance & Investment Limited and also a member of the Executive Committee and Chairman of the Audit Committee of the Board. Mr. Roy is a Fellow member of Institute of Chartered Accountants of Bangladesh (ICAB) from October 2016. Mr. Roy obtained his MBA (Major in AIS) from Dept. of Accounting & Information Systems (AIS), Faculty of Business Studies from University of Dhaka. He also completed his BBA (Hons.) with distinction of 'Dean Honors List' from the same University.

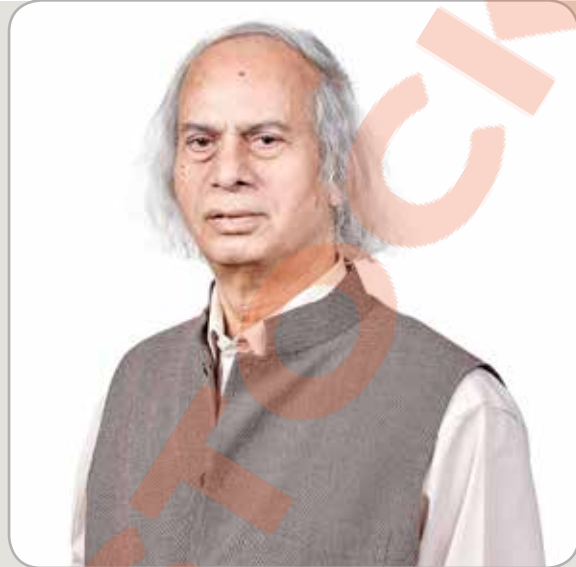
He is working as a Partner of 'Mak & Co., Chartered Accountants' from November, 2016 and prior to this he was a partner of ARUN & ANJAN, Chartered Accountants of which he was a co-founder. Previously he served at Dhaka Bank Limited as Senior Assistant Vice President & In-charge of Risk Management Division, S.F. Ahmed & Co., Chartered Accountants as Senior Manager (Assurance Services) and The City Bank Ltd. as Associate Branch Operations Manager. He also served as guest and part time faculty on accounting, corporate finance, risk management & capital adequacy for banks in different universities & institutes of our country. He attended a number of seminars, workshops and trainings relating to the key areas of banking and risk management in banking sector including risk & capital adequacy for banking sector, Basel-II implementation, Stress Testing for Financial Institution, QIS for Basel-III implementation in Bangladesh, environmental risk management, green banking etc. He is a Life Member of 'Dhaka University Accounting Alumni' from 2006. He enthusiastically takes part and contributes to various social activities as well.



Pradip Kumar Nandi, ITP
Independent Director

Mr. Nandi is a member of the Board since March, 2015. He is an Independent Director of Board of FAS Finance & Investment Limited and also a member of the Audit Committee of the Board. He obtained Bachelor's and Master's degree from University of Dhaka and completed C.A Course from a reputed Chartered Accountants firm under ICAB.

He is an enrolled Agent for practicing on Internal Revenue Service. He began his career as Income Tax Practitioner. Mr. Nandi has worked in tax field for over 30 years including in industries, companies and private practice. He has been involved with tax practitioners for several years and renders consultancy on Accounting, Company Law and Taxation Matters. He has wide exposure in the field of Audit, Accounts, Income Tax and Sales Tax.



Birendra Kumar Shome
Independent Director

Mr. Birendra Kumar Shome is a member of the Board since April, 2015. He is an Independent Director of the Board of FAS Finance & Investment Limited. He is the most recognized painter. He retired as Chief Artist from Bangladesh National Herbarium, Ministry of Environment and Forest Government of Bangladesh as well as he is the ex-designer of Directorate of Press, Publicity, Information and Broadcasting, Government of Bangladesh (Mujibnagar, 1971). Presently he is a freelance artist and designer.

Mr. Shome completed his Bachelor of Fine Arts from the Dhaka University before starting his career. For his achievement in fine arts he was awarded with the Netaj Subhas Chandra Bose award in 2008; the Poet Abu Zafar Obaidullah award in 2007; the Nawab Faizunnessa Gold Medal in 2007; the Agrani Bank Shishu Shahittay Award in 2006, the Chandraboti Gold Medal in 2004; the Aish Dipakbar Gold Medal in 2004; the palok Shishu Shahittay Award in 2004, the Honorable Award from Muktijudda Utsab Ayojok Committee in 2002; Bangladesh College of Arts and Crafts, University of Dhaka in 1966 and many more.

Mr. Shome was honored with numerous solo exhibitions and his first exhibition was a solo one in Dhaka in 1979. The artist has 13 solo exhibitions in his credit; he has participated in group exhibitions over 38 in Dhaka and other place of Bangladesh. He has 14 International Exhibition as well in various cities of the world, likewise; Kolkata, Mumbai, Delhi in India, London, Hong Kong, India, De Sao Paulo in Brazil, Berlin in Germany, Kuwait and so on.



Md. Russel Shahrrior
Managing Director & CEO

Mr. Md. Russel Shahrrior joined FAS Finance & Investment Limited as the Managing Director & CEO on 16th November, 2014. Prior to the joining, he was the Deputy Managing Director of MIDAS Financing Limited. Starting his career in Basic Bank Limited in 1999 as Assistant Manager, he served in various roles holding different managerial positions both with the Banks and Non-Bank Financial Institutions in Bangladesh. He was executive Vice President at IIDFC and served there as Head of SME Finance, Green Banking & IT Division for more than 8 years. He also served United Finance Company as Head of Credit and Small Enterprise.

Mr. Shahrrior did his graduation in Mechanical Engineering and obtained Masters in Advance Engineering Management (AEM) both from Bangladesh University of Engineering and Technology (BUET). In the journey of his seventeen years career, he attended various training courses and participated in seminars and workshops on different aspect of

banking, especially in credit appraisal, credit risk management understanding and financing special needs of SME etc. both of home and abroad.

He is also involved with Rotary International and served as President of the Rotary Club in 2010-11. He is also the member of Bangladesh Society of Mechanical Engineers, Institute of Engineers Bangladesh. Mr. Shahrrior has traveled various countries including U.S.A, Nepal, Thailand, Singapore, Canada, India, Malaysia, Hong Kong, Turkey, Saudi Arabia, Jordan, Indonesia, and so on.

CORE MANAGEMENT TEAM



From Left

Md. Mohsin Reza Khan	Company Secretary
S. M. Nure Alam	Head of HR & Admin
Md. Munir Hossain	Head of ICC
Md. Azimul Haque	Head of SME
Pran Gouranga Dey	Head of CAD



From Left

Md. Russel Shahrion	Managing Director & CEO
Md. Zahangir Alam Bhuiyan	Head of Recovery & Legal Affairs
Md. Maniruzzaman Akan	Chief Financial Officer
Khan Md. Parvez Shazzad	Head of Treasury
Abu Mirja Md. Sayem	Head of IT

Management Committee (MANCOM)

Sl. No.	Name	Designation	Position
01.	Mr. Md. Russel Shahrior	Managing Director & CEO	Chairman
02.	Mr. Pran Gouranga Dey	Head of CAD	Member
03.	Mr. Md. Zahangir Alam Bhuiyan	Head of Recovery & Legal Affairs	Member
04.	Mr. Md. Azimul Haque	Head of SME	Member
05.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Member
06.	Mr. Md. Munir Hossain	Head of ICC	Member
07.	Mr. Khan Md. Parvez Shazzad	Head of Treasury	Member
08.	Mr. Abu Mirja Md. Sayem	Head of IT	Member
09.	Mr. S. M. Nure Alam	Head of HR & Admin	Member
10.	Mr. Md. Mohsin Reza Khan	Company Secretary	Member

National Integrity Strategy Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Chairman
02.	Mr. Md. Munir Hossain	Head of ICC	Focal Point
03.	Mr. A.K.M Shamsheer Ali	Manager, Finance & Accounts	Member
04.	Mr. S. M. Nure Alam	Head of HR & Admin	Member
05.	Mr. Abdulla Al Kafi	Deputy Manager, IT	Member

Assets Liability Management (ALM) Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Russel Shahrior	Managing Director & CEO	Chairman
02.	Mr. Md. Zahangir Alam Bhuiyan	Head of Recovery & Legal Affairs	Member
03.	Mr. Md. Azimul Haque	Head of SME	Member
04.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Member
05.	Mr. Khan Md. Parvez Shazzad	Head of Treasury	Member
06.	Mr. A.K.M Shamsheer Ali	Manager, Finance & Accounts	Member

Purchase Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Chairman
02.	Mr. S. M. Nure Alam	Head of HR & Admin	Member
03.	Mr. Md. Mohsin Reza Khan	Company Secretary	Member

Anti Money Laundering (AML) Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Pran Gouranga Dey	Head of CAD	CAMELCO
02.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Deputy CAMELCO
03.	Mr. Md. Munir Hossain	Head of ICC	Deputy CAMELCO
04.	Mr. Khan Md. Parvez Shazzad	Head of Treasury	Member
05.	Mr. Abu Mirja Md. Sayem	Head of IT	Member
06.	Mr. Mohammad Munim Mansur	Head of Liability	Member Secretary

Credit Risk Management (CRM) Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Pran Gouranga Dey	Head of CAD	Chairman
02.	Mr. Md. Zahangir Alam Bhuiyan	Head of Recovery & Legal Affairs	Member
03.	Mr. Md. Azimul Haque	Head of SME	Member
04.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Member
05.	Mr. Mir Imdadul Haque	Head of CRM	Member Secretary

Internal Control & Compliance (ICC) Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Munir Hossain	Head of ICC	Chairman
02.	Mr. A.K.M Shamsheer Ali	Manager, Finance & Accounts	Member
03.	Mr. Md. Mohsin Reza Khan	Company Secretary	Member
04.	Mr. Mir Imdadul Haque	Head of CRM	Member

Information & Communication Technology (ICT) Development Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Russel Shahrior	Managing Director & CEO	Chairman
02.	Mr. Md. Azimul Haque	Head of SME	Member
03.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Member
04.	Mr. Abu Mirja Md. Sayem	Head of IT	Member
05.	Mr. Abdulla Al Kafi	Deputy Manager, IT	Member

Management Information Systems (MIS) Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Azimul Haque	Head of SME	Chairman
02.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Member
03.	Mr. Md. Munir Hossain	Head of ICC	Member
04.	Mr. S. M. Nure Alam	Head of HR & Admin	Member
05.	Mr. Abdulla Al Kafi	Deputy Manager, IT	Member

Basel-II Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Chairman
02.	Mr. Khan Md. Parvez Shazzad	Head of Treasury	Member
03.	Mr. A.K.M Shamsheer Ali	Manager, Finance & Accounts	Member
04.	Mr. Dipak Saha	Deputy Manager, Finance & Accounts	Member

Human Resource Committee:

Sl. No.	Name	Designation	Position
01.	Mr. Md. Russel Shahrior	Managing Director & CEO	Chairman
02.	Mr. Md. Azimul Haque	Head of SME	Member
03.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Member
04.	Mr. S. M. Nure Alam	Head of HR & Admin	Member

Sustainable Finance Committee (SFC):

Sl. No.	Name	Designation	Position
01.	Mr. Pran Gouranga Dey	Head of CAD	Chairman
02.	Mr. Md. Zahangir Alam Bhuiyan	Head of Recovery & Legal Affairs	Member
03.	Mr. Md. Azimul Haque	Head of SME	Member
04.	Mr. Md. Maniruzzaman Akan	Chief Financial Officer	Member
05.	Mr. Md. Munir Hossain	Head of ICC	Member
06.	Mr. Abu Mirja Md. Sayem	Head of IT	Member
07.	Mr. Mir Imdadul Haque	Head of CRM	Member
08.	Mr. Md. Ahasan Rakib	Deputy Manager, Corporate Finance	Member
09.	Mr. S. M. Nure Alam	Head of HR & Admin	Member

Sustainable Finance Unit (SFU):

Sl. No.	Name	Designation	Position
01.	Mr. Mir Imdadul Haque	Head of CRM	Head of Unit
02.	Mr. Dipak Saha	Deputy Manager, Finance & Accounts	Focal Point
03.	Mr. Tanveer Ahmed Komol	Assistant Manager, SME	Member
04.	Mr. Md. Shahab Uddin	Senior Officer, ICC	Member
05.	Ms. Mubasshira Atia Toma	Senior Officer, SME	Member
06.	Mr. Md. Sakiluzzaman	Senior Officer, HR & Admin	Member

GLIMPSES OF ALL DEPARTMENTS & BRANCH OFFICES



SME Finance



Credit Administration



Corporate Finance



Credit Risk Management



Finance & Accounts



Human Resources & Administration



Company Secretariat



Information Technology



Recovery & Legal Affairs



Liability Operation



Internal Control & Compliances



Treasury Operation



Chittagong Branch



Sylhet Branch



Narsingdi Branch



AMAR STOCK

AMAR



**DIRECTORS' REPORT
TO THE
SHAREHOLDERS**



**DELIVERING WORTH
TO OUR MOST
VALUED RESOURCES,
OUR CUSTOMERS**



DIRECTORS' REPORT 2016

Bismillahir Rahmanir Rahim
Dear Shareholders,
Assalamu Alaikum Wa Rahmatullah

On behalf of the Board of Directors, I am happy to present the 20th Report of the Board of Directors of your Company along with the Financial Statements (which includes Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement) for the year ended December 31, 2016. We have the pleasure to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended December 31, 2016 for your valued consideration, approval and adoption in compliance with the provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Commission Rules 1987, BSEC Notification on Corporate Governance dated 7th August, 2012 and IAS-1: Presentation of Financial Statements as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

Global Economic Outlook:

Global growth is expected to be tepid at 3.1 percent in 2016, down from 3.2 percent in 2015 (World Economic Outlook, October 2016). Growth, however, is projected to rise up to 3.4 percent in 2017. Advanced economies are expected to grow by 1.6 percent in 2016, 0.5 percentage points lower than in 2015, edging up to 1.8 percent in 2017. However, emerging markets and developing economies are projected to grow by 4.2 percent in 2016, 0.2 percentage points higher than in 2015, rising further to 4.6 percent in 2017.

The downward growth revisions in advanced economies reflect a deterioration of economic activities in Euro zone following the exit process of UK from EU (Brexit) and its subsequent impact on the US and the Japanese economies. US growth is expected to decrease to 1.6 percent in 2016 from 2.6 percent in 2015 and increase to 2.2 percent in 2017. Reflecting the adverse impact from Brexit, growth in the Euro area has been revised downward to 1.7 percent and 1.5 percent in 2016 and 2017 respectively from 2.0 percent in 2015. Japan is projected to grow by 0.5

percent in 2016 as in 2015 and is expected to grow by 0.6 percent in 2017.

The growth in emerging market and developing economies in 2016 is expected to improve as a result of buoyant economic activities in leading Southeast and South Asian countries, modest recovery of oil prices, contained asset price and exchange rate after the Brexit referendum and despite some growth moderation in China. Chinese growth is revised downward to 6.6 percent in 2016 and 6.2 percent in 2017, from 6.9 percent in 2015. India's economic growth in 2016 and 2017 is expected to continue at 7.6 percent.

Developments in the Bangladesh Economy:

Globally, 2016 has been an unprecedented year. Brexit, US Election, rise of populism, refugee crisis and terrorism will continue to define the political and economic scenario of the world in 2017. Inside the country, a number of positive as well as challenging developments will shape the dynamics of Bangladesh's journey in 2017. As most big economies are still struggling to recover from slow growth, Bangladesh's major economic boost will have to come from within the country.

Stability in Bangladesh, both economically and politically was strong in 2016. This has helped in achieving higher growth of gross domestic product that crossed 7 percent in fiscal year 2016. Industry played the main role in higher GDP followed by the services sector. Low petroleum prices in the global market helped inflation rates to stay low since Bangladesh spends a significant amount on petroleum products. Export earnings increased at a higher rate than imports and export-GDP ratio increased in FY2016 while import-GDP ratio declined. Surely, improved infrastructural facilities, technological upgradation, skills development will facilitate the growth process more than that of previous year of the sector.

While macroeconomic indicators are better compared to many other countries, Bangladesh will have to focus on a number of issues that may hinder the growth momentum of the country. In 2016, the

banking sector continued to display its weaknesses. Rise of non-performing loans, lower capital adequacy and the overall lack of governance in the sector are disturbing for the economy. Window dressing through rescheduling and restructuring of NPL and government support to the loss making overall financial institutions cannot solve the problem unless stern measures are taken against malpractices and fraudulent cases. Cyber crime has emerged as a new phenomenon for the financial market in Bangladesh.

In 2017, Bangladesh would continue to drive its ambitions for becoming a higher middle income country. The country will also prepare to come out of the least developed country status. These will require consolidation of its achievements and preparation for tackling further challenges. As the country received commitments for an investment of USD 24 billion from the Chinese government and in the process of implementing mega projects, it requires lots of clarity to capitalize the opportunities.

Bangladesh's economic and social achievements are widely acclaimed around the world. The challenge is now to make this sustainable and inclusive. Maintaining macroeconomic stability, increasing efficiency in project implementation as well as national earnings and improving governance are major issues that will have to be vigorously followed up in 2017. This ambition is underpinned by continuous economic and political reforms.

Industry Outlook:

Non Bank Financial Institutions (NBFIs) have emerged as an important segment of financial system in Bangladesh. NBFIs offer diversified financial services mostly long-term in nature to cater the ever changing demands of customers. NBFIs play crucial roles in providing additional financial services that cannot be always met by the banks. In addition, NBFIs are engaged in the capital market as well as in real estate sector of Bangladesh. As a watchdog, Bangladesh Bank supervises NBFIs through a risk-based supervisory system so that NBFIs can deliver financial services efficiently. NBFIs showed strong performance in terms of growth in assets and deposits during FY16.

NBFIs' business line is narrow in comparison with Banks in Bangladesh. NBFIs have been allowed to offer term deposit service for tenure of at least three months effective from 2 December 2013. Presently,

out of 33 NBFIs, three are Government-owned, 11 are joint venture and the rest 19 are locally private-owned. Meanwhile, the branch network increased to 220 as on 30 June 2016. In accordance with the review of Bangladesh Bank as on 30 June, 2016, the Industrial performance (NBFIs) was positive and favorable to the interested people. The total asset of NBFIs stood at Tk. 672.80 billion up to June 2016 against Tk. 611 billion during 2015 registering an increase of 10.11%. At the same time, the total deposit of NBFIs stood at Tk. 351.40 billion up to June 2016 against 318.10 billion during 2015 registering an increase of 10.47%. The total liability stood at Tk. 575 billion up to June 2016 against Tk. 509 billion during 2015 registering an increase of 12.97%. Moreover, the other indicators are still positive respectively.

Performance of FFIL during 2016:

It is with much pleasure to bring to the notice of the honorable Shareholders that in spite of some drawbacks, threats and stiff competition in the Financial Market during 2016 was another successful year of the Company. It was possible because of the strength of our teamwork, well organized structure, collective efforts, and constant endeavors with a view of providing prompt and high quality services to diverse group of customers and dedication to broaden the depth and width of its services while maintaining high asset quality.

The Principal Activities of the Company:

- Mid to long term financing in the form of lease, term loan and home loan;
- Working capital finance in the form of credit sale financing against accounts receivable, short term revolving loan and work order financing;
- Investment products in the form of deposits.

There was no significant change in the nature of these activities during the year 2016.

REVIEW OF BUSINESS:

Lease Finance:

The Lease Finance is one of the major financial activities of FFIL. The Company offers full payout financial lease for machinery, equipment, and vehicles. FFIL provides

services to customers of different segments including growing companies, blue-chip companies and SMEs. Though as prudent business model, the company has diversified alternatives. The investment under lease finance of the company reached at Tk. 440.51 million in 2016.

Term Finance:

The Term Finance, one of core products of the Company is available for interested clients having short, medium, and long term requirements from 12 to 60 months depending on the business nature and need. The Company's investment under term finance rose at Tk. 9,806.55 million during 2016 from Tk. 7864.62 million in the year 2015 registering an increase of 24.69%.

House Finance:

House finance is another alternative product of FFIL to increase individuals' lifestyle and comfort. House finance is available for commercial, industrial, SME sectors, period ranging from 12 to 120 months depending on the business nature and need. The Company's investment under house finance rose at Tk. 2,217.96 million during 2016 from Tk. 1514.77 million in the year 2015 registering an increase of 46.42%.

Deposit Mobilization:

FFIL mobilizes its deposit products to corporate and individuals through its wide range of deposit schemes with different maturity options, monthly/quarterly/half-yearly/yearly income options, double/triple money options, monthly saving options etc. The deposit base of the Company continued to register a steady growth and stood at Tk. 8,224.28 million during 2016 from Tk. 7,049.85 million in the year 2015 registering an increase of 16.66%. The growth was made due to high standard products and services along with competitive rate of interest offered to customers what creates confidence level amid the depositors.

Total Assets:

The FFIL has sound asset management policy which assures safeguarding of assets against unauthorized use or disposition. The Company also follows proper records and policy regarding capital expenditures. Out of total asset, the Company has Vehicles which

incur depreciation each year. The Book Value of those Fixed Assets is declined. The total assets size of the Company rose at Tk. 17,110.15 million during 2016 from Tk. 13,278.22 million in the year 2015 registering an increase of 28.86%.

Recovery:

According to Bangladesh Bank's guidelines for classification of non-performing loan (NPL) for NBFIs, the NPL in the same period stood at Tk. 1,382.79 million which is almost 9.99% of the total outstanding loans and advances. FFIL maintains required provision against loans and advances of any other accounts that are considered by Management as doubtful of recovery.

The recovery team is being strengthened for vigorous monitoring and follow-up. Necessary legal actions have been initiated against several clients. It is expected that with our all out efforts the NPL will be reduced at a logical point at the end of 2017.

Investment in Securities:

FFIL has managed its investment in securities very efficiently and skillfully over the preceding years and this year was no exception. FFIL maintains its own portfolio for investment in shares and securities of listed companies. These are fully diversified with securities of different industries/sectors. The risk of investment is being minimized through diversification and investing mostly in fundamentally strong securities.

Portfolio Management:

FCML, a full-fledged subsidiary of FFIL is providing portfolio Management services to a wide range of customer of the country keeping in mind the responsibilities to the society in which it works. FCML is providing management services under both discretionary and non-discretionary account categories.

Margin Loan Facility:

FCML provides margin loan facilities to its portfolio customers for purchase of shares and securities. The amount of portfolio loan outstanding as on 31 December 2016, was TK. 1,553.34 million as against Tk. 1,861.83 million as on 31 December 2015. The

above amount represents the aggregate margin loan facility extended to different portfolio customers for purchasing shares listed in the stock exchanges against their deposit. Loans are fully secured by way of lien on shares purchased under margin loan account.

Financial Performance of FFIL

The FFIL Group's consolidated financial performance in 2016 has been summarized below:

Particulars		2016	2015
Operating income	Taka in Million	365.94	510.95
Operating expenses	Taka in Million	133.80	104.53
Profit before tax	Taka in Million	177.00	215.07
Provision for taxation	Taka in Million	85.61	85.39
Profit after tax	Taka in Million	91.39	129.68
Retain Earning Balance	Taka in Million	115.55	151.43
Earnings Per Share	Taka	0.75	1.05

Transfer to Statutory Reserves:

The appropriations to Statutory Reserve for the Financial Year ended December 31, 2016 as per financial statements are:

(Taka in Million)

Particulars	2016	2015
Net Profit for the year	92.36	129.61
Balance of Reserve at the beginning of the year	129.98	104.64
Transfer to Statutory Reserve	25.21	25.33
Balance of Reserve at the end of the year	155.19	129.97

Contribution to National Economy:

As a financial institute, FFIL contributes to the economic prosperity by providing financial products and services. FFIL contribute to the national exchequer in the form of Income Tax & VAT. During the year the company has deposited an amount of Tk. 126.83 million to the Govt. exchequer as corporate tax of the

company. Moreover, the company also collected and deposited to the Govt. exchequer as withholding Tax and VAT is given below.

(Taka in Million)

Particulars	2016	2015
Income Tax paid on company's income	47.64	19.37
Tax collected at source on behalf of Government	73.56	57.08
Value Added Tax (VAT)	2.08	2.45
Excise Duty	3.55	0.86
Total	126.83	79.76

Key Operating and Financial Data for Last Preceding 5 (Five) Years:

Key operating and financial data of FFIL for last preceding five (5) years as per Notification No. BSEC / CMRRCD /2006/ 158/134/Admin/44 dated 07 August 2012 are shown on page 22 of this report. Moreover, the Financial Highlights as required by Bangladesh Bank is also given on page 21 of this report.

Anti-Money Laundering:

Anti-money laundering laws made the government to stop money laundering methods that involve financial institutions. Under the guidelines set forth by anti-money laundering, or "AML" financial institutions are required to verify large sums of money passing through the institution, and they are required to report suspicious transactions. To prevent money laundering, the management of FFIL has a well managed Anti-money Laundering Committee.

Risk & its Mitigation:

Risk mitigation planning is the process of developing options and actions to enhance opportunities and reduce threats to project objectives. Risk mitigation implementation is the process of executing risk mitigation actions. Risk mitigation progress monitoring includes tracking identified risks, identifying new risks, and evaluating risk process effectiveness throughout the project. Our financial and operational performance is closely associated with a number of risks, e. g, Credit risk, Liquidity risk, Market risk, Interest rate risk, Portfolio risk & Operational risk as well. The Board is always aware about those risks and proactive in formulating strategies for mitigation of those risks.

The management works with a comprehensive plan to manage, monitor and mitigate the risks. Effective mitigation of risks is fundamental to the achievement of our goals. The details of risks & related action of the Company are discussed on page 66 of this report.

Implementation of BASEL-II:

Pillar-I (Minimum Capital Requirement): The Pillar involves the calculation of minimum capital requirements to cover credit risk, market risk and operational risk. According to Bangladesh Bank's instruction, all FI's have to maintain regulatory Capital Adequacy Ratio (CAR) at minimum 10% where we are maintaining 10.75%. In this aspect the capital is categorized in two tires:

- **Tire-I Capital:** Tier I capital is core capital, this includes equity capital and disclosed reserves (Statutory reserve, general reserve, retained earnings) also include non-redeemable non-cumulative preferred stock, Minority interest in subsidiaries;
- **Tire-II Capital:** Tier 2 capital is supplementary Capital that includes items such as revaluation reserves, undisclosed reserves, hybrid instruments and subordinated term debt, such as Revaluation Reserve of Fixed Assets, Revaluation Reserve for securities, all other preference shares and General Provision up to a limit of 1.25% of Risk Weighted Assets (RWA) for Credit Risk.

The Pillar II (Supervisory Review Process): The Pillar-II is capital framework what intended to ensure that Companies have adequate capital to support the relevant risks in their business, and that they have appropriate processes to ensure compliance with regulatory authorities. It is also intended to encourage Company to develop and use better risk management techniques in monitoring and managing their risks. Pillar 2 therefore acts to further the safety and soundness of business. The Basel Implementation Unit (BIU) of FAS Finance & Investment Limited has been formed as per Basel-II Guideline of Bangladesh Bank and headed by the Managing Director and comprising of 4 members.

Corporate Social Responsibility (CSR):

FFIL always acknowledges its responsibilities for the well being of the society and takes part in such activities whenever it becomes necessary. We get

our business sustenance from the society in which we live and operate. In reciprocation, we want to do something back to the society. Our corporate social responsibility includes our customer, employees, shareholders, business associates, and the society as a whole. The details of CSR activities of the Company are discussed on page 72 of this report.

Shareholding Pattern:

The pattern of Shareholding of the Company as at the end of the year 2016 is shown on page 86 of this report.

Board Meetings and Attendance of the Directors:

During the year, the Board of Directors met eight (8) times, Executive Committee met three (3) times, and Audit Committee met five (5) times. The attendance record of the Directors as well as provided remuneration is shown on page 87 of this report. The Directors who could not attend the meetings were granted leave of absence.

Directors' Appointment & Re-appointment:

As per Article # 104 & 105 of the Articles of Association of the Company, the following Directors will retire in the 20th Annual General Meeting and being eligible offered themselves for re-appointment:

1. Ms. Mahfuza Rahman Baby
2. Ms. Soma Ghosh
3. Mr. Md. Atharul Islam
4. Mr. Arun Kumer Kundu

Corporate and Financial Reporting Framework:

In conformity with the BSEC Notification No. SEC/CMRRC/2006-158/134/Admin/44 dated August 7, 2012, the Member of the Board of Directors of FFIL confirms the compliance with the financial reporting framework as per following manner:

- The financial statements, prepared by the management of FFIL make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure;
- Proper books and accounts of the Company have been maintained;

- Appropriate accounting policies, including International Accounting Standards (IASs)/ International Financial Reporting Standards (IFRSs) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh, have been consistently applied in preparation of the financial statements. Any change or deviation whether significant has been adequately disclosed;
- Accounting estimates are based on reasonable and prudent judgment;
- The Internal control and compliance processes have been properly designed and effectively implemented and monitored;

Going Concern:

The Financial Statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Board of Directors of FFIL has made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern, including review of budget and future outcome of inherent uncertainties in existence. Based on the different indications, Directors feel it is appropriate to adopt going concern assumptions and no material uncertainty exists in preparing the financial statements.

Dividend Recommendation:

The Board of Directors of the Company has recommended 5% Stock Dividend per share for the year 2016 in its 185th Meeting of the Board of Directors dated April 22, 2017.

Appointment of External Auditor:

The Auditors of the Company, M/s Pinaki & Co., Chartered Accountants, has completed their first year's audit as the statutory auditors of the Company, as appointed at the 19th Annual General Meeting. As per the stipulation of BSEC's order no SEC/CMRRCD/2009-193/104/Admin dated July 27, 2011 and DFIM Circular No. 04 dated April 30, 2015, they are eligible for reappointment for three consecutive years. On the basis of the proposal of the Board's Audit

Committee, the Board recommends the appointment of M/s Pinaki & Co., Chartered Accountants, as the auditors of the Company for the year 2017 at an existing remuneration of Tk. 1,25,000/- (Taka one lac twenty five thousand) only plus VAT.

Status of Compliance:

In accordance with the Condition 7(ii) of BSEC's Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012, the Directors are required to confirm the guidelines' compliance as per aforesaid condition. A statement on the compliance of the said notification is given on page 77 of this report. In addition to the preceding notification you may also notice the Statement of compliance with the good governance guidelines issued by the Bangladesh Bank vides DFIM Circular No. 7, dated 25 September 2007 regarding the policies on the responsibility & accountability of the Board of Directors, Chairman & Chief Executive of financial institution. The statement of the good governance guidelines is given on page 88 of this report.

The System of Internal Control:

The Board of Directors assures the Shareholders that the Company has a forceful risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. The Company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that the controls in place are adequate to address these risks.

Plan for Utilization of Undistributed Profit:

The undistributed profit will be utilized to invest in financing assets and meet contingencies under section 100 of the Schedule I of the Companies Act 1994.

Related Party Transaction:

All transactions with related parties have been made on a commercial basis and the basis was the principle of "Arm's Length Transaction". Details of related party and transactions have been disclosed as per BFRS under the note no. 42 of the Financial Statements of FAS Finance & Investment Limited on page 154 of this report.

Human Resources:

An organization's human resource management strategies maximize return on investment in the organization's human capital and minimize financial risk. Human Resources seek to achieve this by aligning the supply of skilled and qualified individuals and the capabilities of the current workforce, with the organizations ongoing and future business plans and requirements to maximize return on investment and secure future survival and success. To ensure such objectives, FFIL's human resource drives to implement the organization's human resource requirements not only effectively but also pragmatically, ethically and practical manner to maintain low employee turnover rate by providing proper counseling, training, long term career growth and friendly working environment. Besides, FFIL keeps continuous effort for searching new talents those who can contribute by adding some values with some new ideas to reach our company at desired level in this competitive market. It's a demand of evolving business environment that the human resources of the company requires training for every changing process, customer preferences, numerous new technology applications, compliance and regulatory requirements. FFIL conducted several training programs in various functional areas as per individual employee's requirement during the year. FFIL upholds its values in its actions. It ensures honesty and sincerity in all interactions, respect all with whom we work and interact with dignity and consideration, keep promises, rely on each other, pursuit and maintain indiscrimination in respect to religion, class, cast, and gender to treat people as individual.

Information Technology:

In the world of globalization, Information system is such where data are collected, classified and put into process interpreting the result thereon in order to provide an integrated series of information for further communicating and analyzing. In a progressively more spirited worldwide atmosphere, Information System plays the role as 'enabler and facilitator', which endows with tactical values and step up to the excellence of administration. 'An Information System is a particular type of work system that uses information technology to detain, store, retrieve, analyze or display information, thereby partisan one or more other work structure. Information systems may also help managers and workers investigate problems, envisage complex subjects and generate new merchandise or services.

FFIL is driving to upgrade its IT platform regularly and making required investment to bring about changes in technological infrastructures to bring efficiency to its operation and have more satisfied customers. As you may be aware the Company is procuring state-of-the-art & robust core operating systems to combine and integrate all the operations of the Company and to have efficient use of the information.

Acknowledgement:

Directors of FFIL take this opportunity to thank the valued clients, shareholders, bankers, business associates, financial institutions, Governments, and other stakeholders for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and its subsidiaries for their hard work and commitment. Their dedication and competence have ensured that the Company continues to be a significant and leading player in the Financial-Services-industry.

Board also expresses its gratitude to Bangladesh Bank, Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, National Board of Revenue, Registrar of Joint Stock Companies & Firms and other Regulatory Authorities for their assistance and guidance. Our sincere appreciation goes to the employees of the Company for their loyalty, efforts and dedication.

Finally, the Board of Directors likes to thanks the Hon'ble Shareholders for their confidence on the Board & Management. Consequent upon, the Board also assures that the process of strengthening and development of the Company will continue in coming days to optimize the wealth of the stakeholders.

On behalf of the Board of Directors,



.....
Md. Siddiqur Rahman, FCS
Chairman

Dated: Dhaka, 22 April, 2017

RISK MANAGEMENT



**ALIGNING POLICIES
TO ABSORB MARKET
SHOCKS**



RISK MANAGEMENT

Major Duties and Responsibilities:



Credit Risk Management of FAS Finance & Investment Ltd.

Credit Risk Management department play a pivotal role and backbone of organization by ensuring compliance with the more stringent regulatory requirements and mitigating potential risk associated with proposals. FAS Finance and Investment Ltd. (FFIL) has adopted this concept and has set up an independent CRM Department to address the risk issues related to business for better performance and sustainable growth of the institution in the long run. Credit risk can be defined as is the risk of default on a debt that may arise from a borrower failing to make financial obligation. In the first resort, the risk is that of the lender and includes lost principal & interest, disruption to cash flows and increased collection cost. The deviation between expected figure and actual figure is defined as risk. While the credit decision is relatively straightforward in principle (a lender must

decide whether to give credit or refuse credit to a potential client), in practice it involves experience, judgment and a range of analytic and evaluative techniques that are designed to determine the likelihood that money will be repaid or, equally, that the money will be lost by the credit not being able to repay.

In evaluation of credit risk, following areas are considered-

Borrower Analysis: The majority shareholders, management team and group or affiliate companies are assessed.

Industry Analysis: The key risk factors of the borrower's industry, any issues regarding the borrower's position in the industry, overall industry concerns or competitive forces are addressed and the strengths and weaknesses of the borrower relative to its competition are identified.

Supplier/Buyer Analysis: Customer or supplier concentration of borrower is addressed.

Historical Financial Analysis: Analysis of minimum 3 years historical financial statements of the borrower is in practice. Guarantor's financial statements, the quality and sustainability of earnings, cash flow, leverage, profitability and the strengths of the borrower's balance sheet are also analyzed.

Projected Financial Performance: projection of the borrower's future financial performance is also made. The financial analysis will judge the sufficiency of cash flow to service debt repayments.

Credit Background: Reflection of credit background in CIB is a major criterion for evaluation.

Account Conduct: For existing borrowers, the historic performance in meeting repayment obligations (trade payments, cheques, interest and principal payments, etc.) is assessed.

Mitigating Factors: Mitigating factors for identified risks in the credit assessment are explored. Possible risks include, but are not limited to: margin sustainability and/or volatility, high debt load (leverage/gearing), overstocking or debtor issues; rapid growth, acquisition or expansion; new business line/product expansion; management changes or succession issues; customer or supplier concentrations; and lack of transparency or industry issues.

Facility Structure: The amounts and tenors of proposed credit facilities are justified based on the projected repayment ability and facility purpose as excessive tenor or amount relative to business needs increases the risk of fund diversion and may adversely impact the borrower's repayment ability.

Purpose of Credit: We ensure that the credit is used for the purpose it was borrowed. In case of corporate facilities, where borrower owns group of companies, such diligence becomes more important.

Security: Current valuation of collateral is obtained

and the quality and priority of security being proposed are assessed internally and preferably by a third party. Facilities are not granted based solely on security. Adequacy and the extent of the insurance coverage are also assessed.

Credit Risk Grading (CRG)

Credit Risk Grading (CRG) is an important tool for credit risk management as it helps us to understand the various dimensions of risk involved in different credit transactions. The aggregation of such grading across the borrowers, activities and the lines of business can provide better assessment of the quality of credit portfolio of an FI. CRG is vital to take decisions both at the pre - sanction and post - sanction stages.

TYPES OF RISKS:

Market risk

Market risk can be defined as the potential loss of earnings or economic value due to adverse changes in financial market rates or prices. Our exposure to market risk arises principally from customer-driven transactions. The objective of our market risk policies and processes is to obtain the best balance of risk and return whilst meeting customers' requirements.

The primary categories of market risk are:

- Interest rate risk: arising from changes in yield curves, credit spreads and implied volatilities on interest rate options
- Currency exchange rate risk: arising from changes in exchange rates and implied volatilities on foreign exchange options
- Commodity price risk: arising from changes in commodity prices and commodity option implied volatilities; covering energy, precious metals, base metals and agriculture
- Equity price risk: arising from changes in the prices of equities, equity indices, equity baskets and implied volatilities on related options

Liquidity risk:

Liquidity risk is the risk that either do not have sufficient financial resources available to meet our obligations as they fall due, or can only access these financial resources at excessive cost.

Liquidity risk management involves not only analyzing on and off - balance sheet positions to forecast future cash flows but also how the funding requirement would be met. The later involves identifying the funding market in which an FI has access, understanding the nature of those markets, evaluating FIs current and future use of the market and monitoring signs of confidence erosion.

The formality and sophistication of risk management process established to manage liquidity risk reflect the nature, size and complexity of FFIL's activities. We have a thorough understanding of the factors that could give rise to liquidity risk and put in place the mitigating controls. Our liquidity risk management procedures are comprehensive and holistic. At the minimum, we should cover formulation of overall liquidity strategy, risk identification, measurement, and monitoring and control process.

FFIL have an agreed liquidity strategy for the day - to - day management of liquidity. This strategy addresses FFIL's goal of protecting financial strength and the ability to withstand stressful events in the market.

Operational Risk:

Operational risk comprises of risk of loss inherent in day to day operation of the organization and caused by inadequate or inappropriate internal processes, inadequate or inappropriate systems, absence of right people at right place, mistakes of people whether such mistakes are deliberate, accidental or natural and by any other external reason.

1. Strategic Risk:

Business needs a comprehensive, well-thought-out business plan. But it's also a fact of life that

things change, and your best-laid plans can sometimes come to look very outdated, very quickly.

Strategic Risk Management (SRM) is a process performed by management for identifying, assessing and managing risks and uncertainties, affected by internal and external events, scenarios and risks that could impede the organization's ability to achieve its strategy and strategic objectives.

2. Compliance Risk:

Compliance risk is exposure to legal penalties, financial forfeiture and material loss an organization faces when it fails to act in accordance with industry laws and regulations, internal policies or prescribed best practices.

3. Financial Risk:

Financial risk is the possibility that shareholders will lose money when they invest in a company that has debt, if the company's cash flow proves inadequate to meet its financial obligations. When a company uses debt financing, its creditors are repaid before its shareholders if the company becomes insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.

There are many types of financial risks. The most common ones include credit risk, liquidity risk, asset backed risk, foreign investment risk, equity risk and currency risk.

Credit risk is also referred to as default risk. This type of risk is associated with people who borrowed money and who are unable to pay for the money they borrowed. As such, these people go into default. Investors affected by credit risk suffer from decreased income and lost principal and interest, or they deal with a rise in costs for collection.

Liquidity risk involves securities and assets that cannot be purchased or sold fast enough to cut losses in a volatile market. Asset-backed risk is the risk that asset-backed securities may become volatile if the underlying securities also change in value. The risks under asset-backed risk include prepayment risk and interest rate risk.

Changes in prices because of market differences, political changes, natural calamities, diplomatic changes or economic conflicts may cause volatile foreign investment conditions that may expose businesses and individuals to foreign investment risk. Equity risk covers the risk involved in the volatile price changes of shares of stock.

Investors holding foreign currencies are exposed to currency risk because different factors, such as interest rate changes and monetary policy changes, can alter the value of the asset that investors are holding.

CREDIT RISK MITIGATION

Managing Problem Credit

Identifying problem credit ahead of time, when there may be more options available for remedial measures is crucial for any financial organization. Once the credit is identified as a problem, it is managed in FFIL under a dedicated remedial process. Our credit risk policies clearly set out how we will manage problem credits. Responsibility for problem credits is assigned to the originating business function, a specialized workout section, or a combination of both, depending upon the size and nature of the credit and the reason for its problems.

A problem credit management process encompasses the following basic elements.

- a. **Negotiation & follow up:** A proactive effort is taken in dealing with borrowers to implement remedial plans by maintaining frequent contact

and internal records of follow-up actions. Rigorous efforts at an early stage may prevent us from litigations and loan losses.

- b. **Workout remedial strategies:** Sometimes appropriate remedial strategies such as restructuring of the credit facility, enhancement in credit limits, or reduction in interest rates help improve the borrower's repayment capacity. However, it depends upon business conditions, the nature of problems being faced and most importantly the borrower's commitment and willingness to repay the credit. While such remedial strategies often bring up positive results, we exercise great caution in adopting such measures and ensure that such a policy must not encourage borrowers to default intentionally. FFIL's interest should be the primary consideration in case of any such workout plans. Before implementation, the workout plan is always approved by competent authority.
- c. **Reviewing collateral and security documents:** We ascertain the credit recoverable amount by updating the values of available collateral with formal valuation. Security documents are also reviewed to ensure the completeness as well as enforceability of contracts and collateral/guarantee.
- d. **Status report and review:** Problem credits are subject to more frequent review and monitoring. The review should update the status and development of the credit accounts and progress of the remedial plans. Progress made on problem credit is reported to the senior management.

Managing Credit Concentration Risk

Strategies to manage or mitigate the concentration risk may vary. Depending on the current status of the portfolio, we design our short and long term plans to deal with the credit concentration risk. While setting the limits on lending in each group elements, we consider the followings:

- a. Current exposure must be within the prescribed limit set by the regulators (if any);
 - b. Credit quality of that group element;
 - c. Profitability of that group element;
 - d. Current economic trend and prospects as well as risks of that group element; and
 - e. Expertise and professionalism to manage that group element.
- c. **Securitization:** Although more widely used for retail lending (such as through residential mortgage - backed securities), securitization is used increasingly for corporate lending. A traditional securitization involves transferring a pool of loans or other debt obligations to a third party, typically a corporate entity established just to own the loan pool, which then issues securities that are claims against the pool's interest and principal payments.
 - d. **Credit derivatives:** These are financial instruments that transfer some or all of the credit risk of an underlying debt obligation or a borrower (or groups of obligations or borrowers) from one party to another without necessarily transferring the underlying asset.

Depending on such analysis, we set the overall risk appetite for our portfolio. A continuous monitoring on the above issues is in place to assess whether to redefine the strategies.

Credit Risk Transfer (CRT)

Over the last decade, a variety of financial tools have been developed for transferring credit risk between financial institutions. Following are some of the tools used for CRT:

- a. **Loan Sale:** The simplest CRT mechanism, the loan sale, in which a lender sells all of its obligations and future payments from a commercial loan to a third party.
- b. **Syndication:** In a typical syndication, the lead arranger and the borrower agree on the terms of the loan, and the lead arranger then assembles a syndicate of lenders. In syndication more lenders participate in financing which reduces the risk of individual lender.

In credit management, it is conventional that proposals of credit facilities must be supported by a complete analysis of the proposed credit. More importance should be given on refund of loans out of funds generated by the borrower from their business activities (cash flow) instead of realization of money by disposing of the securities held against the advance, which is very much uncertain in present context of Bangladesh, where a number of creditors are willful defaulters.

**CORPORATE SOCIAL
RESPONSIBILITY
(CSR)**



**PROMOTING
SUSTAINABLE USE
OF RESOURCES**



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility “CSR” is a corporation’s initiatives to assess and take responsibility for the company’s effects on environmental and social wellbeing. Corporate Social Responsibility (CSR) being an integral part of the long term sustainable strategy has now emerged as a growing practice. A strong perception has developed in recent years among the management that they need to manage their organizations in a socially responsible way for economic viability and long term sustainability in the competitive marketplace. CSR practices not only improve our own standards but also affect the socially responsible behaviors of other businesses.

The management believes that successful CSR program cannot be achieved individually. CSR includes the participation of the society, nature and ethics in making strategy that can improve the competitive position of the company. CSR takes care of the interest of all stakeholders rather than that of the stockholders only. By incurring CSR expenditure,

FFIL can strengthen its competitiveness, counter the risk of losing the existing market shares and establish its presence in emerging ones. Instead of thinking CSR as a regulatory or discretionary cost, the management sees it as an investment that brings long-term benefits for the company.

As a part of CSR, FFIL distributed blankets among the shivering people of the district of Lalmonirhaat, Dinajpur and Nilphamari in winter season. Senior officials of FFIL along with the local administration distributed about 800 blankets which lessened the adversity of people to some extent. Besides, FFIL arranges a motivational program each year for its corporate officials.

The government of Bangladesh has introduced CSR guidelines for organizations to spend a portion of their profit on social activities under certain bindings and FFIL’s CSR programmers are guided by those policies.

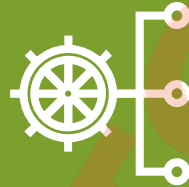


Blanket Distribution to the Shivering People



Corporate Dayout-2017

**CORPORATE
GOVERNANCE**



**CONTROL OVER
RESOURCES TO
HARNESS MAXIMUM
OUTPUT**



REPORT FROM THE AUDIT COMMITTEE

For the year 2016

The Audit Committee of the Board of Directors of the Company Formed in accordance with DFIM Circular No-13, dated October 26, 2011 of Bangladesh Bank & BSEC's Notification no. SEC/CMRRCD/2006-158/Admin/134/44 dated August 7, 2012. All the members of the Audit Committee are Non-executive Directors. During the year, the Audit Committee was comprised with the following Members of the Board:

Sl. No.	Name of the Members	Position in the Committee	Position in the Board
1	Mr. Anjan Kumer Roy, FCA	Chairman	Independent Director
2	Mr. Md. Zahangir Alam, FCS	Member	Vice Chairman
3	Mr. Md. Abul Shahjahan	Member	Director
4	Mr. Pradip Kumar Nandi, ITP	Member	Independent Director
5	Mr. Md. Mostain Billah, FCA	Member	Director
6	Mr. Md. Mohsin Reza Khan	Member Secretary	Company Secretary

Audit Committee Meetings held during the year:

A total of Five (5) Meetings were held during the year 2016. The details of attendance of the members of Audit Committee are given below:

Sl. No.	Name of the Director	Position of the Committee	Meeting held during the year	Attendance
1	Mr. Anjan Kumer Roy, FCA	Chairman	5	5
2	Mr. Md. Zahangir Alam, FCS	Member	5	4
3	Mr. Md. Abul Shahjahan	Member	5	3
4	Mr. Pradip Kumar Nandi, ITP	Member	5	4
5	Mr. Md. Mostain Billah, FCA	Member	5	5

*Directors who could not attend any meeting were granted leave of absence.

The scope of work of Audit Committee:

As a sub-committee of the Board of Directors, the role and responsibilities of Audit Committee of the Company evidently define by its Terms of Reference (TOR); the Committee has full authority to investigate all matters that fall within these Terms of Reference. The Committee is accountable to the Board and shall not be entitled to sub-delegate all or any of the powers and authority delegated to it. In discharging its responsibilities, the Committee shall have unrestricted access to the management, books and records and shall be entitled to receive such information as it requires from any employee. All employees shall be directed to co-operate with any request made by the Committee. The Committee is responsible for selecting the external auditors for recommendation to the Board and appointment by the shareholders.

Role & Responsibilities of the Audit Committee:

- i. Review and recommend to the Board to approve the Quarterly and Annual Financial Statements prepared for statutory purpose;
- ii. Meet management and external auditors to review the Financial Statements before their finalization;
- iii. Monitor and oversee choice of accounting policies and principles, internal control risk Management process, auditing matter, hiring and performance of external auditors;
- iv. Review statement of significant related party transactions submitted by the management;
- v. Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors;
- vi. Review and consider the report of internal auditors and statutory auditors' observations on Internal Control;

- vii. Review the efficiency and effectiveness of internal audit function.

Activities carried out during the year:

- i. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports;
- ii. Reviewed and discussed on the Bangladesh Bank Inspection Report by Bangladesh Bank on Classification of loans & advances of the Company as of 31 December, 2016 and management's reply thereon;
- iii. Reviewed and discussed on quarterly and latest Internal Audit Report of Internal Control & Compliance Department;
- iv. Reviewed and discussed on the compliance follow up report by Internal Control & Compliance Department;
- v. The Committee reviewed the integrity of the Quarterly and Annual Financial Statement and recommended to the Board for consideration;
- vi. Reviewed the Management effort to recover the Classified Investment and Overdue Investment from defaulting borrowers within the shortest possible time;
- vii. Reviewed the Management pragmatic steps to arrest further Classification of Investment to keep the percentage of non-performing Investments at the lowest level;
- viii. Reviewed the loan cases against which legal action have been taken;
- ix. Reviewed various reports of Internal Control & Compliance Department on operation, financial procedures and branch activities;

- x. Reviewed annual written statements from the external auditors that:
 - a. Disclose all relationships between the auditors and the Company, as set out in the Policy, and report on the performance of non-audit activities, rotation of audit partners and staff, auditor relationships, employment of former auditors, including the confirmation of auditor independence; and
 - b. Reviewed with the external auditors any relationships or services that may impact on the independence and objectivity of the external auditors and taking, or recommend that the Board takes, appropriate action to ensure the independence of the external auditors.
- c. Book-keeping or other services related to the accounting records or financial statement;
- d. Broker-dealer services;
- e. Actuarial services;
- f. Internal audit services;
- g. Internal audit certification.

Acknowledgement:

The Audit Committee would like to express their thanks to the Members of the Board of Audit Committee, Management, Auditors and all employees for their dedication and efforts during the year 2016.

On behalf of the Audit Committee

External Auditor:

M/s Pinaki & Co., Chartered Accountants, a renowned audit firm of Audit Panel list of BSEC and independent Associate Member of Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi, India, acted as the external auditors to the company for 2016. The external auditors were not engaged by the company on any material non-audit work such as:

- a. Appraisal or valuation services or fairness opinions;
- b. Financial information systems design and implementation;



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Anjan Kumer Roy, FCA
 Chairman of the Audit Committee



MRH DEY & CO.
Chartered Accountants

**CERTIFICATE ON COMPLIANCE OF CONDITIONS
OF CORPORATE GOVERNANCE GUIDELINES
TO THE SHAREHOLDERS OF FAS FINANCE AND INVESTMENT LIMITED**

Introduction:

We have examined the compliances of Corporate Governance requirements by FAS Finance and Investment Limited (FFIL) for the year ended December 31, 2016 as stipulated under clause 7(i) of the Bangladesh Securities & Exchange Commission (BSEC) notification SEC/CMRRCD/2006-158/134/ADMIN/44 dated on 7 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013.

Scope:

The compliance with the conditions and reporting the status thereof is the responsibility of the management of the Company. Our responsibility is to certify whether the company is in compliance with the said conditions of corporate governance based on our examination which for the purpose of issuing this certificate was limited to the verification of the procedures as adopted by the Management of the Company for ensuring compliance of the conditions of Corporate Governance Guidelines and reporting the implementations status thereof.

Conclusion:

We certify that, to the best of our information and according to the explanations given to us, the company's status on compliance with corporate governance requirements (See Annexure-A) appears to be satisfactory and its report under condition 7(ii) of said notification appropriately reflects the company's compliance with the conditions of Corporate Governance Guidelines of BSEC applicable for listed companies.

Our review for this certification is confined to the aspect for the year ended December 31, 2016; we also state that such compliance is neither an assurance as to the future viability of the company nor a certification on the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dated, Dhaka;
April 26, 2017



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Chittagong Office : R. B. Court (Ground Floor), 54, Agrabad Commercial Area, Chittagong-4100, Bangladesh.
Phone : 031-721342, 725549, 717229, Fax : 031-2517906, E-mail : mrhdeyctg@gmail.com
Web : www.mrhdey.com, Skype Id : mrhdey3

AUDITORS' COMPLIANCE REPORT

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

REPORT UNDER CONDITION # 7

Condition No.	Title	Compliance Status (Put (√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	Board of Directors:			
1.1	Board Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty)	√		The Board of Directors of FAS Finance & Investment Limited (FFIL) consists of 14 Directors.
1.2	Independent Directors:			
1.2 (i)	At least one fifth(1/5) of the total number of Director in the Company's Board shall be Independent Director	√		There are three Independent Directors in the FFILs Board, namely: Mr. Anjan Kumer Roy, Mr. Pradip Kumar Nandi & Mr. Birendra Kumar Shome.
1.2 (ii)	For the purpose of this clause "Independent Director" means	√		The Independent Directors have declared their compliances.
1.2 (ii) (a)	"Independent Director" means a director –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.	√		

Condition No.	Title	Compliance Status (Put(√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.2 (ii) (e)	Who is not a shareholders, Director or officer of any member of stock exchange or any intermediary of the capital market.	√		
1.2 (ii) (f)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned Company's statutory audit firm.	√		
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3(three) listed Companies.	√		
1.2 (ii) (h)	Who has 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)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting(AGM)	√		Three Independent Directors Mr. Anjan Kumer Roy, Mr. Pradip Kumar Nandi & Mr. Birendra Kumar Shome have been appointed in Board meeting as on 04/03/2015, 04/03/2015 & 27/04/2015 respectively and has been approved in the 18th AGM, held on 30/05/2015
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		There was no vacancy in the position of Independent Directors
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	√		The company has laid down a detailed code of conduct and every Director has signed a confirmation as to its compliance.
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.	√		The Independent Directors (IDs) are in their first term of office in FFIL.
1.3	Qualification of Independent Director:			
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.	√		The qualification and background of IDs justify their abilities as such.

Condition No.	Title	Compliance Status (Put(√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.3 (ii)	The person should be a Business leader / corporate leader /Bureaucrat/university teacher with economics or Business studies or law background /professional like Chartered Accountants , Cost & management Accounts ,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 the Commission	-		Not Applicable
1.4	The positions of the Chairman of the Board and Chief Executive Officer of the Company shall be filled by different individuals. The Chairman of the Company shall be elected from among the directors of the Company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive officer	√		Chairman of the Board and CEO are different individuals. The roles and responsibilities of the Chairman of the Board and CEO are approved in meeting
1.5	The Directors' Report to Shareholders:			
1.5 (i)	Industry outlook and possible future developments in the industry	√		Discussed in the Directors' Report
1.5 (ii)	Segment-wise or product-wise performance	√		Discussed in the Directors' Report
1.5 (iii)	Risks and concerns	√		Discussed in the Directors' Report
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	-	-	Not applicable.
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	√		Discussed in the Directors' Report
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	-	-	Not Applicable
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	-	-	Not Applicable
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	-	-	Not Applicable
1.5 (x)	Remuneration to directors including independent directors.	√		Discussed in the Directors' Report

Condition No.	Title	Compliance Status (Put(√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		Discussed in the Directors' Report
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	-	-	Not Applicable
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		Discussed in the Directors' Report
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	-	-	Not Applicable
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		Discussed in the Directors' Report
1.5 (xxi)	The pattern of Shareholding shall be reported to disclose the aggregate number of Shares (along with name wise details where stated below) held by:			
1.5 (xxi) (a)	Share held by Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		Discussed in the Directors' Report
1.5 (xxi) (b)	Share held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		Discussed in the Directors' Report

Condition No.	Title	Compliance Status (Put(√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (xxi) (c)	Share held by executives; (Top 5 salaried)	√		Discussed in the Directors' Report
1.5 (xxii) (d)	Share held by shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		Discussed in the Directors' Report
1.5 (xxii)	In Case of Appointment/Re-appointment of a Director the company shall disclose the following information to the Shareholders:			
1.5 (xxii) (a)	A brief resume of the directors	√		
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	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/ or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		
3.	AUDIT COMMITTEE:			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1	Constitution of the Audit Committee:			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		The Independent Directors- Mr. Anjan Kumer Roy & Mr. Pradip Kumer Nandi are the members of the Audit Committee.

Condition No.	Title	Compliance Status (Put(√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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)	Filling of Casual Vacancy in Committee	√		
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 Board of Directors shall select 1 (one) member of the Audit Committee (AC) to be Chairman of the Audit Committee, who shall be an independent director	√		Mr. Anjan Kumer Roy has been appointed as Independent Director, who is also Chairman of AC.
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√		
3.3	Role of Audit Committee:			
3.3 (i)	Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of 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, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	-	-	Not Applicable

Condition No.	Title	Compliance Status (Put(√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Director:			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		Audit Committee informs Board Periodically through its minutes.
3.4.1 (ii)	Immediate reporting of the Audit Committee to the Board on the following issues (if any):			
3.4.1 (ii) (a)	Report on conflicts of interests.	-	-	Not Applicable
3.4.1 (ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	-	-	Not Applicable
3.4.1 (ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations.	-	-	Not Applicable
3.4.1 (ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately.	-	-	Not Applicable
3.4.2	Reporting to the Authorities.	-	-	Not Applicable
3.5	Reporting to the Shareholders and General Investors.	√		
4.	External /Statutory Auditors:			
4 (i)	Appraisal or valuation services or fairness opinions.	√		
4 (ii)	Financial information systems design and implementation.	√		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
4 (iv)	Broker-dealer services.	√		
4 (v)	Actuarial services.	√		
4 (vi)	Internal audit services.	√		
4 (vii)	Any other service that the Audit Committee determines.	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
4 (ix)	Audit/certification service on compliance of Corporate Governance.	√		
5.	Subsidiary Company:			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		FFIL have a subsidiary Company Named-FAS Capital Management Limited.
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	√		The Independent director of FFIL Mr. Anjan Kumer Roy is nominated in the Board of the subsidiary company.

Condition No.	Title	Compliance Status (Put(√) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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.	√		
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 investments made by the subsidiary company.	√		
6.	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
6 (i)	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.	Reporting and Compliance of Corporate Governance:			
7 (i)	The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the Directors' report whether the Company has complied with these conditions.	√		

PATTERN OF SHAREHOLDING

As at 31 December, 2016

Name & Description of Shareholders		No. of Shares held	% of Holding
A.	Parent/ Subsidiary / Associated Companies and other related parties	Nil	-
B.	Directors, CEO, CFO, CS, HICC and their Spouses and Minor Children		
	Mr. Md. Siddiqur Rahman	5,770,050	4.69
	Mr. Md. Zahangir Alam, Represented by Design & Source Ltd.	2,613,154	2.13
	Mr. Mohammad A. Hafiz, Represented by Nikita & Company Limited	7,637,437	6.21
	Mr. Md. Abul Shahjahan, Represented by Simtex Industries Ltd.	3,962,219	3.22
	Mr. Md. Mostain Billah, Represented by P&L International Ltd.	6,600,000	5.37
	Ms. Soma Ghosh, Represented by P&L International Ltd.		
	Ms. Kazi Mahjaben Momtaz, Represented by P&L Agro Farms Ltd.	8,095,683	6.59
	Ms. Mahfuza Rahman Baby, Represented by P&L Agro Farms Ltd.		
	Mr. Md. Atharul Islam, Represented by P&L Agro Farms Ltd.		
	Dr. Uddab Mallick, Represented by Reptiles Farm Ltd.	9,629,950	7.83
	Mr. Arun Kumer Kundu, Represented by Reptiles Farm Ltd.		
	Mr. Anjan Kumer Roy, Independent Director	Nil	-
	Mr. Pradip Kumar Nandi, Independent Director	Nil	-
	Mr. Birendra kumar Shome, Independent Director	Nil	-
	Mr. Md. Russel Shahrior, Managing Director & CEO	Nil	-
	Mr. Md. Maniruzzaman Akan, Chief Financial Officer (CFO)	Nil	-
	Mr. Md. Munir Hossain, Head of ICC (HICC)	Nil	-
	Mr. Md. Mohsin Reza Khan, Company Secretary (CS)	Nil	-
C.	Executives		
	Mr. Pran Gouranga Dey, Senior Executive Vice President	Nil	-
	Mr. Md. Zahangir Alam Bhuiyan, Senior Vice President	Nil	-
	Mr. Md. Azimul Haque, Senior Vice President	Nil	-
D.	Shareholders holding 10 % (Ten percent) or more voting interest in the Company		
	M/S Nitol Motors Ltd.	15,274,875	12.43

MEETING ATTENDED & REMUNERATION RECEIVED BY THE DIRECTORS DURING THE YEAR 2016

Sl. No.	Name of Directors	Board of Directors' Meeting			Executive Committee's Meeting			Audit Committee's Meeting			Total Remuneration paid during the year 2016 (Taka)			
		Meeting Held	Meeting Attended	% of Attendance	Remuneration Paid (Taka)	Meeting Held	Meeting Attended	% of Attendance	Remuneration Paid (Taka)	Meeting Held		Meeting Attended	% of Attendance	Remuneration Paid (Taka)
1	Mr. Md. Siddiquir Rahman	8	7	87.50	50,400	3	3	100	21,600	-	-	-	-	72,000
2	Mr. Md. Zahangir Alam	8	7	87.50	50,400	3	3	100	21,600	5	4	80	28,800	100,800
3	Mr. Mohammad A. Hafiz	8	8	100	57,600	-	-	-	-	-	-	-	-	57,600
4	Mr. Md. Abul Shahjahan	8	3	37.50	21,600	-	-	-	-	5	3	60	21,600	43,200
5	Mr. Md. Mostain Billah	8	6	75	43,200	-	-	-	-	5	5	100	36,000	79,200
6	Ms. Soma Ghosh	8	7	87.50	50,400	-	-	-	-	-	-	-	-	50,400
7	Ms. Kazi Mahjabin Mohtaz	8	8	100	57,600	-	-	-	-	-	-	-	-	57,600
8	Ms. Mahfuza Rahman Baby	8	1	12.50	7,200	-	-	-	-	-	-	-	-	7,200
9	Mr. Md. Atharul Islam	8	5	62.50	36,000	-	-	-	-	-	-	-	-	36,000
10	Mr. Arun Kumer Kundu	8	8	100	57,600	3	2	67	14,400	-	-	-	-	72,000
11	Dr. Uddab Mallick	8	8	100	57,600	3	3	100	21,600	-	-	-	-	79,200
12	Mr. Anjan Kumer Roy	8	8	100	57,600	3	3	100	21,600	5	5	100	36,000	115,200
13	Mr. Pradip Kumar Nandi	8	7	87.50	50,400	-	-	-	-	5	4	80	28,800	79,200
14	Mr. Birendra kumar Shome	8	6	75	43,200	-	-	-	-	-	-	-	-	43,200
Total Remuneration paid					640,800				100,800				151,200	892,800

Note:

- The total Remuneration paid for attending the Meeting is net of Tax & VAT;
- The leave of absence of the Directors who could not attend at meeting was granted by the Board.

GOOD GOVERNANCE GUIDELINES COMPLIANCE

The Statement of compliance with the good governance guidelines issued by the Bangladesh Bank vides DFIM Circular No. 7, dated 25 September 2007 regarding the policies on the responsibility & accountability of the Board of Directors, Chairman & Chief Executive of financial institution. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines. A status report on compliance with those guidelines is stated below:

Sl. No.	Particulars Status of Compliance	Status of Compliance
1.	Responsibilities and authorities of the Board of Directors:	
	(a) Work-planning and strategic management:	
	(i) The Board shall determine the Vision/ Mission of the institute. In order to enhance operational efficiency and to ensure business growth, they shall chalk out strategies and work-plans on annual basis. The Board shall review such strategies on quarterly rests and shall modify accordingly, if required. If any structural modification is required, shall bring those changes with consultation with the management.	Complied
	(ii) The Board shall have its analytical review incorporated in the Annual report as regard to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders on future plans and strategies.	Complied
	(iii) The Board will set the Key Performance Indicator (KPI)s for the CEO and other senior executives and will appraise those on half yearly basis.	Complied
	(b) Formation of sub-committee:	
	Executive Committee may be formed in combination with directors of the Company for rapid settlement of the emergency matters (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities. Except the Executive Committee and Audit Committee, no other committee or sub-committee can be formed, even in temporary basis.	Complied
	(c) Financial management:	
	(i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recover overdue loan/lease.	Complied
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board to the maximum extend shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget.	Complied
	(iv) The Board shall adopt the process of operation of bank accounts. To ensure transparency in financial matters, groups may be formed among the management to operate bank accounts under joint signatures.	Complied
	(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.	Complied

Sl. No.	Particulars Status of Compliance	Status of Compliance
	(ii) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	Complied
	(iii) Any large loan/lease/investment proposal must be approved by the Board.	Complied
	(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.	Complied
	(f) Internal control and compliance management:	
	An 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 auditors, external auditors and Bangladesh Bank Inspection team as well.	Complied
	(g) Human resource management:	
	Board shall approve the policy on Human Resources Management and Service Rule. The Chairman and directors of the Board shall not interfere on the administrative job in line with the approved Service Rule. 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 in compliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	Complied
	(h) Appointment of CEO:	
	The Board shall appoint a competent CEO for the institution with the prior approval of the Bangladesh Bank and shall approve the proposal for increment of his salary and allowances.	Complied
	(i) Benefits offer to the Chairman:	
	For the interest of the business, the Chairman may be offered an office room, a personal secretary, a telephone at the office and a vehicle subject to the approval of the Board.	Complied
2.	Responsibilities of the Chairman of the Board of Directors:	
	(a) Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	Complied
	(b) The minutes of the Board meetings shall be signed by the Chairman;	Complied
	(c) The Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied
3.	Responsibilities of Managing Director:	
	(a) 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;	Complied
	(b) For day to day operations, Managing Director shall ensure compliance with the rules and regulation of the Financial Institutions Act, 1993 and other relevant circulars of Bangladesh Bank;	Complied
	(c) All recruitment/promotion, except those of DMD, GM and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance the approved HR Policy of the institution;	Complied
	(d) Managing Director may re-schedule job responsibilities of employees;	Complied
	(e) Except for the DMD, GM and equivalent positions, power to transfer and to take disciplinary action shall vest to the Managing Director.	Complied
	(f) 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 MD.	Complied

CEO AND CFO'S CERTIFICATION

We do hereby certify that the Consolidated Financial Statements of FAS Finance & Investment Limited and its subsidiary (the Group) as well as the Financial Statements of FAS Finance & Investment Limited (the Company) which comprise the consolidated and the separate balance sheet as on December 31, 2016, profit and loss account, statement of changes in equity, cash flow statement for the year then ended, and other explanatory notes have been prepared and presented fairly in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Financial Institutions Act, 1993, DFIM Circular no. 11 dated 23 December, 2009 and other rules & regulations issued by the Bangladesh Bank, the Securities and Exchange Rules, 1987, the Companies Act, 1994 and other applicable laws and regulations.


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

We do further certify that we have reviewed these Financial Statements for the year ended 31 December, 2016 and that to the best of our knowledge and belief:

- a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 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;
- c) No transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



.....
Md. Maniruzzaman Akan
Chief Financial Officer



.....
Md. Russel Shahrior
Managing Director & CEO

**AUDITED ANNUAL
FINANCIAL
STATEMENTS-2016**



**ATTUNED WITH
FINANCIAL TRENDS
TO DRIVE OUR
ENTERPRISE FORWARD**



AUDITORS' REPORT TO THE SHAREHOLDERS OF FAS FINANCE & INVESTMENT LIMITED

We have audited the accompanying Financial Statements of FAS FINANCE & INVESTMENT LIMITED and its Subsidiary as well as the separate Financial Statements of FAS FINANCE & INVESTMENT LIMITED which comprise the Consolidated and the separate Balance Sheet as at 31 December 2016, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Shareholders' Equity and Liquidity Statement for the year then ended 31 December 2016 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 Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 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 misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an 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 relevant 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 auditors' judgment, including the assessment of the risks of material misstatements of the Financial Statements, 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 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 (BFRSs), give a true and fair view of state of the company's affairs as at 31 December 2016, and of the results of its operations and cash flows for the year then ended and comply with the Financial Institutions 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.

Matter of Emphasis:

Without qualifying our opinion we draw attention to the matter that inadequate provision on the balance of margin loan was made as per recent circular no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 of Bangladesh Securities and Exchange Commission (BSEC) due to unusual negative balance of collateral security arising out of fall in market value.

We also report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c. The Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts;
- d. The Financial Statements have been drawn up in conformity with the Financial Institutions Act 1993 and in accordance with the Accounting Rules and Regulations issued by the Bangladesh Bank to the extent applicable to the company;
- e. The expenditure incurred and payments made were for the purposes of the company's business;
- f. Adequate provisions (subject to Note 6.a.i.) have been made for loans and advances, investments and other assets which are, in our opinion, doubtful of recovery;
- g. The company have complied with the relevant laws pertaining to reserves and maintenance of liquid assets;
- h. The information and explanations required by us has been received and found satisfactory;
- i. As far as it was revealed from our test checks, the existing rules and regulations for loan/advance and lease sanctioning and disbursements as well as classification, provisioning and suspension of interest have been followed properly;
- j. Adequate capital of the company, as required by law, has been maintained during the year under audit;
- k. It appeared from our test checks that the internal control system was satisfactory and adequate to prevent probable fraud and forgeries;
- l. 80 percent of the risk weighted assets have been reviewed spending over 1,300 person hours.

Dhaka

Dated: 22-04-2017



Pinaki & Company
Chartered Accountants

FAS Finance & Investment Limited Consolidated Balance Sheet

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		31-Dec-2016	31-Dec-2015
PROPERTY AND ASSETS			
Cash	2 (a)	69,026,418	46,143,116
In hand (including foreign currencies)		35,114	37,853
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		68,991,304	46,105,263
Balance with other banks and financial institutions	3 (a)	1,806,481,383	558,414,460
In Bangladesh		1,806,481,383	558,414,460
Outside Bangladesh		-	-
Money at call and on short notice	4 (a)	-	-
Investments	5 (a)	868,751,915	772,932,127
Government		-	-
Others		868,751,915	772,932,127
Loans, advances and leases		14,018,369,557	11,776,541,106
Loans, cash credits, overdrafts, and leases etc.	6 (a)	14,018,369,557	11,776,541,106
Bills purchased and discounted	7 (a)	-	-
Fixed assets including premises, furniture and fixtures Annexure-1 (a)	8 (a)	340,820,249	344,804,386
Other assets	9 (a)	518,257,576	364,972,727
Non-Financial assets-held for sale	10 (a)	44,665,893	44,665,893
Total Assets		17,666,372,991	13,908,473,815
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions, and agents	11 (a)	6,191,382,346	4,036,971,473
Deposits and other accounts	12 (a)	8,224,278,625	7,049,849,244
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed deposits	12.1	8,224,278,625	7,049,849,244
Bearer certificates of deposit		-	-
Other deposits		-	-
Others liabilities	13 (a)	1,508,535,977	1,173,069,963
Total Liabilities		15,924,196,948	12,259,890,680
Capital/Shareholders' Equity		1,736,099,363	1,642,982,637
Paid-up capital	14	1,229,250,580	1,117,500,530
Statutory reserve	15	155,186,770	129,976,825
Other reserve	16	315,000	315,000
Revaluation reserve	17	235,792,859	243,762,764
Retained earnings	18 (a)	115,554,154	151,427,518
Minority interest		6,076,680	5,600,498
Total Liabilities and Shareholders' Equity		17,666,372,991	13,908,473,815
Net asset value per share		14.12	14.70

FAS Finance & Investment Limited Consolidated Balance Sheet

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		31-Dec-2016	31-Dec-2015
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments		679,637,582	806,888,740
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	19 (a)	679,637,582	806,888,740
Total		679,637,582	806,888,740
Other memorandum items	20 (a)	799,499,117	1,344,789,363

The Accounting policies and other notes from 01 to 43 form an integral part of the financial statements.

Signed as per annexed report on even date


Md. Zahangir Alam, FCS
Vice Chairman


Anjan Kumer Roy, FCA
Director


Md. Russel Shahrior
Managing Director & CEO


Md. Maniruzzaman Akan
Chief Financial Officer


Md. Mohsin Reza Khan
Company Secretary


Pinaki & Company
Chartered Accountants

Date: Dhaka, 22 April 2017

FAS Finance & Investment Limited

Consolidated Profit and Loss Account

For the year ended 31 December 2016

Particulars	Notes	Amount in Taka	
		31-Dec-2016	31-Dec-2015
OPERATING INCOME			
Interest income	22 (a)	1,773,845,307	1,410,095,277
Less: Interest paid on deposits and borrowings, etc.	23 (a)	1,461,495,946	966,078,852
Net interest income		312,349,361	444,016,425
Investment income	24 (a)	41,717,238	52,110,164
Commission, exchange and brokerage	25 (a)	300,000	-
Other operating income	26 (a)	11,577,362	14,824,359
		53,594,600	66,934,523
Total operating income (a)		365,943,961	510,950,948
OPERATING EXPENSES			
Salary and allowances	27 (a)	69,236,034	53,282,380
Rent, taxes, insurance, electricity, etc.	28 (a)	12,781,099	6,847,786
Legal expenses	29 (a)	878,736	3,506,275
Postage, stamps, telecommunication, etc.	30 (a)	2,597,283	2,424,566
Stationery, printings, advertisements, etc.	31 (a)	4,154,636	2,062,381
Chief executive's salary and fees		3,900,000	3,900,000
Directors' fees	32 (a)	1,223,600	1,148,150
Auditors' fees	33 (a)	214,475	207,975
Charge on loan losses		-	-
Depreciation and repairs of FI's assets	34 (a)	22,544,837	17,115,074
Other expenses	35 (a)	16,273,390	14,030,415
Total operating expenses (b)		133,804,090	104,525,002
Profit before provision (c=a-b)		232,139,871	406,425,946
Provision against loans, advances and leases	36 (a)	67,535,635	63,367,319
Provision for diminution in value of investments	37 (a)	(12,395,965)	126,976,695
Other provisions		-	1,014,876
Total provision (d)		55,139,670	191,358,890
Profit before taxation (c-d)		177,000,201	215,067,056
Provision for taxation	38 (a)	85,612,963	85,388,473
Current tax		81,970,697	85,639,716
Deferred tax		3,642,266	(251,243)
Net profit after taxation		91,387,238	129,678,583
Attributable:		91,387,238	129,678,583
Shareholders of the company		923,577,88	129,606,483
Minority interest		(970,550)	72,100
Appropriations		25,209,945	25,334,884
Statutory reserve	15	25,209,945	25,334,884
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		67,147,843	104,271,599
Earnings per share-EPS (Last year restated)	40 (a)	0.75	1.05

The Accounting policies and other notes from 01 to 43 form an integral part of the financial statements.


Md. Zahangir Alam, FCS
 Vice Chairman


Anjan Kumer Roy, FCA
 Director


Md. Russel Shahrion
 Managing Director & CEO


Md. Maniruzzaman Akan
 Chief Financial Officer


Md. Mohsin Reza Khan
 Company Secretary


Pinaki & Company
 Chartered Accountants

Date: Dhaka, 22 April 2017

FAS Finance & Investment Limited

Consolidated Cash Flow Statement

For the year ended 31 December 2016

Particulars	Amount in Taka	
	31-Dec-2016	31-Dec-2015
Cash flows from operating activities		
Interest receipts	1,761,919,087	1,231,576,986
Interest payments	(1,227,729,222)	(776,087,610)
Dividend receipts	22,180,992	10,697,468
Fee and commission receipts	300,000	720,000
Recoveries on loans previously written off	-	50,000
Payments to employees	(73,602,363)	(56,550,391)
Payments to suppliers	-	-
Income taxes paid	(71,292,938)	(30,182,530)
Receipts from other operating activities	25,220,233	52,346,003
Payment for other operating activities	(50,106,602)	(35,557,560)
Operating profit before changes in operating assets & liabilities	386,889,187	397,012,366
Increase/decrease in operating assets and liabilities		
Statutory deposit	-	-
Purchase/sale of trading securities	-	-
Loans, advances and leases to FI's	-	-
Loans, advances and leases to customers	(2,158,486,831)	(5,538,129,636)
Other assets	(10,881,012)	10,190,436
Deposit from other FI's	720,892,500	2,650,000,000
Deposit from customers	438,632,253	1,386,051,737
Other liabilities to customer	29,062,201	17,321,028
Trading liabilities (short-term borrowing)	1,768,093,263	144,333,214
Other liabilities	449,426	2,170,417
	787,761,800	(1,328,062,804)
	1,174,650,987	(931,050,438)
Net cash from/(used in) operating activities (a)		
Cash flows from investing activities		
Purchase/Sale of government securities	-	-
Purchase/Sale of trading securities, shares, bonds, etc.	(173,083,760)	(302,445,912)
Purchase/Sale of property, plant and equipment	(14,411,795)	(37,025,958)
Purchase/Sale of Subsidiaries	1,000,000	3,000,000
Net cash used in investing activities (b)	(186,495,555)	(336,471,870)
Cash flows from financing activities		
Increase/(decrease) of long-term borrowings	282,782,597	1,634,632,100
Dividend paid	12,196	(111,355,836)
Net cash flow from financing activities (c)	282,794,793	1,523,276,264
Net increase/(decrease) in cash (a+b+c)	1,270,950,225	255,753,956
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at beginning of the year	604,557,576	348,803,620
Cash and cash equivalents at end of the year*	1,875,507,801	604,557,576
*Cash and cash equivalents at end of the year		
Cash in hand and balance with Bangladesh Bank	69,026,418	46,143,116
Balance with other banks	1,806,481,383	558,414,460
Money at call and short notice	-	-
Treasury bills	-	-
Prize bond	-	-
	1,875,507,801	604,557,576

The Accounting policies and other notes from 01 to 43 form an integral part of the financial statements.


Md. Zahangir Alam, FCS
 Vice Chairman


Anjan Kumer Roy, FCA
 Director


Md. Russel Shahrior
 Managing Director & CEO


Md. Maniruzzaman Akan
 Chief Financial Officer


Md. Mohsin Reza Khan
 Company Secretary

Date: Dhaka, 22 April 2017


Pinaki & Company
 Chartered Accountants

FAS Finance & Investment Limited Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2016

Particulars	Amount in Taka					
	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Total
Balance as at 01 January 2016	1,117,500,530	129,976,825	243,762,764	315,000	151,427,518	1,642,982,637
Prior year adjustment for tax provision-2012	-	-	-	-	1,205,670	1,205,670
Adjustment for minority interest	-	-	-	-	(446,732)	(446,732)
Restated Balance	1,117,500,530	129,976,825	243,762,764	315,000	152,186,456	1,643,741,575
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the Profit and Loss Account	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	92,357,788	92,357,788
Transfer to statutory reserve	-	25,209,945	-	-	(25,209,945)	-
Stock dividend-2015	111,750,050	-	-	-	(111,750,050)	-
Transfer of depreciation charged to Profit and Loss account	-	-	(7,969,905)	-	7,969,905	-
Issue of share capital	-	-	-	-	-	-
Balance as at 31 December 2016	1,229,250,580	155,186,770	235,792,859	315,000	115,554,154	1,736,099,363
Balance as at 31 December 2015	1,117,500,530	129,976,825	243,762,764	315,000	151,427,518	1,642,982,637


The Accounting policies and other notes from 01 to 43 form an integral part of the financial statements.


Md. Zahangir Alam, FCS
Vice Chairman


Anjan Kumer Roy, FCA
Director


Md. Russel Shahrir
Managing Director & CEO


Md. Maniruzzaman Akan
Chief Financial Officer


Md. Mohsin Reza Khan
Company Secretary


Pinaki & Company
Chartered Accountants

Date: Dhaka, 22 April 2017

FAS Finance & Investment Limited

Balance Sheet

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		31-Dec-2016	31-Dec-2015
PROPERTY AND ASSETS			
Cash	2	69,019,467	46,135,386
In hand (including foreign currencies)	2.1	28,163	30,123
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.2	68,991,304	46,105,263
Balance with other banks and financial institutions	3	1,766,972,484	522,643,870
In Bangladesh	3.1	1,766,972,484	522,643,870
Outside Bangladesh		-	-
Money at call and on short notice	4	-	-
Investments	5	339,840,072	459,287,881
Government	5.1	-	-
Others	5.2	339,840,072	459,287,881
Loans, advances and leases		13,841,656,643	11,286,132,874
Loans, cash credits, overdrafts, and leases etc.	6	13,841,656,643	11,286,132,874
Bills purchased and discounted	7	-	-
Fixed assets including premises, furniture and fixtures (Annexure-1)	8	330,575,936	340,128,652
Other assets	9	717,416,872	579,225,014
Non-Financial assets-held for sale	10	44,665,893	44,665,893
Total Assets		17,110,147,367	13,278,219,570
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions, and agents	11	5,800,671,976	3,587,209,509
Deposits and other accounts	12	8,224,278,625	7,049,849,244
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed deposits	12.1	8,224,278,625	7,049,849,244
Bearer certificates of deposit		-	-
Other deposits		-	-
Others liabilities	13	1,317,045,010	999,058,784
Total Liabilities		15,341,995,611	11,636,117,537
Capital/Shareholders' Equity		1,768,151,756	1,642,102,033
Paid-up capital	14	1,229,250,580	1,117,500,530
Statutory reserve	15	155,186,770	129,976,825
Other reserve	16	315,000	315,000
Revaluation reserve	17	235,792,859	243,762,764
Retained earnings	18	147,606,547	150,546,914
Total Liabilities and Shareholders' Equity		17,110,147,367	13,278,219,570
Net asset value per share		14.38	14.69

FAS Finance & Investment Limited

Balance Sheet

As at December 31, 2016

Particulars	Notes	Amount in Taka	
		31-Dec-2016	31-Dec-2015
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments		679,637,582	806,888,740
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	19	679,637,582	806,888,740
Total		679,637,582	806,888,740
Other memorandum items	20	-	-

The Accounting policies and other notes from 01 to 43 form an integral part of the financial statements.



Md. Zahangir Alam, FCS
Vice Chairman



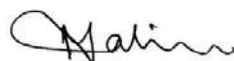
Anjan Kumer Roy, FCA
Director



Md. Russel Shahrrior
Managing Director & CEO



Md. Maniruzzaman Akan
Chief Financial Officer



Md. Mohsin Reza Khan
Company Secretary



Pinaki & Company
Chartered Accountants

Date: Dhaka, 22 April 2017

FAS Finance & Investment Limited

Profit and Loss Account

For the Year ended 31 December 2016

Particulars	Notes	Amount in Taka	
		31-Dec-2016	31-Dec-2015
OPERATING INCOME			
Interest income	22	1,743,271,504	1,351,173,181
Less: Interest paid on deposits and borrowings, etc.	23	1,412,451,653	948,780,808
Net interest income		330,819,851	402,392,373
Investment income	24	17,208,327	26,712,912
Commission, exchange and brokerage	25	-	-
Other operating income	26	1,515,379	4,646,306
		18,723,706	31,359,218
Total operating income (a)		349,543,557	433,751,591
OPERATING EXPENSES			
Salary and allowances	27	58,395,390	41,603,270
Rent, taxes, insurance, electricity, etc.	28	6,200,535	5,657,024
Legal expenses	29	795,936	3,393,257
Postage, stamps, telecommunication, etc.	30	2,185,232	2,042,098
Stationery, printings, advertisements, etc.	31	3,692,033	1,797,978
Chief executive's salary and fees		3,900,000	3,900,000
Directors' fees	32	1,140,800	974,500
Auditors' fees	33	166,750	160,250
Charge on loan losses		-	-
Depreciation and repairs of FI's assets	34	21,197,883	16,091,525
Other expenses	35	15,479,055	12,667,324
Total operating expenses (b)		113,153,614	88,287,226
Profit before provision (c=a-b)		236,389,943	345,464,365
Provision against loans, advances and leases	36	67,535,635	63,367,319
Provision for diminution in value of investments	37	(38,698,651)	85,499,860
Other provisions		-	1,014,876
Total provision (d)		28,836,984	149,882,055
Profit before taxation (c-d)		207,552,959	195,582,310
Provision for taxation	38	81,503,236	68,907,888
Current tax	13.2	78,850,709	69,134,717
Deferred tax	13.3	2,652,527	(226,829)
Net profit after taxation		126,049,723	126,674,422
Appropriations		25,209,945	25,334,884
Statutory reserve	15	25,209,945	25,334,884
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		100,839,778	101,339,538
Earnings per share-EPS (Last year restated)	40	1.03	1.03

The Accounting policies and other notes from 01 to 43 form an integral part of the financial statements.


Md. Zahangir Alam, FCS
Vice Chairman


Anjan Kumer Roy, FCA
Director


Md. Russel Shahrion
Managing Director & CEO


Md. Maniruzzaman Akan
Chief Financial Officer


Md. Mohsin Reza Khan
Company Secretary


Pinaki & Company
Chartered Accountants

Date: Dhaka, 22 April 2017






FAS Finance & Investment Limited

Cash Flow Statement

For the Year ended 31 December 2016

Particulars	Amount in Taka	
	31-Dec-2016	31-Dec-2015
Cash flows from operating activities		
Interest receipts	1,725,948,970	1,061,407,780
Interest payments	(1,179,532,654)	(759,430,213)
Dividend receipts	10,553,648	6,607,283
Fee and commission receipts	-	-
Recoveries on loans previously written off	-	50,000
Payments to employees	(62,761,719)	(44,871,281)
Payments to suppliers	-	-
Income taxes paid	(64,638,951)	(19,410,097)
Receipts from other operating activities	5,159,425	22,075,129
Payment for other operating activities	(38,020,380)	(31,577,090)
Operating profit before changes in operating assets & liabilities	396,708,339	234,851,511
Increase/decrease in operating assets and liabilities		
Statutory deposit	-	-
Purchase/Sale of trading securities	-	-
Loans, advances and leases to FI's	-	-
Loans, advances and leases to customers	(2,461,094,029)	(5,182,558,755)
Other assets	(4,404,000)	15,270,336
Deposit from other FI's	720,892,500	2,650,000,000
Deposit from customers	438,632,253	1,386,051,737
Other liabilities to customer	29,062,201	17,321,028
Trading liabilities (short-term borrowing)	1,893,992,582	127,666,111
Other liabilities	(2,973)	1,038
	617,078,534	(986,248,505)
Net cash from/(used in) operating activities (a)	1,013,786,873	(751,396,994)
Cash flows from investing activities		
Purchase/Sale of government securities	-	-
Purchase/Sale of trading securities, shares, bonds, etc.	43,937,269	(114,722,690)
Purchase/Sale of property, plant and equipment	(8,306,240)	(36,498,159)
Purchase/Sale of Subsidiaries	1,000,000	3,000,000
Net cash used in investing activities (b)	36,631,029	(148,220,849)
Cash flows from financing activities		
Increase/(decrease) of long-term borrowings	216,782,597	1,231,692,160
Dividend paid	12,196	(111,355,836)
Net cash flow from financing activities (c)	216,794,793	1,120,336,324
Net increase/(decrease) in cash (a+b+c)	1,267,212,695	220,718,481
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at beginning of the year	568,779,256	348,060,775
Cash and cash equivalents at end of the year*	1,835,991,951	568,779,256
*Cash and cash equivalents at end of the year		
Cash in hand and balance with Bangladesh Bank	69,019,467	46,135,386
Balance with other banks	1,766,972,484	522,643,870
Money at call and short notice	-	-
Treasury bills	-	-
Prize bond	-	-
	1,835,991,951	568,779,256

The Accounting policies and other notes from 01 to 43 form an integral part of the financial statements.

 Md. Zahangir Alam, FCS Vice Chairman	 Anjan Kumer Roy, FCA Director	 Md. Russel Shahrion Managing Director & CEO	 Md. Maniruzzaman Akan Chief Financial Officer
 Md. Mohsin Reza Khan Company Secretary	 Pinaki & Company Chartered Accountants		

Date: Dhaka, 22 April 2017

FAS Finance & Investment Limited

Statement of Changes in Shareholders' Equity

For the Year ended 31 December 2016

Particulars	Amount in Taka					
	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Total
Balance as at 01 January 2016	1,117,500,530	129,976,825	243,762,764	315,000	150,546,914	1,642,102,033
Effects of changes in accounting policy	-	-	-	-	-	-
Restated Balance	1,117,500,530	129,976,825	243,762,764	315,000	150,546,914	1,642,102,033
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the Profit and Loss Account	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	126,049,723	126,049,723
Transfer to statutory reserve	111,750,050	25,209,945	-	-	(25,209,945)	-
Stock dividend-2015	-	-	-	-	(111,750,050)	-
Transfer of depreciation charged to Profit and Loss account	-	-	(7,969,905)	-	7,969,905	-
Issue of share capital	-	-	-	-	-	-
Balance as at 31 December 2016	1,229,250,580	155,186,770	235,792,859	315,000	147,606,547	1,768,151,756
Balance as at 31 December 2015	1,117,500,530	129,976,825	243,762,764	315,000	150,546,914	1,642,102,033


The Accounting policies and other notes from 01 to 43 form an integral part of the financial statements.


Md. Zahangir Alam, FCS
 Vice Chairman


Anjan Kumer Roy, FCA
 Director


Md. Russel Shahrir
 Managing Director & CEO


Md. Maniruzzaman Akan
 Chief Financial Officer


Md. Mohsin Reza Khan
 Company Secretary


Pinaki & Company
 Chartered Accountants

Date: Dhaka, 22 April 2017

FAS Finance & Investment Limited Liquidity Statement (Asset and Liability Maturity Analysis)

As at 31 December, 2016

Particulars	Amount in Taka					
	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Assets						
Cash in hand (including balance with Bangladesh Bank)	3,981,906	-	65,037,561	-	-	69,019,467
Balance with other banks and financial institution	1,120,987,787	175,248,697	470,736,000	-	-	1,766,972,484
Money at call and on short notice	-	-	-	-	-	-
Investments	-	5,000,000	50,000,000	284,840,072	-	339,840,072
Loan, advances and leases	695,000,000	935,000,000	4,615,000,000	6,855,000,000	741,656,643	13,841,656,643
Fixed assets including premises, furniture and fixture	-	-	-	-	330,575,936	330,575,936
Other assets	75,000	4,617,145	201,578,883	216,354,248	294,791,596	717,416,872
Non-Financial assets-held for sale	-	-	44,665,893	-	-	44,665,893
Total assets	1,820,044,693	1,119,865,842	5,447,018,337	7,356,194,320	1,367,024,175	17,110,147,367
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	203,775,710	183,971,658	2,234,614,857	3,178,309,751	-	5,800,671,976
Deposits and other accounts	1,578,736,700	1,725,890,816	4,532,725,173	383,744,402	3,181,534	8,224,278,625
Provision and other liabilities	34,111,739	28,292,864	355,100,068	899,540,339	-	1,317,045,010
Total liabilities	1,816,624,149	1,938,155,338	7,122,440,098	4,461,594,492	3,181,534	15,341,995,611
Net liquidity excess/(shortage)	3,420,544	(818,289,496)	(1,675,421,761)	2,894,599,828	1,363,842,641	1,768,151,756

FAS Finance & Investment Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2016

1.00 Legal status and Nature of the Company

FAS Finance & Investment Limited (formerly named as Fidelity Assets & Securities Company Limited) is a Non-Banking Financial Institution (NBFI) formed under the Financial Institutions Act, 1993. The Company was also registered as a Merchant Bank with the Bangladesh Securities and Exchange Commission on 22 January 1998. FAS Finance & Investment Limited (FFIL) was incorporated as a Private Limited Company on 04 March 1997 under the Companies Act, 1994 and was converted into Public Limited Company on 18 August 2001. It started lease financing operation after obtaining license from Bangladesh Bank on 17 September 2001. FFIL obtained license for principal branch vide Bangladesh Bank letter dated September 26, 2001 and 1st lease agreement & commencement of public deposit mobilization commenced on December 27, 2001. FFIL obtained license for Chittagong, Narsingdi and Sylhet branches under section 4(1) of the Financial Institution Act, 1993 on 14 February 2007, 18 July 2007 and 09 July 2008 respectively. The Company is listed with both Dhaka and Chittagong Stock Exchanges (09 January 2008). It launched its first trading of shares in Dhaka and Chittagong Stock Exchange on 16 January 2008.

The Head Office of FAS Finance & Investment Limited (FFIL) is situated at Suvastu Imam Square (4th floor), 65 Gulshan Avenue, Gulshan, Dhaka-1212.

Subsidiary Company

FAS Finance & Investment Ltd. (Former Fidelity Assets & Securities Co. Ltd.) started its activity as a Merchant Bank in 1997. In the year 2010 BSEC (letter No. SEC/Reg/MD- Policy/Part-VI/2008/286 Dated 26 July 2010) instructed to form a separate subsidiary company for Merchant Banking alone with in 30th September, 2010. Accordingly the management formed a separate subsidiary Merchant Banking Company named as FAS Capital Management Ltd (FCML). Due to formulation of a new Merchant Banking Company FAS Finance and Investment Ltd. transferred the entire investment portfolio amounting Tk. 97.20 crore to FAS Capital Management Ltd. The FAS Capital Management Ltd. applied on 26.09.10 to BSEC in order to transfer the Merchant Banking license in favor of the newly formed subsidiary company and got the license from BSEC on 16 May 2012.

The company acquired 97.20% shares of "FAS Capital Management Limited" (formerly Fidelity Assets & Securities Company Limited) (24,300,000 shares of Tk. 10 each). The subsidiary is a private limited company, incorporated with the Registrar of Joint Stock Companies vide registration no. C-87541/10 dated 13th October 2010 under the companies Act, 1994.

1.01 Financial Activities

(a) Lease financing

FFIL provide lease finance under simple terms and conditions for acquisition of capital machineries for industrial undertakings, industrial equipments, office equipments, medical equipments and construction equipments etc.

(b) Transport financing

FFIL have a significant presence in Commercial Transport Sector. We provide various trade & commercial entities to procure vehicles to operate commercially. Also we provide corporate

financing to the reputed Dealer or Distributor of the commercial vehicle to their operators. Besides this corporate clients may also apply to acquire vehicles for official purpose under the scheme.

(c) Term financing

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

(d) Project financing

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

(e) House financing (Real Estate Finance)

The clients are indulged in FFIL regardless of their professions and occupations. FFIL provide competitive interest rate in construction of house both land owner & developer, purchase of flat & renovation of existing house/flat. At present, the Company is providing loan facility to the client for a maximum period of fifteen years as decided by management. FFIL also provide financing for the construction of a project.

(f) Small and Medium Enterprise (SME) refinancing

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

(i) Small enterprise

Small enterprise does not include ideally any Public Limited Company and which do not fulfill the following criteria such as;

For service and business concerns

Total fixed assets excluding land and building is within Tk. 50,000 to 5,000,000 and employed personnel are not more than 25.

For manufacturing concern

Total fixed assets excluding land and building is within Tk. 50,000 to 15,000,000 and employed personnel are not more than 50.

(ii) Medium enterprise

Medium enterprise does not include ideally any Public Limited Company and which do not fulfill the following criteria such as;

For service and business concerns

Total fixed assets excluding land and building is within Tk. 5,000,000 to 100,000,000 and Employed personnel are not more than 50.

For manufacturing concerns

Total fixed assets excluding land and building is within Tk. 15,000,000 to 200,000,000 and employed personnel are not more than 150.

(g) Working capital financing

Working capital gives investors an idea of the companies underlying operational efficiency. Upon measuring the company's efficiency and its short-term financial needs FFIL provides working capital to some selective business enterprise to meet-up their both short and long term liabilities. By availing this finance from FFIL the borrower company is able to pay off their short & long term liability which keeps the business running smoothly.

(h) Factoring

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

(i) Deposit mobilization

FFIL provide attractive interest rate among firms, companies, financial institutions and individual clients.

1.02 Significant accountings policies and basis of preparation of Financial Statements

1.02.1 Statement of compliance

The financial statements have been prepared on the basis of going concern concept under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) and after due compliance with Bangladesh Financial Reporting Standards (BFRSs).

1.02.2 Basis of consolidation

The Consolidated Financial Statements include the Financial Statements of FAS Finance and Investment Ltd and its Subsidiary, FAS Capital Management Ltd. made up to end of the reporting year. The consolidated Financial Statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated Financial Statements and Accounting for Investment in Subsidiaries. The Consolidated Financial Statements are prepared to a common reporting year ended 31 December 2016.

1.02.3 Compliance with local laws

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Financial Institution Act 1993, Guidelines from Bangladesh Bank, the Bangladesh Securities and Exchange Ordinance 1969, the Bangladesh Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchange and other relevant local laws and regulations as applicable for its operation.

1.02.4 Materiality of financial statements

Each material item as considered by management significant has been presented separately in the financial statements wherever applicable.

1.02.5 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with BAS-7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed

by the Bangladesh Securities and Exchange Rules, 1987 and the considering the provisions of Paragraph 18(b) of BAS which prescribed that Enterprise of changes encourage to report Statement of Cash Flows from operating activities using the direct method.

1.02.6 Statement of Changes in Equity

Statement of Changes in Equity is prepared principally in accordance with BAS-1 "Presentation of Financial Statements" and under the guidelines of Bangladesh Bank's DFIM Circular No. 11 dated December 23, 2009.

1.02.7 Liquidity statements

The liquidity statement of assets and liabilities as on the reporting date has been prepared on the following basis:

- a) Cash in hand (including balance with Bangladesh Bank)
- b) Balance with other banks and financial institution
- c) Money at call and on short notice
- d) Investments
- e) Loans, advances and leases
- f) Fixed assets including premises, furniture and fixture
- g) Other assets
- h) Non-banking assets
- i) Borrowings from Bangladesh Bank, other banks, financial institutions and agents
- j) Deposits and other accounts
- k) Provision and other liabilities

1.02.8 Basis of measurement

The financial statements have been prepared on the historical cost basis.

1.02.9 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimate and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

1.02.10 Current maturity

Current maturity of long term debts, lease receivables, term financing and house financing has been shown in the financial statements.

1.02.11 Reporting period

These financial statements cover for the period from 01 January 2016 to 31 December 2016.

1.02.12 Director of the Company

At the end of the year under audit, there were thirteen Directors in the Board of Directors of the Company excluding the Managing Director. The Managing Director is the Chief Executive and Ex-officio Director of the Company.

1.02.13 Comparative information

Comparative information has been disclosed in respect of the year 2015 for all numerical information in the financial statements for understanding of current year financial statements.

1.02.14 Presentational and reporting currency

The presentation of financial statements has been made in accordance with the DFIM No. 11 dated 23 December 2009 of Bangladesh Bank. These financial statements have been prepared in Bangladesh Taka (BDT) which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka. The financial statements are stated in Taka unless or otherwise signified.

1.03 Assets and basis of their valuations:

1.03.1 Fixed assets

Fixed assets are capitalized at cost of acquisition and subsequently stated at cost/ valuation less accumulated depreciation in compliance with the Benchmark treatment of BAS-16 "Property, Plant and Equipment". The cost of acquisition of assets comprises purchase price and any direct attributable cost of bringing the assets within the operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes; if any.

1.03.2 Subsequent cost of fixed assets

The cost of replacing a part of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. Maintenance expenses of the fixed assets are recognized in the profit and loss account as incurred.

An item of fixed asset is derecognized on its disposal. The gain/loss arising from de-recognition of an asset is determined as the difference between the net disposal proceeds, if any and the carrying amount of the item.

1.03.3 Depreciation on fixed assets

Fixed assets are depreciated based on diminishing balance method at different rates varying from 5% to 20% per annum.

Additions of fixed assets are depreciated when it is available for use at the applicable rates and depreciation is charged up to the date of disposal.

Rates of depreciation applied are shown below:

Sl. No.	Category of assets	Rate of depreciation
1	Office buildings	5%
2	Furniture and fixtures	10%
3	Office decoration	10%
4	Office equipment	15%
5	Motor vehicles	20%
6	Electrical installation	15%
7	Computer	15%
8	Telephone line & PABX system	15%
9	Software	15%

1.03.4 Investment

Investment is carried in Financial Statement at cost. Provision is made for diminishing in value of investment.

1.03.5 Cash and cash equivalents

Cash and cash equivalents consist 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.

10.3.6 Off-balance sheet exposures

Under general operating transactions, liabilities against acceptance and endorsements, Letters of guarantee, irrevocable letters of credit, Bills for collection-other contingent liabilities & Commitments have been given and claims exist there against, have been shown as off balance sheet items.

1.04 Share capital

1.04.1 Authorized Share capital

Authorized Capital is the maximum amount of Share Capital that the Company is authorized by its Memorandum and Article of Association to issue to shareholders.

1.04.2 Paid up Capital

Paid up capital represents total amount of shareholders' capital that has been paid in fully by the ordinary shareholders. Holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meeting.

1.05 Revenue recognition

The revenue during the year is recognized as follows complying with all the conditions of revenue recognition as provided in BAS-18.

a. Accounting for lease financing

Leased equipments under the possession of lessee are accounted for as receivable of the Company. The interest portion accrued is recognized as revenue as per BAS-17.

b. Accounting for term financing

Term finance operation consists of long term, short term and working capital financing, for which books of account are maintained based on accrual method of accounting. Interest earnings from term financing are recognized as operational revenue periodically.

c. Accounting for house financing

The interest income from house finance is recognized when interest accrued.

d. Accounting for overdue interest

The overdue interest on lease, term & house finance is recognized when interest is received.

e. Other operational income

Other operational income is recognized whenever these are received. Such income comprises of the following components of the FFIL;

- i. Appraisal and documentation fees;
- ii. Service charges;
- iii. Processing fees;
- iv. Miscellaneous.

(f) Dividend income from shares

Dividend income from shares is recognized during the year in which they are declared and ascertained.

1.06 Revaluation reserve

Revaluation reserve arises from the revaluation of property, plant and equipment, when the market price of property, plant and equipment increased significantly from the carrying value. When an asset's carrying amount is increased as a result of revaluation, the increase amount should be credited directly to equity under the heading of revaluation surplus/reserve as per BAS-16 "Property, Plant and Equipment". The Company revalued its land and building during the year 2010 and there arises revaluation surplus of Tk. 313,888,244. The revaluation was done by G.K. Adjusters Ltd.

1.07 Liabilities and Provisions and basis of their valuation

1.07.1 Borrowings from other banks, financial institutions and agents

Bank and financial institution borrowings include interest bearing borrowings, which are brought to account at gross value of the outstanding as on 31 December 2016.

1.07.2 Provision for taxation

Provision for current year income tax has been made @ 40% as prescribed in the Finance Act, 2016. The accounting profit has been made by the company after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with BAS-12. Assessments completed up to 2015-2016 but some years are in different stages for some legal issues. In assessment year: 1998-1999 to 2003-2004 tax clearance certificates have been issued in favor of FAS Finance. Assessment year: 2004-2005, 2005-2006 & 2008-2009 are pending at appeal stage. High Court Order already received for the assessment year: 2006-2007, 2007-2008, 2009-2010, 2010-2011, 2011-2012. Assessment year: 2012-2013, 2013-2014 are pending at High Court stage. Assessment year 2014-2015 & 2015-2016 are under Tribunal stage and DCT stage respectively & the return for assessment year 2016-2017 has been submitted under section 82BB.

1.07.3 Deferred taxation

Deferred tax is recognized on temporary (taxable and deductible) differences between the carrying amount of assets and liabilities in the balance sheet and the amount attributed to such assets and liabilities for tax purposes. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities is recognized in the profit and loss account as per BAS-12 "Income Taxes" at the year end. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

1.07.4 Minority Interest:

Minority interest is the equity in a subsidiary not attributable, directly or indirectly, to parent.

As per BAS-27 'Consolidated and Separate Financial Statements' company presents Minority Interest separately in Financial Statements.

1.07.5 Provision on lease, house loan and term finance

Provision has been made at an estimated rate on outstanding exposures based on lease receivables and other financing(s) against aging of receivables as per FID circular no. 08, dated 03 August 2002 and subsequent to the time it is revised in FID circular no. 03, dated 03 May 2006 and in FID circular no. 06, dated 20 August 2006 and DFIM circular no. 03, dated 29 April 2013 of Bangladesh Bank. The provision is considered adequate to meet probable losses. These have been shown under other liabilities in the balance sheet with corresponding effect given in the revenue account over the years. The FID circular's terms and conditions are stated as under;

- i. Leases and term financing running overdue for 6 months and above have been treated as substandard, doubtful and bad & loss depending on non-payment status of rentals or installments;

- (ii) Investments and interests which include overdue rentals and installments have not been taken into income and shall remain suspended till recovery; and
- (iii) Basis of classification and rate of percentages for provision thereon.

Lease or Loan up to 5 years

Limit of overdue rentals & installments	Classification	Provision of percentage
1-2 rentals/installments (up to 2 months) for SME	Standard	0.25%
1-2 rentals/installments (up to 2 months) other than SME	Standard	1%
3-5 rentals/installments (up to 5 months)	SMA	5%
6-11 rentals/installments (6 to 11 months)	Substandard	20%
12-17 rentals/installments (12 to 17 months)	Doubtful	50%
18 and above rentals/installments (18 months and above)	Bad and loss	100%

Lease or Loan above 5 years

Limit of overdue rentals & installments	Classification	Provision of percentage
1-5 rentals/installments (up to 5 months) for SME	Standards	0.25%
1-5 rentals/installments (up to 5 months) other than SME	Standards	1%
6-11 rentals/installments (up to 11 months)	SMA	5%
12-17 rentals/installments (12 to 17 months)	Substandard	20%
18-23 rentals/installments (18 to 23 months)	Doubtful	50%
24 and above rentals/installments (24 months and above)	Bad and loss	100%

House Loan up to 5 years

Limit of overdue rentals & installments	Classification	Provision of percentage
1-8 rentals/installments (up to 8 months) for SME	Standards	0.25%
1-8 rentals/installments (up to 8 months) other than SME	Standards	1%
9-11 rentals/installments (up to 11 months)	SMA	5%
12-17 rentals/installments (12 to 17 months)	Substandard	20%
18-23 rentals/installments (18 to 23 months)	Doubtful	50%
24 and above rentals/installments (24 months and above)	Bad and loss	100%

House Loan above 5 years

Limit of overdue rentals & installments	Classification	Provision of percentage
1-8 rentals/installments (up to 8 months) for SME	Standards	0.25%
1-8 rentals/installments (up to 8 months) other than SME	Standards	1%
9-17 rentals/installments (up to 17 months)	SMA	5%
18-23 rentals/installments (18 to 23 months)	Substandard	20%
24-35 rentals/installments (24 to 35 months)	Doubtful	50%
36 and above rentals/installments (36 months and above)	Bad and loss	100%

1.07.6 Provision for diminution in value of investment in shares and bonds

Provision has been made for diminution in value of investment in shares and bonds.

1.07.7 Interest suspense account

Income outstanding over ninety days is not recognized as revenue rather it is recognized as interest suspense account as per FID circular no. 08, dated 03, August 2002 and FID circular no. 03, dated 03 May 2006 of Bangladesh Bank. Suspended interest is recognized as revenue when it is received.

1.07.8 Liabilities and provisions

All material liabilities and provisions have been included in the financial statements

- i. When the company has a present obligation, legal or constructive result of a past event;
- ii. When it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and
- iii. When a reliable estimate can be made of the amount of the obligation.

1.08 Risk management

Risk is defined as the possibility of losses, financial or otherwise. Risk management of the Company covers core risk areas of Companies credit risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk and equity risk, operational risk and reputation risk arising from operational inefficiencies. The prime objective of the risk management is that the Company evaluates and takes well calculative business risks and thereby safeguarding the Company's capital, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank's guidelines and following some of the best practices as under:

Credit risk

It arises mainly from lending, trade finance, leasing and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Company. The failure may result from unwillingness of the counter party or decline in his / her financial condition. Therefore, the Company's credit risk management activities have been designed to address all these issues.

The Company has segregated duties of the officers / executives involved in credit related activities. Separate Corporate / SME / Retail divisions have been formed at Head Office which is entrusted with the duties of maintaining effective relationship with customers, marketing of credit products, exploring new business opportunities etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Credit Risk Management (CRM) Division. These are (a) Credit Risk Management Unit (b) Credit Administration Unit and (c) Credit Monitoring and Recovery Unit. Credit Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending, sanctioning credit, formulating policy / strategy for lending operation, etc.

A thorough risk assessment is done before sanction of any credit facility at risk management units. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the credit facility etc. The assessment process starts at the relationship level and ends at Credit Risk Management Unit when it is approved / declined by the competent authority.

Liquidity risk

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Company is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance.

Management of liquidity and funding is carried out by Treasury Department under the leadership of the Chief Financial Officer (CFO) as per approved policy guidelines.

Market risk

The exposure of market risk of the Company is restricted to interest rate risk and equity risk.

Interest rate risk

Interest rate risk may arise either from trading portfolio and non-trading portfolio. The trading portfolio of the Company consists of Government treasury bills and bonds of different maturities. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost.

Portfolio risk

Portfolio risk arises from movement in market value of equities held.

Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Company. Internal Control and Compliance Division undertakes year call and special audit of the Company for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

Implementation of BASEL -II

To comply with International Best Practice and to make the Company's Capital more risk-sensitive as well as to build the Financial Industry more shock absorbent and stable , Bangladesh Bank provide revised regulatory capital framework "Risk Based Capital Adequacy" for Company's which is effected from January 2012.

- a. Standardized Approach for calculating Risk Weighted Assets (RWA) against Credit Risk;
- b. Standardized (Rule Based) Approach for calculating Risk Weighted Assets (RWA) against Market Risk;
- c. Basic Indicator Approach for calculating Risk Weighted Assets (RWA) against Operational Risk;

Under the Standard Approach of the Risk Based Capital Adequacy Framework (BASEL-II) credit rating is to be determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs).

As per CDMD guideline, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10% of Risk Weighted Assets (RWA).

Internal Capital Adequacy Assessment Process (ICAAP)

Internal Capital Adequacy Assessment Process (ICAAP) represents the Company's own assessment of its internal capital requirements. The Company's approach to calculating its own internal capital requirement has been to take the minimum capital required for credit risk, market risk and operational risk under Pillar-I as the starting point, assess whether this is sufficient to cover those risks and then identify other risks (Pillar-II) and assess prudent level of capital to meet them.

The assessment is undertaken using time series of data and Bangladesh Bank's guidelines on Risk Based Capital Adequacy for Company to assess the likelihood of occurrence and potential impact. Purposes of Internal Capital Adequacy Assessment Process are to:

- i. inform the Board of Directors about:**
 - assessing risks
 - initiatives to mitigate identified risks
 - capital requirement to support the operations in light of identified risks.
- ii. comply with Bangladesh Bank's requirement.**

1.09 Statutory reserve

This represents 20% of net profit after tax which is set aside in compliance with clause 6 of the Financial Institution Regulations, 1994.

1.10. Employees benefits

There were two benefit schemes for FFIL employees, provident fund and gratuity fund. Both of these benefit plans are operated in compliance with BAS-19 "Employees Benefits" and stated as under;

1.10.01 Provident fund

The Company operates a contributory provident fund scheme for its employees, which is recognized by the National Board of Revenue under Clause 2(1) of the First Schedule Part B of the Income tax Ordinance, 1984 of (XXXVI) effective from 31 August 2008. Both the company and employees are contributing to the fund.

1.10.02 Gratuity fund

The Company extends gratuity benefits to its employees, which is recognized by the National Board of Revenue (NBR) under clause 2(1) of the First Schedule Part-B of the Income tax Ordinance, 1984 of (XXXVI) effective from 25 November 2008. The gratuity is paid on the basis of the last two basic pay and is payable at the rate of two month's basic pay for every completed year of service.

1.11 Earnings per share (BAS -33)

Basic earnings per share

Basic earnings per share have been calculated in accordance with BAS 33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

In computing the basic earnings per share during the year January 1, 2016 to December 31, 2016, the total number of shares including the said bonus shares has been considered as the weighted average no. of shares outstanding during the year January 1, 2016 to December 31, 2016 as per BAS 33 "Earnings per Share".

1.12 Related party disclosure (BAS -24)

The Company transacts with related parties. Parties are considered to be related if one party has the ability to control the other or exercise significant influence in making the financial and operating decisions.

1.13 Impairment of assets

The carrying amount of non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in profit or loss.

1.14 Cash Reserve Requirements and Statutory Liquidity Requirements

The Company maintains cash reserve requirements and statutory liquidity reserve with the Bangladesh Bank current account as per FID circular no. 06, dated 06 November 2003 and subsequent in FID circular no. 02, dated 10 November 2004 for statutory cash reserve requirements. The Company meets the terms of CRR and SLR in a satisfactory way in accordance with Section-19 of the Financial Institutions Act 1993 and Clause-05 of the Financial Institution Regulations 1994.

1.15 Foreign currency transaction (BAS-21)

Translation in foreign currencies are translated in Bangladesh Taka and recorded at the ruling exchange rates applicable on the date of transaction and in accordance with BAS-21 "The Effects of Changes in Foreign Exchange Rates"

1.16 Events after the reporting period (BAS -10)

As per BAS -10 "Events after the reporting period" Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that is indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

There were no materials events have occurred after the reporting period which could affect the values stated in the financial statements.

1.17 General

- a. These financial statements are presented in Taka, which is the Company's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b. Figures of previous year have been rearranged whenever necessary to conform to current year presentation.

		Amount in Taka		
		As at		
		31-Dec-2016	31-Dec-2015	
2	Cash			
	Cash in hand (including foreign currency)	2.1	28,163	30,123
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	2.2	68,991,304	46,105,263
			69,019,467	46,135,386
2.1	Cash in hand (including foreign currency)			
	Local currency		28,163	30,123
	Foreign currency		-	-
			28,163	30,123
2.2	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)			
	Balance with Bangladesh Bank			
	Local currency		68,991,304	46,105,263
	Foreign currency		-	-
			68,991,304	46,105,263
	Agent Bank of Bangladesh Bank		-	-
			68,991,304	46,105,263
2.3	Statutory deposits			
2.3.1	Cash reserve requirement (CRR) and statutory liquidity reserve (SLR)			
	Cash reserve requirement and statutory liquidity reserve have been calculated and maintained in accordance with Financial Institution Act, 1993 & Financial Institution Regulations 1994 and FID circular number 06 dated November 06, 2003 and FID circular number 02 dated November 10, 2004.			
	Cash reserve requirement (CRR) has been calculated at the rate of 2.5% on total term deposits which is preserved in current account maintained with Bangladesh Bank. 'Total term deposit' means term or fixed deposit, security deposit against lease/loan and other term deposits, received from individuals and institutions (except banks & financial institutions).			
	Statutory liquidity reserve (SLR) has been calculated at the rate of 5.0% on total liabilities (except banks and financial institutions), including CRR of 2.5% on total term deposit. SLR is maintained in liquid assets in the form of cash in hand (notes & coin in BDT), balance with Bangladesh Bank and other banks and financial institutions, investment at call, unencumbered treasury bill, prize bond, savings certificate & any other assets approved by Bangladesh Bank.			
(a)	Cash reserve requirement (CRR)			
	The Company requires to maintain cash with Bangladesh Bank current account equivalent to 2.50% of Term Deposits other than deposit taken from banks and financial institutions.			
	Required reserve		65,037,561	42,183,035
	Actual reserve maintained		77,136,113	52,705,681
	Surplus		12,098,552	10,522,646

Amount in Taka	
As at	
31-Dec-2016	31-Dec-2015

(b) Statutory liquidity reserve (SLR)

The Company requires to maintain SLR equivalent to 5% of total liability including 2.50% of CRR and excluding loans and deposits taken from banks and financial institutions.

Required reserve (Including CRR)	175,742,682	112,104,567
Actual reserve maintained (Including CRR)	1,794,327,524	257,042,886
Surplus	1,618,584,842	144,938,319
Total required reserve	175,742,682	112,104,567
Total actual reserve maintained	1,794,327,524	257,042,886
Surplus	1,618,584,842	144,938,319

2 (a) Consolidated Cash

i. Cash in hand (including foreign currency)

FAS Finance & Investment Limited	2.1	28,163	30,123
FAS Capital Management Limited		6,951	7,730
		35,114	37,853

ii. Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)

FAS Finance & Investment Limited	2.2	68,991,304	46,105,263
FAS Capital Management Limited		-	-
		68,991,304	46,105,263
		69,026,418	46,143,116

		Amount in Taka		
		As at		
		31-Dec-2016	31-Dec-2015	
3	Balance with other banks and financial institutions			
	In Bangladesh	3.1	1,766,972,484	522,643,870
	Outside Bangladesh		-	-
			1,766,972,484	522,643,870
3.1	In Bangladesh			
	Current deposits			
	Al-Arafah Islami Bank Ltd., VIP Road Branch, Nayapaltan, Dhaka	CD-0141020041903	34,982	-
	First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	CD-010111100028541	606,429	608,309
	Islami Bank Bangladesh Ltd., Foreign Ex. Cor. Br., Dhaka	AWCA-1090100819116	95,647	95,647
	Islami Bank Bangladesh Ltd., Foreign Ex. Cor.Br., Dhaka	AWCA-1090100870618	2,490	2,490
	Mercantile Bank Ltd., Main Branch, Dhaka	CD-010111100086641	-	2,878
	Pubali Bank Ltd., Mohakhali Branch, Dhaka	CD-3677901015917	74,587	3,271
	Southeast Bank Ltd., Gulshan Branch, Dhaka	CD-001011100017141	2,689	3,839
	Standard Bank Ltd., Gulshan Branch, Dhaka	CD-00933010415	4,825	4,825
	State Bank of India, Gulshan Branch, Dhaka	CD-05420232420001	-	-
	The Premier Bank Ltd., Gulshan Branch, Dhaka	CD-014911100000194	-	-
	Uttara Bank Ltd., Corporate Branch, Dhaka	CD-154512200212029	158,181	181,561
	Woori Bank Ltd., Dhaka Branch, Dhaka	CDA-923915855	7,957	10,357
			987,787	913,177
	Special notice deposit accounts			
	Bank Asia Ltd., Paltan Branch, Dhaka	SND-04936000058	81,875	216,809
	Bank Asia Ltd., Sonargaon-Janapath Road Branch, Dhaka	SND-07536000033	60,917	-

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
Bangladesh Commerce Bank Ltd., Principal Branch, Dhaka	SND-00232000082	100,971	99,740
BASIC Bank Limited, Bangshal Branch, Dhaka	SND-0616-01-0000635	3,047	46,641
Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka	SND-1161200000974	4,740,538	23,230,143
Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka	SND-1161200003865	864,605	282,339
Dutch Bangla Bank Ltd., CDA Avenue Branch, Chittagong	SND-1291200000707	2,902	3,968
EXIM Bank Ltd., Gulshan Branch, Dhaka	SND-00713100065009	23,871	459
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-010113100001512	350,559	345,526
First Security Islami Bank Ltd., Ring Road Branch, Dhaka	SND-013313100000056	191,832	162,059
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-010113100002301	7,609	8,457
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-13100009342	477,761	462,981
Mercantile Bank Ltd., Main Branch, Dhaka	SND-110113110196932	24,223	9,283,192
Midland Bank Ltd., Dilkusha Corporate Branch, Dhaka	SND-0001-1090000296	4,873	14,285
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	SND-0022-0320001041	28,934	30,595
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	SND-0022-0320000131	638,756	624,695
Mutual Trust Bank Ltd., CDA Avenue Branch, CTG	SND-0009-0320000889	1,582,417	33,087,349
Mutual Trust Bank Ltd., Sylhet Branch, Sylhet	SND-0023-0320000578	65,230	572,417
NCC Bank Ltd., Bashundhara Branch, Dhaka	SND-0096-0325000017	15,206	36,101
NCC Bank Ltd., Gulshan Branch, Dhaka	SND-0012-0325000802	59,356	58,978
NRB Commercial Bank Ltd., Principal Branch, Dhaka	SND-010136000000012	1,059	39,765
One Bank Limited, Ganakbari Branch, Savar	SND-0053000000323	9,859	100,033
Prime Bank Limited, Dhanmondi Branch, Dhaka	SND-14631090025594	61,498	65,373
Pubali Bank Ltd., Narsingdi Branch, Narsingdi	SND-0722102000518	151,626	185,429

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
Shahjalal Islami Bank Ltd., Mohakhali Brach, Dhaka	SND-403813100000009	-	572,580
Social Islami Bank Ltd., Begum Rokeya Sarani Br., Dhaka	SND-0131360001027	2,869,439	73,700
South Bangla Agriculture & Commerce Bank Ltd., Gulshan Br., Dhaka	SND-01130000097627	61,757	36,300
The Farmers Bank, Motijheel Branch, Dhaka	SND-0113000007464	166,030	160,563
The Premier Bank Limited, Gulshan Circle-2 Branch, Dhaka	SND-13100000070	27,274	46,376
The Premier Bank Limited, Tejgaon Link Road Br., Dhaka	SND-13100000020	36,601	44,493,074
Uttara Bank Ltd., Corporate Branch, Dhaka	SND-154514100041132	28,555	16,755
Woori Bank Ltd., Dhaka Branch, Dhaka	NDA-923000195	7,509,517	81,572,709
		20,248,697	195,929,391
Savings deposits		-	-
Fixed deposits			
ICB Islami Bank Limited		20,736,000	-
International Leasing and Financial Services Limited		200,000,000	100,000,000
National Bank of Pakistan		100,000,000	100,000,000
Peoples Leasing & Financial Services Limited		1,070,000,000	-
Reliance Finance Limited		-	100,000,000
Social Islami Bank Limited		325,000,000	-
State Bank of India		-	25,801,302
Woori Bank Limited		30,000,000	-
		1,745,736,000	325,801,302
		1,766,972,484	522,643,870
3.1.a Account-wise/grouping of balance with other banks and financial institutions			
Current deposits		987,787	913,177
Special notice deposit accounts		20,248,697	195,929,391
Savings deposits		-	-
Fixed deposits		1,745,736,000	325,801,302
		1,766,972,484	522,643,870

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
3.1.b	Maturity grouping of balance with other banks		
	Repayable-on demand	987,787	913,177
	-up to 3 months	1,295,248,697	521,730,693
	-over 3 months but within 1 year	470,736,000	-
	-over 1 year but within 5 years	-	-
	-over 5 years	-	-
		1,766,972,484	522,643,870
3 (a)	Consolidated balance with other banks and financial institutions		
	i. In Bangladesh:		
	FAS Finance & Investment Limited 3.1	1,766,972,484	522,643,870
	FAS Capital Management Limited 3 (a)i	39,508,899	35,770,590
		1,806,481,383	558,414,460
	ii. Outside Bangladesh:		
	FAS Finance & Investment Limited	-	-
	FAS Capital Management Limited	-	-
		-	-
		1,806,481,383	558,414,460
3 (a)i	Bank balance of FAS Capital Management Limited		
	Current deposits		
	State Bank of India CD-05420271520201	2,798	18,885
		2,798	18,885
	Special notice deposit accounts		
	Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka SND-116.120.1505	84,829	301,725
	Mutual Trust Bank Ltd., Gulshan Branch, Dhaka SND-0022-0320000793	45,660	10,542
	Prime Bank Ltd., Mohakhali Branch, Dhaka SND-11031050015284	1	1
	Prime Bank Ltd., Gulshan Branch, Dhaka SND-11831060023968	-	-
	Social Islami Bank Ltd., Gulshan Branch, Dhaka SND-0081360000649	665	-
	The City Bank Ltd., Gulshan Branch, Dhaka 6002-PIAA	190,697	1,200,721
	The City Bank Ltd., Gulshan Branch, Dhaka SND-3101221156001	6,813,156	4,199,005
	Woori Bank Ltd., Dhaka Branch, Dhaka NDA-923000208	8,593	39,711
		7,143,601	5,751,705
	Fixed deposits		
	The City Bank Limited	32,362,500	30,000,000
		32,362,500	30,000,000
	Total	39,508,899	35,770,590

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
4	Money at call and on short notice		
	With banks	-	-
	With financial institutions	-	-
		-	-
4 (a)	Consolidated money at call and on short notice		
	FAS Finance & Investment Limited	4	-
	FAS Capital Management Limited	-	-
		-	-
		339,840,072	459,287,881
5	Investments		
5.1	In Government securities		
	Treasury bills	-	-
	National investment bonds	-	-
	Bangladesh Bank bills	-	-
	Government notes/bonds	-	-
	Prize bonds	-	-
	Others	-	-
		-	-
5.2	Other investments		
	Preference shares	-	-
	Ordinary shares (Quoted and Unquoted)	5.2.a	339,840,072
	Debtentures	-	-
	Bonds	-	-
	Zero Coupon Bond	-	-
	Other investments	-	-
	Gold, etc.	-	-
		339,840,072	459,287,881
		339,840,072	459,287,881
5.2.a	Ordinary shares (Quoted and Unquoted)		
	Quoted		
	Active Fine Chemical Ltd	1,386,530	-
	ACI Limited	39,675,574	36,749,834
	Aamra Technologies Ltd.	-	2,724,716
	Appollo Ispat Complex Ltd.	-	7,122,092
	Agni Systems Ltd.	-	45,749
	Alltex Industries Ltd.	-	902,739
	Argon Denims Ltd.	-	3,400,722

	Amount in Taka	
	As at	
	31-Dec-2016	31-Dec-2015
Bangladesh Shipping Corporation	-	8,394,015
Bangladesh Submarine Cable Company Ltd.	1,223,505	-
CVO Petrochemical Refinery Ltd.	17,479,858	-
Delta Life Insurance Company Ltd.	8,171,665	8,989,203
Eastern Housing Ltd.	-	375,666
Fortune Shoes Ltd.	407,718	-
Generation Next Fashions Ltd.	13,457,186	13,092,423
Golden Son Ltd.	22,921,582	24,104,150
Grameen Phone Ltd.	21,770,015	30,723,456
ICB Islamic Bank Ltd.	2,435,882	283,128
Ifad Autos Ltd.	348,327	-
International Leasing and Financial Services Ltd.	-	374,492
Jamuna Oil Company Ltd.	11,613,814	11,158,617
Khan Brothers PP Woven Bag	-	664,648
Khulna Printing & Packaging Ltd.	3,324,630	2,380,589
Lanka Bangla Finance Ltd.	-	22,205,655
Malek Spinning Mills Ltd.	-	4,609,452
Marico Bangladesh Ltd.	4,383,436	-
Meghna Life Insurance Company Ltd.	7,596,297	13,360,655
Meghna Petroleum Ltd.	22,848,990	21,190,735
Miracle Industries Ltd.	1,521,449	-
MJL Bangladesh Ltd.	-	2,539,125
Mozaffar Hossain Spining Mills Ltd.	18,195,127	14,101,338
National Tubes Ltd.	1,912,347	-
Niloy Cement Industries Ltd.	67,845	67,845
Nitol Insurance Company Ltd.	-	51,288,296
Olympic Accessories Ltd.	566,095	3,067,155
Orion Infusions Ltd.	3,993,557	-
Padma Oil Company Ltd.	49,295,973	27,710,843
Paramount Textiles Ltd.	19,047,328	17,489,592
Ratanpur Steel Re-Rolling Mills Ltd.	2,557,264	24,970,346
Reckitt Benckiser (BD) Ltd.	14,337,845	13,411,610
Rupaili Life Insurance Company Ltd.	-	1,996,871
Saif Powertec Ltd.	772,980	-
Sandhaani Life Insurance Company Ltd.	9,546,296	9,546,296
Shajibazar Power Company Ltd.	28,970,581	50,198,009
The Peninsula Chittagong Ltd.	-	447,366
United Power Generation & Distribution Company Ltd.	-	16,605,521
Western Marine Shipyard Ltd.	-	2,994,932
Yeakin Polymer Ltd.	10,376	-
	329,840,072	449,287,881
	10,000,000	10,000,000
	339,840,072	459,287,881

(A schedule of investments in share is given in annexure-2)

Unquoted

Achia Sea Food Limited

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
5.3	Maturity grouping		
	Repayable-on demand	-	-
	-up to 3 months	5,000,000	-
	-over 3 months but within 1 year	50,000,000	52,050,000
	-over 1 year but within 5 years	284,840,072	355,949,585
	-over 5 years	-	51,288,296
		339,840,072	459,287,881
5 (a)	Consolidated Investments		
	i. In Government securities		
	FAS Finance & Investment Limited	-	-
	FAS Capital Management Limited	-	-
		-	-
	ii. Other Investments		
	FAS Finance & Investment Limited	5.2 339,840,072	459,287,881
	FAS Capital Management Limited	5 (a)i 528,911,843	313,644,246
		868,751,915	772,932,127
		868,751,915	772,932,127
5 (a)i	Ordinary shares (Quoted and Unquoted) of FAS Capital Management Limited		
	Quoted		
	ACI Ltd.	35,361,052	29,533,662
	ACI Formulation Ltd.	27,650,014	12,338,778
	Active Fine Chemicals Ltd.	2,597,653	-
	Agni Systems Ltd.	-	227,204
	Appollo Ispat Complex Ltd.	1,166,401	10,934,464
	Bangladesh Building System Ltd.	262,786	-
	Bangladesh Shipping Corporation	-	4,903,083
	Berger Paints Bangladesh Ltd.	-	280,623
	BRAC Bank Ltd.	2,281,494	-
	BSCCL	1,804,491	-
	BSRM	2,431,948	-
	CVO Petro.Ref.Ltd	18,143,871	-
	Delta BRAC Housing Ltd.	13,670,020	-
	Delta Life Insurance Company Ltd.	2,665,675	631,359
	Eastern Housing Ltd.	-	110,117
	Eastern Lubricant Ltd.	-	16,159
	Far Chemical Industries Ltd.	23,067,904	7,550,747
	Foutune Shoes Ltd.	745,762	-
	Gemini Sea Food Ltd.	759,442	-
	Glaxo Smithkline Bangladesh	14,468,213	5,509,992
	GPH Ispat Ltd.	-	879,504
	Grameen Phone Ltd.	17,954,392	11,132,293
	IDLC Finance Ltd.	-	311,274
	Investment Corporation of Bangladesh	-	81,079,069
	Jamuna Oil Ltd.	-	8,074,859
	Khulna Power Company Ltd.	-	378,542
	Khulna Printing & Packaging Ltd.	-	314,655
	Marico BD Ltd.	1,345,053	-

Meghna Life Insurance Company Ltd.	-	907,616
Meghna Petroleum Ltd.	32,019,419	21,577,848
Miracle Industries Ltd.	1,548,587	-
MJL Bangladesh Ltd.	-	3,586,188
Mithun Knitting & Dyeing Ltd.	2,001,890	-
Mozaffar Hossain Spining Mills Ltd.	18,599,228	13,386,375
National Tubes Ltd.	3,439,824	232,552
Olympic Industries Ltd.	-	383,331
Orion Infusion Ltd.	4,595,702	-
Padma Oil Company Ltd.	36,483,467	15,947,091
Peoples Leasing and Financial Services Ltd.	75,050,736	1,564,152
Pragati Life Insurance Company Ltd.	3,246,456	-
Quasem Drycells Ltd.	2,829,062	607,922
Rangpur Dairy Food Ltd.	-	1,017,654
Renata Ltd.	1,106,749	-
R.N. Spinning Mills Ltd.	-	1,494,168
Rupali Life Insurance Company Ltd.	-	344,680
Ratanpur Steel Re-Rolling Mills Ltd.	-	1,697,273
Saif Powertec Ltd.	1,029,190	-
Shahjibazar Power Company Ltd.	54,315,189	50,402,246
Simtex Industries Ltd.	71,001,779	9,016,087
Sonali Aansh Industries Ltd.	-	248,992
Square Pharma Ltd.	7,451,046	-
Standard Bank Limited	-	1,022,355
Summit Power Company Ltd.	8,043,307	-
Summit Purbachal Power Company Ltd.	-	3,688,559
Sunlife Insurance Company Ltd.	-	144,074
United Airways (BD) Ltd.	1,299,687	1,711,364
United Power Generation & Distribution Company Ltd.	-	3,367,122
Western Marine Shipyard Ltd.	3,945,303	2,590,213
Yeakin Polymer Ltd.	29,051	-

Unquoted

Indo-Bangla Pharmaceuticals Ltd.	4,500,000	4,500,000
Pacific Denims Ltd	30,000,000	-

Total

6 Loans, advances and leases

6.1 Maturity wise grouping's

Repayable-on demand	-	-
-not more than 3 months	1,630,000,000	2,668,536,755
-more than 3 months but not more than 1 year	4,615,000,000	4,946,697,614
-more than 1 year but not more than 5 years	6,855,000,000	2,939,099,762
-more than 5 years	741,656,643	731,798,743

Amount in Taka	
As at	
31-Dec-2016	31-Dec-2015
-	907,616
32,019,419	21,577,848
1,548,587	-
-	3,586,188
2,001,890	-
18,599,228	13,386,375
3,439,824	232,552
-	383,331
4,595,702	-
36,483,467	15,947,091
75,050,736	1,564,152
3,246,456	-
2,829,062	607,922
-	1,017,654
1,106,749	-
-	1,494,168
-	344,680
-	1,697,273
1,029,190	-
54,315,189	50,402,246
71,001,779	9,016,087
-	248,992
7,451,046	-
-	1,022,355
8,043,307	-
-	3,688,559
-	144,074
1,299,687	1,711,364
-	3,367,122
3,945,303	2,590,213
29,051	-
494,411,843	309,144,246
-	-
4,500,000	4,500,000
30,000,000	-
34,500,000	4,500,000
528,911,843	313,644,246
13,841,656,643	11,286,132,874
-	-
-	-
1,630,000,000	2,668,536,755
4,615,000,000	4,946,697,614
6,855,000,000	2,939,099,762
741,656,643	731,798,743
13,841,656,643	11,286,132,874

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
6.2	Loans, cash credits, overdrafts, and leases etc		
	In Bangladesh		
	Loans-General	13,401,144,112	10,750,811,982
	Cash credits	-	-
	Overdrafts	-	-
	Leases	440,512,531	535,320,892
		13,841,656,643	11,286,132,874
	Outside Bangladesh	-	-
		13,841,656,643	11,286,132,874
6.3	Loans, advances & leases on the Basis of Significant		
	Advance to allied concerns of Directors	-	-
	Advance to chief executive officer, other executives and staffs	27,192	200,868
	Advances to industries	12,839,870,936	10,086,815,067
	Advance to customer groups	1,001,758,515	1,199,116,939
		13,841,656,643	11,286,132,874
6.4	Industry-wise loans, advances and leases		
	Agriculture	145,105,296	19,657,162
	Chemicals & pharmaceuticals	1,349,700,332	837,794,371
	Electronics & electrical	105,577,980	103,621,205
	Food & beverage	34,992,770	61,268,142
	Garments & accessories	546,939,762	127,750,350
	Home loan	815,966,208	802,045,322
	Housing companies	1,290,176,370	1,205,316,588
	Information technology	1,390,645	7,476,052
	Iron, steel & engineering	52,842,699	54,373,243
	Paper, printing & packaging	127,840,959	114,642,451
	Plastics industries	15,787,620	25,310,749
	Power, gas, water and sanitary service	209,909,169	191,089,723
	Transport financing	1,570,113,747	1,550,343,253
	Others	7,575,313,086	6,185,444,263
		13,841,656,643	11,286,132,874
6.5	Geographical Location-wise (Division)		
	In Bangladesh		
	Dhaka	13,674,500,111	11,108,871,503
	Chittagong	155,900,866	167,180,894
	Sylhet	11,255,666	10,080,477
		13,841,656,643	11,286,132,874
6.6	Classification of loans, advances and leases		
	Unclassified		
	Standard	11,947,051,535	9,644,642,030
	Special mention account	511,815,858	817,996,992
	Total unclassified loans, advances and leases	12,458,867,393	10,462,639,022
	Classified		
	Sub-standard	260,156,372	262,328,273
	Doubtful	508,805,318	86,834,706
	Bad/Losses	613,827,560	474,330,873
	Total classified loans, advances and leases	1,382,789,250	823,493,852
		13,841,656,643	11,286,132,874

6.7 Particulars of loans, advances and leases

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
i)	Loans considered good in respect of which the FI's is fully secured	7,983,194,085	6,698,619,583
ii)	Loans considered good against which the FI's holds no security other than the debtors' personal guarantee	4,942,672,512	3,691,495,066
iii)	Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	915,790,046	896,018,225
iv)	Loans adversely classified but provision not maintained there against	-	-
		13,841,656,643	11,286,132,874
v)	Loans due by directors or officers of the FI's or any of them either separately or jointly with any other persons	27,192	200,868
vi)	Loans due from companies or firms in which the directors of the FI's are interested as Directors, partners or Managing agents or, in case of private companies, as members	-	-
vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the FI's or any of them either separately or jointly with any other persons	200,868	1,222,623
viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the FI's are interested as Directors, partners or managing agents or, in the case of private companies, as members	-	-
ix)	Due from other FI's	-	-
x)	Amount of classified loans on which interest has not been charged:		
	a) Increase/decrease of provision (specific)	19,589,651	1,575,721
	b) Amount of loan written off	26,769,277	-
	c) Amount realized against loan previously written off	-	50,000
	d) Provision kept against loans classified as bad/loss on the date preparing the balance sheet	82,573,971	62,984,320
	e) Interest creditable to interest suspense account	48,603,127	31,723,630
xi)	Written off loan		
	Opening Balance	137,751,378	137,801,378
	During the year	26,769,277	-
	Cumulative to date (as per Bangladesh Bank guidelines)	164,520,655	137,751,378
	The amount of written off loans for which lawsuits have been filed for its recovery	164,520,655	137,751,378
6 (a)	Consolidated loans, cash credits, overdrafts, and leases etc i. In Bangladesh		
	FAS Finance & Investment Limited	13,841,656,643	11,286,132,874
	FAS Capital Management Limited	1,553,339,389	1,861,827,457
		15,394,996,032	13,147,960,331
	Less: Loan to FAS Capital Management Limited	(1,376,626,475)	(1,371,419,225)
		14,018,369,557	11,776,541,106

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
ii. Outside Bangladesh			
	FAS Finance & Investment Limited	-	-
	FAS Capital Management Limited	-	-
		-	-
		14,018,369,557	11,776,541,106
6(a).i	Due to unusual/unexpected fall in the share market, the market value of collateral securities as on 31 December 2016 fell below the receivable amount by Tk. 800,322,779 against which the company made provision for Tk. 89,668,773 which is equivalent to 11.21% of the net unrealized loss of outstanding margin loan to client. As per recent circular no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 of Bangladesh Securities and Exchange Commission (BSEC) the company may keep provision 20% of its negative equity balance for each five quarter from 31 December 2016 to 31 December 2017.		
7	Bills purchased and discounted		
	In Bangladesh	-	-
	Outside Bangladesh	-	-
7.1	Maturity grouping		
	-payable within 1 month	-	-
	-over 1 month but less than 3 months	-	-
	-over 3 months but less than 6 months	-	-
	-6 months or more	-	-
7 (a)	Consolidated bills purchased and discounted		
	FAS Finance & Investment Limited	-	-
	FAS Capital Management Limited	-	-
		-	-
8	Fixed assets including premises, furniture and fixtures		Annexure-1
	Cost		
	Land	86,527,860	86,527,860
	Office building	309,082,807	309,082,807
	Furniture & fixture	6,130,110	6,130,110
	Office decoration	6,647,205	6,647,205
	Office equipment	6,184,837	6,070,037
	Motor vehicles	33,227,768	26,006,275
	Electrical installation	1,942,299	1,942,299
	Computer	5,444,423	4,531,176
	Telephone line & PABX system	784,413	727,713
	Software	638,421	638,421
		456,610,143	448,303,903
	Less: Accumulated depreciation		
	Office building	99,728,506	88,709,859
	Furniture & fixture	2,919,101	2,562,322
	Office decoration	2,818,139	2,392,687
	Office equipment	3,828,148	3,425,912
	Motor vehicles	12,254,692	7,280,356
	Electrical installation	1,242,801	1,119,360
	Computer	2,709,466	2,301,865
	Telephone line & PABX system	364,693	297,128
	Software	168,661	85,762
		126,034,207	108,175,251
	Written down value at the end of the year	330,575,936	340,128,652

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
8 (a)	Consolidated fixed assets including premises, furniture and fixtures		Annexure-1 (a)
	FAS Finance & Investment Limited	8	330,575,936
	FAS Capital Management Limited		10,244,313
		340,820,249	344,804,386
9	Others assets		
	Income generating		
	i) Investment in Shares of subsidiary companies		
	-In Bangladesh	9.1	243,000,000
	-Outside Bangladesh		244,000,000
			-
		243,000,000	244,000,000
	Non-income generating		
	ii) Stationery, stamps, printing, materials, etc.		213,599
	iii) Advance rent and advertisement		5,278,850
	iv) Interest accrued on investment but not collected, commission & brokerage receivable on shares and debenture and income receivable		152,855,026
	v) Security deposit		503,300
	vi) Preliminary, formation and organization expenses, renovation/development and prepaid expenses		17,835,258
	vii) Branch adjustment (net reconciled)		-
	viii) Suspense account		-
	ix) Silver		-
	x) Advance corporate income tax	9.2	211,975,398
	xi) Accounts receivable		4,467,145
	xii) Deferred tax asset	13.3	-
	xiii) others		81,288,296
			474,416,872
			335,225,014
			717,416,872
			579,225,014
9.1	Investment in Shares of subsidiary companies		
	In Bangladesh	9.1.a	243,000,000
	Outside Bangladesh		244,000,000
			-
			243,000,000
			244,000,000
9.1.a	Investment in Shares of subsidiary companies-In Bangladesh		
	FAS Capital Management Limited		243,000,000
			244,000,000
			243,000,000
			244,000,000

Out of the total of 25,000,000 ordinary shares issued and paid up, FAS Finance & Investment Limited holds 24,300,000 ordinary shares of Tk. 10 each.

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
9.2	Advance corporate income tax		
	Advance income tax on bank interest	11,044,521	7,854,758
	Advance income tax on dividend	3,886,346	1,775,676
	Advance income tax (LTU)	190,901,888	131,638,776
	Advance income tax on motor vehicle	245,312	169,906
	Advance income tax on share placement	5,620,000	5,620,000
	Advance income tax (source Tax)	277,331	277,331
		211,975,398	147,336,447
9.2 (a)	Consolidated advance corporate income tax		
	FAS Finance & Investment Limited	211,975,398	147,336,447
	FAS Capital Management Limited	12,851,676	12,993,366
		224,827,074	160,329,813
9 (a)	Consolidated others assets		
	i. Income generating		
	FAS Finance & Investment Limited	243,000,000	244,000,000
	FAS Capital Management Limited	-	-
		243,000,000	244,000,000
	Less: Investment in subsidiary companies (FAS Capital Management Limited)	(243,000,000)	(244,000,000)
		-	-
	ii. Non-income generating		
	FAS Finance & Investment Limited	474,416,872	335,225,014
	FAS Capital Management Limited	44,886,723	36,571,488
		519,303,595	371,796,502
	Less: Inter company transaction	(1,046,019)	(6,823,775)
		518,257,576	364,972,727
		518,257,576	364,972,727
10	Non-Financial assets-held for sale		
	Land & Building	44,665,893	44,665,893
		44,665,893	44,665,893
10 (a)	Consolidated Non-Financial assets-held for sale		
	FAS Finance & Investment Limited	44,665,893	44,665,893
	FAS Capital Management Limited	-	-
		44,665,893	44,665,893
11	Borrowings from other banks, financial institutions and agents		
	In Bangladesh	5,800,671,976	3,587,209,509
	Outside Bangladesh	-	-
		5,800,671,976	3,587,209,509

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
11.1	In Bangladesh		
	SME Refinancing Loan	6,950,179	30,527,500
	Al-Arafah Islami Bank Limited	402,481,333	-
	Bangladesh Development Bank Limited	170,000,000	-
	Bank Asia Limited	214,884,314	267,936,058
	BASIC Bank Limited	370,963,019	135,781,146
	Dhaka Bank Limited	102,640,346	37,985
	ICB Islamic Bank Limited	20,000,000	-
	International Leasing and Financial Services Limited	740,000,000	-
	Mercantile Bank Limited	567,255,114	312,705,588
	Meridian Finance & Investment Limited	200,000,000	-
	Midland Bank Limited	264,848,924	239,210,687
	Mutual Trust Bank Limited	424,602,129	304,996,132
	NCC Bank Limited	-	19,500,928
	NRB Commercial Bank Limited	235,184,242	298,924,225
	The Premier Bank Limited	427,720,701	233,136,070
	Prime Bank Limited	358,600,074	98,437,656
	Social Islami Bank Limited	228,508,036	334,169,207
	Sonali Bank Limited	70,000,000	-
	South Bangla Agriculture & Commerce Bank Limited	206,076,373	347,822,324
	State Bank of India	77,314,536	334,916
	UAE-Bangladesh Investment Company Limited	41,982,627	-
	Uttara Bank Limited	604,660,029	903,689,087
	Woori Bank Limited	66,000,000	60,000,000
		5,800,671,976	3,587,209,509
11.2	Security against Borrowings from other banks, financial institutions and agents		
	Secured	5,793,721,797	3,556,682,009
	Unsecured	6,950,179	30,527,500
		5,800,671,976	3,587,209,509
11.3	Maturity grouping's		
	Repayable-on demand	-	-
	-up to 3 months	387,747,368	407,074,672
	-over 3 months but within 1 year	2,234,614,857	827,560,046
	-over 1 year but within 5 years	3,178,309,751	2,328,914,923
	-over 5 years	-	23,659,868
		5,800,671,976	3,587,209,509
11 (a)	Consolidated borrowings from other banks, financial institutions and agents		
	FAS Finance & Investment Limited	5,800,671,976	3,587,209,509
	FAS Capital Management Limited	1,767,336,845	1,821,181,189
		7,568,008,821	5,408,390,698
	Less: Loan from FAS Finance & Investment Limited	(1,376,626,475)	(1,371,419,225)
		6,191,382,346	4,036,971,473

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
12	Deposits and other accounts		
	Current deposits and other accounts	-	-
	Bills payable	-	-
	Savings bank deposits	-	-
	Fixed deposits	8,224,278,625	7,049,849,244
	Bearer certificates of deposit	-	-
	Others deposits	-	-
		8,224,278,625	7,049,849,244
12.1	Fixed deposits		
	Deposit from FI's-inside Bangladesh	5,970,892,500	5,250,000,000
	Other than FI's-inside Bangladesh	2,253,386,125	1,799,849,244
		8,224,278,625	7,049,849,244
12.1.a	Maturity analysis of Fixed Deposits		
	Deposit from FI's-inside Bangladesh		
	Repayable-on demand	-	-
	-within 1 month	1,350,000,000	850,000,000
	-over 1 month but within 6 months	2,450,000,000	2,880,000,000
	-over 6 months but within 1 year	2,170,892,500	1,520,000,000
	-over 1 year but within 5 years	-	-
	-over 5 years but within 10 years	-	-
		5,970,892,500	5,250,000,000
	Other than FI's-inside Bangladesh		
	Repayable-on demand	-	-
	-within 1 month	228,736,700	98,386,954
	-over 1 month but within 6 months	1,082,772,806	593,877,319
	-over 6 months but within 1 year	554,950,683	868,507,690
	-over 1 year but within 5 years	383,744,402	220,246,857
	-over 5 years but within 10 years	3,181,534	18,830,424
		2,253,386,125	1,799,849,244
		8,224,278,625	7,049,849,244
12 (a)	Consolidated deposits and other accounts		
	FAS Finance & Investment Limited		
	Current deposits and other accounts	-	-
	Bills payable	-	-
	Savings bank deposits	-	-
	Fixed deposits	8,224,278,625	7,049,849,244
	Bearer certificates of deposit	-	-
	Others deposits	-	-
		8,224,278,625	7,049,849,244
	FAS Capital Management Limited		
	Current deposits and other accounts	-	-
	Bills payable	-	-
	Savings bank deposits	-	-
	Fixed deposits	-	-
	Bearer certificates of deposit	-	-
	Others deposits	-	-
		8,224,278,625	7,049,849,244

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
13	Other liabilities		
	Accumulated provision against loans, advances and leases	13.1 235,754,559	190,835,660
	Provision for current tax	13.2 296,006,107	217,155,398
	Deferred tax liabilities	13.3 7,840,342	5,187,815
	Interest suspense account	13.4 296,114,223	210,054,602
	Accounts payable	13,833	16,806
	Accrued expenses	402,506	931,137
	Provision for gratuity	13.5 -	-
	Provision against investments	13.6 56,501,516	95,200,167
	Provision for other assets	2,421,126	2,421,126
	Provident fund	13.7 -	-
	Leases advance	4,902,466	11,585,776
	Advance installment	21,126,185	34,969,675
	Unclaimed dividend	1,295,655	1,283,459
	Salary tax	149,898	73,450
	Interest payable	319,340,860	207,982,568
	Tax deduction at source	15,034,140	10,952,947
	Vat payable	383,632	239,237
	Sundry deposit	59,757,962	10,168,961
		1,317,045,010	999,058,784
13.1	Accumulated provision for loans, advances and leases		
	Provision for classified loans, advances and leases		
	Opening balance	82,412,472	66,035,322
	Fully provided debts written off during the year	(-) (22,616,736)	-
	Recovery of amounts previously written off	(+)	-
	Specific provision made for the year	(+)	16,377,150
	Recoveries and provision no longer required	(-)	-
	Net charge to profit and loss statement	(+)	-
	Total Provision for classified loans, advances and leases	124,370,441	82,412,472
	Provision for unclassified loans, advances and leases		
	Opening balance	108,423,188	61,433,019
	Provision for the year	2,960,930	46,990,169
	Adjustment during the year	-	-
	Total provision for unclassified loans, advances and leases	111,384,118	108,423,188
	Total provision against loans, advances and leases	235,754,559	190,835,660
	Provision for	Required	Maintained
			Excess/ (Shortage)
	Classified loans, advances & leases	124,370,441	124,370,441
	Un-classified loans, advances & leases	111,384,118	111,384,118
		235,754,559	235,754,559
13.1 (a)	Consolidated provision against loans, advances and leases		
	FAS Finance & Investment Limited	13.1 235,754,559	190,835,660
	FAS Capital Management Limited	89,668,773	89,668,773
		325,423,332	280,504,433

13.2 Provision for current tax

Opening balance
Add: Provision made during the year
Less: Adjustment during the year

Amount in Taka	
As at	
31-Dec-2016	31-Dec-2015
217,155,398	262,191,378
78,850,709	69,134,717
-	(114,170,697)
296,006,107	217,155,398

Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being.

13.2 (a) Consolidated provision for current tax

FAS Finance & Investment Limited
FAS Capital Management Limited

13.2

296,006,107	217,155,398
29,817,050	34,698,409
325,823,157	251,853,807

13.3 Deferred tax

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".

Deferred tax liability is arrived at as follows:

Particulars	Carrying amount at balance sheet	Tax base	(Taxable)/ deductible temporary difference
	Taka	Taka	Taka
Assets:			
Fixed assets net off depreciation as on December 31, 2016 (Excluding revaluation reserve)	92,619,878	73,019,024	(19,600,854)
Total:	92,619,878	73,019,024	(19,600,854)
Applicable tax rate			40.00%
Deferred tax liability as on December 31, 2016			(7,840,342)
Deferred tax liability as on December 31, 2015			(5,187,815)
Deferred tax expenses accounted for during the year			(2,652,527)

Deferred tax asset is arrived at as follows:

Particulars	Carrying amount at balance sheet	Tax base	(Taxable)/ deductible temporary difference
	Taka	Taka	Taka
Liabilities:			
Employee gratuity as on December 31, 2016	-	-	-
Total:	-	-	-
Applicable tax rate for employees' gratuity			40.00%
Deferred tax asset as on December 31, 2016			-
Deferred tax asset as on December 31, 2015			-
Deferred tax income accounted for during the year			-
Net deferred tax expense			(2,652,527)

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
13.3 (a) Consolidated deferred tax liabilities			
FAS Finance & Investment Limited	13.3	7,840,342	5,187,815
FAS Capital Management Limited		413,931	-
		8,254,273	5,187,815
13.4 Interest suspense account			
Opening balance		210,054,602	98,754,756
Transfer during the year	(+)	232,481,766	258,797,537
Recovery during the year	(-)	(142,269,604)	(147,497,691)
Written off during the year	(-)	(4,152,541)	-
		296,114,223	210,054,602
13.5 Provision for gratuity			
Opening balance		-	395,719
Add: Provision made during year		5,486,388	2,194,471
Less: Adjustment during the year		(5,486,388)	(2,590,190)
		-	-
13.6 Provision against investments			
Opening balance		95,200,167	9,700,307
Add: Provision made during the year		-	85,499,860
Less: Adjustment during the year		(38,698,651)	-
		56,501,516	95,200,167
13.6 (a) Consolidated provision against investments			
FAS Finance & Investment Limited	13.6	56,501,516	95,200,167
FAS Capital Management Limited		67,779,521	41,476,835
		124,281,037	136,677,002
13.7 Provident fund			
Opening balance		-	-
Add: Provision made during the year		3,165,891	2,386,592
Less: Adjustment during the year		(3,165,891)	(2,386,592)
		-	-
13. (a) Consolidated other liabilities			
FAS Finance & Investment Limited	13	1,317,045,010	999,058,784
FAS Capital Management Limited		192,536,986	180,834,954
		1,509,581,996	1,179,893,738
Less: Inter company transaction		(1,046,019)	(6,823,775)
		1,508,535,977	1,173,069,963
14 Share Capital			
		1,229,250,580	1,117,500,530
14.1 Authorized Capital			
210,000,000 ordinary shares of Taka 10 each		2,100,000,000	2,100,000,000

14.2 Issued, subscribed and paid-up Capital

	Amount in Taka	
	As at	
	31-Dec-2016	31-Dec-2015
39,065,700 ordinary shares of Taka 10 each issued for cash	390,657,000	390,657,000
5,859,850 bonus shares of Taka 10 each issued for dividend for 2009	58,598,500	58,598,500
6,738,830 bonus shares of Taka 10 each issued for dividend for 2010	67,388,300	67,388,300
2,583,219 bonus shares of Taka 10 each issued for dividend for 2011	25,832,190	25,832,190
3,254,855 bonus shares of Taka 10 each issued for dividend for 2012	32,548,550	32,548,550
111,750,050 bonus shares of Taka 10 each issued for dividend for 2015	111,750,050	-
54,247,599 right shares of Taka 10 each issued	542,475,990	542,475,990
	1,229,250,580	1,117,500,530

14.3 Percentage of Shareholding

Group	No. of Shares		Percentage (%)	
	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015
Sponsors/Directors	44,308,493	66,748,048	36.05*	59.73
Government	-	-	-	-
Institutions	33,093,487	23,603,324	26.92	21.12
Foreign	-	-	-	-
General Public	45,523,078	21,398,681	37.03	19.15
Total	122,925,058	111,750,053	100.00	100.00

*The percentage of total no. of Paid-up securities as on end of the Reporting Month has been changed due to complying with the Regulation # 2(1)(r) of the Dhaka and the Chittagong Stock Exchange (Listing) Regulations, 2015 regarding the definition of "Sponsor".

14.4 Classification of Shareholders by holding of share

Shareholding Range as on December 31	Number of holders		Number of Shares		% of total holding	
	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015
1-500	2,424	2,816	325,634	365,638	0.26	0.33
501-5,000	2,554	2,220	4,573,139	3,584,670	3.72	3.21
5,001-10,000	420	274	3,195,581	2,012,958	2.60	1.80
10,001-20,000	251	133	3,739,479	1,871,962	3.04	1.68
20,001-30,000	116	62	2,885,831	1,516,798	2.35	1.36
30,001-40,000	40	22	1,400,067	774,173	1.15	0.69
40,001-50,000	41	20	1,921,081	928,040	1.56	0.83
50,001-100,000	69	43	4,882,566	3,133,305	3.97	2.80
100,001-1,000,000	64	46	13,810,133	11,097,660	11.23	9.93
1,000,001 and above	21	22	86,191,547	86,464,849	70.12	77.37
Total	6,000	5,658	122,925,058	111,750,053	100.00	100.00

Amount in Taka

As at

31-Dec-2016

14.05 Capital adequacy ratio (CAR) As per BASEL-II

- a. In terms of Bangladesh Bank DFIM circular no. 05 dated 24 July 2011, required paid up capital of the Company at 31 December 2012 should be of Taka 1,000,000,000 against which the paid up capital of the company as at 31.12.16 was Tk. 1,229,250,580.

Consolidated - Capital adequacy ratio :

- b. In terms of Bangladesh Bank DFIM circular no. 14 dated 28 December 2011, required capital of the Company on consolidated basis at the close of business on 31 December 2016 is TK. 1,000,000,000 as against available core capital of Tk. 1,506,383,184 and supplementary capital of Tk. 337,774,164 making a total of Tk. 1,844,157,348 thereby showing surplus capital/equity of Tk. 844,157,348 at that date. Details are shown below:

14.05.01 Core capital (Tier-I)

Paid-up capital	1,229,250,580
Statutory reserve	155,186,770
Non-repayable Share premium account	-
General reserve	315,000
Retained earnings	115,554,154
Minority Interest in Subsidiaries	6,076,680
Non-Cumulative irredeemable Preferences shares	-
Dividend Equalization account	-
Other (if any item approved by BB)	-
Total	1,506,383,184
Deductions from Tier-I (Core Capital)	
Book value of Goodwill and Value of any contingent assets which are shown as assets	-
Shortfall in provisions required against classified assets irrespective of any relaxation allowed	-
Shortfall in provision required against investment in shares	-
Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the securities	-
Any investment exceeding the approved limit	-
Investment in subsidiaries which are not consolidated	-
Increase in equity capital resulting from a securitization exposure	-
Others if any	-
Total	-
Total Eligible Tier-1 Capital	1,506,383,184

14.05.02 Supplementary capital (Tier II)

	Amount in Taka
	As at
	31-Dec-2016
General provision on unclassified loans and advances	219,877,734
Provision for off-balance sheet exposure	-
Exchange equalization account	-
Asset revaluation reserves (Up to 50%)	117,896,430
Revaluation loss on investment - held to maturity (HTM)	-
Sub total	337,774,164
Applicable Deductions if any	-
Total Eligible Tier-2 Capital	337,774,164
(A) Total Eligible Capital (Tier-1 + Tier-2)	1,844,157,348
Total assets including off- balance Sheet items	18,346,586,381
Total risk weighted assets (RWA)	17,590,218,750
(B) Total Required Capital (10% of Total RWA or MCR, whichever is higher)	1,000,000,000
(C) Surplus / (Shortfall) (A-B)	844,157,348
Capital Adequacy Ratio	10.48%
Risk weighted assets (RWA)	
A. Credit Risk	
On-Balance sheet	15,541,021,807
Off-Balance sheet	-
	15,541,021,807
B. Market Risk	1,488,941,760
C. Operational Risk	560,255,183
Total RWA (A+B+C)	17,590,218,750
A. Credit Risk	
On-Balance sheet	
Exposure type	
a) Cash and Cash Equivalents	-
b) Claims on Bangladesh Government and Bangladesh Bank	-
c) Claims on other Sovereigns & Central bank's	-
d) Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
e) Claims on Multilateral Development Banks (MDBs):	-
i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
ii) Other MDBs	-
f) Claims on Public Sector Entities (other than Government) in Bangladesh (Membership in Stock Exchange)	-
g) Claims on Banks/NBFI	-
i) Maturity over 3 months	210,000,000
ii) Maturity less than 3 months	277,296,277
	Risk weighted assets

		Amount in Taka
		As at
		31-Dec-2016
h)	Claims on Corporate (excluding equity exposure)	5,059,778,203
i)	Claims under Credit Risk Mitigation	-
j)	Claims categorized as retail portfolio & small enterprise (excluding consumer investment)*	3,434,051,209
k)	Consumer investment (Loan)	66,756,540
l)	Claims fully secured by residential property	491,386,233
m)	Claims fully secured by commercial real estate	-
n)	Past Due Claims (Risk weights are to be assigned net of specific provision):	-
	The claim (other than claims secured by eligible residential property) that is past due for more than 90 days and/or impaired will attract risk weight as follows:	-
	Where specific provisions are less than 20 percent of the outstanding amount of the past due claim.	1,074,415,100
	Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.	20,492,195
	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.	16,660,257
	Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount	1,147,932,883
	Investments and claims fully secured against residential property that are past due by 90 days and/or impaired and specific provision held there-against is not less than 20% of outstanding amount	21,959,149
o)	Investments in Capital Market Exposures	3,027,614,130
p)	Investments in venture capital	-
q)	Unlisted equity investments and regulatory capital instruments issued by other FIS (other those deducted from capital) held in the banking book	-
r)	Investments in premises, plant and equipment and all other fixed assets	340,820,249
s)	Claims on all fixed assets under operating lease	-
t)	All other assets	-
	i) Claims on Gob & BB (advance income tax , reimbursement of patirakha/shanchy patra	-
	ii) Staff Loan / Investment	5,438
	iii) Cash items in process of collection	-
	iv) other assets	351,853,944
	Risk weighted assets(RWA)	15,541,021,807
	Off-Balance Sheet	
	Exposures types	
a)	Claims on Bangladesh Government and Bangladesh Bank (Outward/Inward Bill Lodged)	-
b)	Claims on other Sovereigns & Central bank's	-
c)	Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
d)	Claims on Multilateral Development Banks (MDBs):	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
	ii) Other MDBs	-
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	-
f)	Claims on NBFIs	-

		Amount in Taka
		As at
		31-Dec-2016
	i) Maturity over 3 months	-
	ii) Maturity less than 3 months	-
g)	Claims on Corporate (excluding equity exposure)	-
h)	Against retail portfolio & Small Enterprise (excluding consumer investment)	-
i)	Consumer Investment	-
j)	All other assets	-
Risk weighted assets (RWA)		-
Total Risk weighted assets (RWA)		15,541,021,807

B. Market Risk

		Capital Charges for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk
a	Interest Rate Related Instruments	-	-	-
b	Equities	74,447,088	74,447,088	148,894,176
c	Foreign Exchange Position	-	-	-
Total(a+b+c)		74,447,088	74,447,088	148,894,176
Risk weighted assets (RWA)		744,470,880	744,470,880	1,488,941,760

C. Operational Risk

Gross income	1,120,510,366
Average gross income	373,503,455
Capital charge for operational risk (15% of Average gross income)	56,025,518
Risk Weighted Assets	560,255,183

For the company (Solo) - Capital Adequacy Ratio:

In terms of Bangladesh Bank DFIM circular no. 14 dated 28 December 2011, required capital of the Company on solo basis at the close of business on 31 December 2016 is Tk. 1,000,000,000 as against available core capital of Tk. 1,532,358,897 and supplementary capital of Tk. 316,867,089 making a total of Tk. 1,849,225,986 thereby showing surplus capital/equity of Tk. 849,225,986 at that date. Details are shown below:

Core capital (Tier I)

Paid-up capital	1,229,250,580
Statutory reserve	155,186,770
Non-repayable Share premium account	-
General reserve	315,000
Retained earnings	147,606,547
Minority Interest in Subsidiaries	-
Non-Cumulative irredeemable Preferences shares	-
Dividend Equalization account	-
Other (if any item approved by BB)	-
Total	1,532,358,897

	Amount in Taka
	As at
	31-Dec-2016
Deductions from Tier-1 (Core Capital)	
Book value of Goodwill and Value of any contingent assets which are shown as assets	-
Shortfall in provisions required against classified assets irrespective of any relaxation allowed	-
Shortfall in provision required against investment in shares	-
Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the securities	-
Any investment exceeding the approved limit	-
Investment in subsidiaries which are not consolidated	-
Increase in equity capital resulting from a securitization exposure	-
Others if any	-
Total	-
Total Eligible Tier-1 Capital	1,532,358,897
Supplementary capital (Tier II)	
General provision on unclassified loans and advances	198,970,660
Provision for off-balance sheet exposure	-
Exchange equalization account	-
Asset revaluation reserves (Up to 50%)	117,896,429
Revaluation loss on investment - held to maturity (HTM)	-
Sub total	316,867,089
Applicable Deductions if any	-
Total Eligible Tier-2 Capital	316,867,089
(A) Total Eligible Capital (Tier-1 + Tier-2)	1,849,225,986
Total assets including off- balance Sheet items	17,789,784,949
Total risk -weighted assets(RWA)	15,917,652,770
(B) Total Required Capital (10% of Total RWA or MCR, whichever is higher)	1,000,000,000
(C) Surplus /(Shortfall)(A-B)	849,225,986
Capital adequacy ratio	11.62%
Risk weighted assets(RWA)	
A. Credit Risk	
On-Balance sheet	14,900,178,256
Off-Balance sheet	-
	14,900,178,256
B. Market Risk	566,677,116
C. Operational Risk	450,797,398
Total RWA (A+B+C)	15,917,652,770

		Amount in Taka
		As at
		31-Dec-2016
		Risk weighted assets
A. Credit Risk		
On-Balance sheet		
Exposure type		
a)	Cash and Cash Equivalents	-
b)	Claims on Bangladesh Government and Bangladesh Bank	-
c)	Claims on other Sovereigns & Central bank's	-
d)	Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
e)	Claims on Multilateral Development Banks (MDBs):	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
	ii) Other MDBs	-
f)	Claims on Public Sector Entities (other than Government) in Bangladesh (Membership in Stock Exchange)	-
g)	Claims on Banks/NBFI	-
	i) Maturity over 3 months	210,000,000
	ii) Maturity less than 3 months	269,394,497
h)	Claims on Corporate (excluding equity exposure)	5,059,778,204
i)	Claims under Credit Risk Mitigation	-
j)	Claims categorized as retail portfolio & small enterprise (excluding consumer investment)*	3,434,051,209
k)	Consumer investment (Loan)	66,756,540
l)	Claims fully secured by residential property	491,386,233
m)	Claims fully secured by commercial real estate	-
n)	Past Due Claims (Risk weights are to be assigned net of specific provision):	-
	The claim (other than claims secured by eligible residential property) that is past due for more than 90 days and/or impaired will attract risk weight as follows:	-
	Where specific provisions are less than 20 percent of the outstanding amount of the past due claim.	1,074,415,099
	Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.	20,492,195
	Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.	16,660,257
	Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount	1,147,932,882
	Investments and claims fully secured against residential property that are past due by 90 days and/or impaired and specific provision held there-against is not less than 20% of outstanding amount	21,959,149
o)	Investments in Capital Market Exposures	2,449,333,184
p)	Investments in venture capital	-
q)	Unlisted equity investments and regulatory capital instruments issued by other FIS (other those deducted from capital) held in the banking book	-
r)	Investments in premises, plant and equipment and all other fixed assets	330,575,936

		Amount in Taka
		As at
		31-Dec-2016
s)	Claims on all fixed assets under operating lease	-
t)	All other assets	-
	i) Claims on Gov & BB (advance income tax , reimbursement of patirakha/ shanchy patra	-
	ii) Staff Loan / Investment	5,438
	iii) Cash items in process of collection	-
	iv) other assets	307,437,432
Risk weighted assets (RWA)		14,900,178,256
Off-Balance Sheet		
Exposures types		
a)	Claims on Bangladesh Government and Bangladesh Bank (Outward/Inward Bill Lodged)	-
b)	Claims on other Sovereigns & Central bank's	-
c)	Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
d)	Claims on Multilateral Development Banks (MDBs):	-
	i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
	ii) Other MDBs	-
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	-
f)	Claims on NBFI	-
	i) Maturity over 3 months	-
	ii) Maturity less than 3 months	-
g)	Claims on Corporate (excluding equity exposure)	-
h)	Against retail portfolio & Small Enterprise (excluding consumer investment)	-
i)	Consumer Investment	-
j)	All other assets	-
Risk weighted assets (RWA)		-
Total Risk weighted assets (RWA)		14,900,178,256

B. Market Risk

	Capital Charges for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk
a	-	-	-
b	28,333,856	28,333,856	56,667,712
c	-	-	-
Total (a+b+c)			56,667,712
Risk weighted assets (RWA)			283,338,558

C. Operational Risk

Gross income	901,594,797
Average gross income	300,531,599
Capital charge for operational risk (15% of Average gross income)	45,079,740
Risk Weighted Assets	450,797,398

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
15	Statutory reserve		
	Opening balance	129,976,825	104,641,941
	Add: Addition during the year	25,209,945	25,334,884
		155,186,770	129,976,825
16	Other reserve		
	Capital reserve	16.1 315,000	315,000
		315,000	315,000
16.1	Capital reserve		
	Opening balance	315,000	315,000
	Add: Addition during the year	-	-
		315,000	315,000
17	Revaluation Reserve		
	Land	17.1 84,364,660	84,364,660
	Office building	17.2 151,428,199	159,398,104
		235,792,859	243,762,764
17.1	Revaluation reserve-Land		
	Opening balance	84,364,660	84,364,660
	Add: Addition during the year	-	-
		84,364,660	84,364,660
17.2	Revaluation reserve-Office building		
	Opening balance	159,398,104	167,787,478
	Add: Addition during the year	-	-
		159,398,104	167,787,478
	Less: Depreciation on increased value due to revaluation	(7,969,905)	(8,389,374)
		151,428,199	159,398,104
18	Retained earnings		
	Opening balance	150,546,914	152,568,055
	Net profit after taxation	126,049,723	126,674,422
	Transfer to statutory reserve	(25,209,945)	(25,334,884)
	Cash dividend paid-2014	-	(111,750,053)
	Stock dividend paid-2015	(111,750,050)	-
	Add: Depreciation on increased value due to revaluation	7,969,905	8,389,374
		147,606,547	150,546,914

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
18 (a)	Consolidated retained earnings		
	Opening balance	151,427,518	150,360,871
	Prior year adjustment for tax provision-2012	1,205,670	-
	Prior year adjustment for deffered tax (2013 & 2014)	-	155,727
	Adjustment for minority interest	(446,732)	-
	Consolidated net profit after taxation	92,357,788	129,606,483
	Transfer to statutory reserve	(25,209,945)	(25,334,884)
	Cash dividend paid-2014	-	(111,750,053)
	Stock dividend paid-2015	(111,750,050)	-
	Add: Depreciation on increased value due to revaluation	7,969,905	8,389,374
		115,554,154	151,427,518
19	Undrawn formal standby facilities, credit lines and other commitments		
	Leases, loans & advances commitments outstanding	679,637,582	806,888,740
		679,637,582	806,888,740
19 (a)	Consolidated undrawn formal standby facilities, credit lines and other commitments		
	FAS Finance & Investment Limited 19	679,637,582	806,888,740
	FAS Capital Management Limited	-	-
		679,637,582	806,888,740
20	Other memorandum items		
	Customers' stocks of securities-Merchant Banking Wing	-	-
		-	-
20 (a)	Consolidated other memorandum items		
	FAS Finance & Investment Limited 20	-	-
	FAS Capital Management Limited 20 (a)i	799,499,117	1,344,789,363
		799,499,117	1,344,789,363
20 (a)i	Other memorandum items of FAS Capital Management Limited		
	Customers' stocks of securities-Merchant Banking Wing	799,499,117	1,344,789,363
		799,499,117	1,344,789,363

This amount consists of portfolio investors' investment at cost price.

21 Profit and loss account**Income**

Interest, discount and similar income	1,743,271,504	1,351,173,181
Dividend income	13,564,281	8,656,623
Fee, commission and brokerage	-	-
Gains less losses arising from investment securities	3,644,046	18,056,289
Gains less losses arising from dealing in foreign currencies	-	-
Other operating income	1,515,379	4,646,306
Gains less losses arising from dealing securities	-	-
Income from Non-FI's assets	-	-
Profit less losses on interest rate changes	-	-

1,761,995,210	1,382,532,399
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Expenses

Interest, fee and commission	1,412,451,653	948,780,808
Losses on loans, leases and advances	-	-
Administrative expenses	79,815,603	60,393,335
Other operating expenses	15,479,055	12,667,324
Depreciation on FI's assets	17,858,956	15,226,567

1,525,605,267	1,037,068,034
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236,389,943	345,464,365
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22 Interest income

Interest on loans, advances and leases	1,599,681,287	1,308,339,045
Interest on placement with other banks and financial institutions	143,590,217	42,834,136
Interest on foreign currency balance	-	-

1,743,271,504	1,351,173,181
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22 (a) Consolidated interest income

FAS Finance & Investment Limited	22	1,743,271,504	1,351,173,181
FAS Capital Management Limited		155,781,053	230,895,576

1,899,052,557	1,582,068,757
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Less: Inter company transaction		(125,207,250)	(171,973,480)
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1,773,845,307	1,410,095,277
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		Amount in Taka	
		for the year ended	
		31-Dec-2016	31-Dec-2015
23	Interest paid on deposits, borrowings, etc.		
	Interest on deposits	848,276,690	527,971,989
	Interest on borrowings	564,174,963	420,808,819
	Interest on foreign bank accounts	-	-
		1,412,451,653	948,780,808
23 (a)	Consolidated interest paid on deposits, borrowings, etc.		
	FAS Finance & Investment Limited 23	1,412,451,653	948,780,808
	FAS Capital Management Limited	174,251,543	189,271,524
		1,586,703,196	1,138,052,332
	Less: Inter company transaction	(125,207,250)	(171,973,480)
		1,461,495,946	966,078,852
24	Investment income		
	Gain/(loss) on sale of shares	3,644,046	18,056,289
	Dividend on shares	13,564,281	8,656,623
		17,208,327	26,712,912
24 (a)	Consolidated investment income		
	FAS Finance & Investment Limited 24	17,208,327	26,712,912
	FAS Capital Management Limited	24,508,911	25,397,252
		41,717,238	52,110,164
25	Commission, exchange and brokerage		
	Commission	-	-
	Exchange gain/(loss)	-	-
	Brokerage	-	-
		-	-
25 (a)	Consolidated commission, exchange and brokerage		
	FAS Finance & Investment Limited 25	-	-
	FAS Capital Management Limited	300,000	-
		300,000	-
26	Other operating income		
	Documentation charge	60,000	18,000
	Gain on sale of fixed assets	-	577,466
	Misc. Income	-	40,000
	Office rent	-	800,000
	Processing fees	962,171	2,790,764
	Recovery against written off	-	50,000
	Residual value	319,950	313,716
	Service charge	173,258	56,360
		1,515,379	4,646,306

		Amount in Taka	
		for the year ended	
		31-Dec-2016	31-Dec-2015
26 (a)	Consolidated Other operating income		
	FAS Finance & Investment Limited	26	1,515,379
	FAS Capital Management Limited		4,646,306
			11,879,523
			13,394,902
	Less: Inter company transactions		(2,533,716)
			11,577,362
			14,824,359
27	Salary and allowances		
	Basic salary, provident fund contribution and all other allowances		50,210,624
	Festival and incentive bonus		36,654,077
			8,184,766
			58,395,390
			41,603,270
27 (a)	Consolidated salary and allowances		
	FAS Finance & Investment Limited	27	58,395,390
	FAS Capital Management Limited		41,603,270
			10,840,644
			69,236,034
			53,282,380
28	Rent, taxes, insurance, electricity, etc.		
	Rent, rates and taxes		2,325,559
	Insurance premium		1,984,314
	Electricity, gas and water, etc		1,750,888
			1,376,288
			2,124,088
			6,200,535
			5,657,024
28 (a)	Consolidated rent, taxes, insurance, electricity, etc.		
	FAS Finance & Investment Limited	28	6,200,535
	FAS Capital Management Limited		5,657,024
			6,580,564
			12,781,099
	Less: Inter company transaction		1,990,762
			-
			12,781,099
			6,847,786
29	Legal expenses		
	Professional & legal fees		795,936
			3,393,257
			795,936
			3,393,257
29 (a)	Consolidated legal expenses		
	FAS Finance & Investment Limited	29	795,936
	FAS Capital Management Limited		3,393,257
			82,800
			113,018
			878,736
			3,506,275
30	Postage, stamps, telecommunication, etc.		
	Telephone & fax		748,814
	Internet		739,479
	Postage and stamp		1,079,742
			639,264
			356,676
			663,355
			2,185,232
			2,042,098

		Amount in Taka	
		for the year ended	
		31-Dec-2016	31-Dec-2015
30 (a)	Consolidated postage, stamps, telecommunication, etc.		
	FAS Finance & Investment Limited 30	2,185,232	2,042,098
	FAS Capital Management Limited	412,051	382,468
		2,597,283	2,424,566
31	Stationery, printings, advertisements, etc.		
	Printing	2,189,144	616,953
	Stationery and Photocopy	133,884	263,518
	Publicity and advertisement	1,369,005	917,507
		3,692,033	1,797,978
31 (a)	Consolidated stationery, printings, advertisements, etc.		
	FAS Finance & Investment Limited 31	3,692,033	1,797,978
	FAS Capital Management Limited	462,603	264,403
		4,154,636	2,062,381
32	Directors' fees		
	Directors' fees	1,140,800	974,500
		1,140,800	974,500
32 (a)	Consolidated Directors' fees		
	FAS Finance & Investment Limited 32	1,140,800	974,500
	FAS Capital Management Limited	82,800	173,650
		1,223,600	1,148,150
33	Auditors' fees		
	Audit fees	166,750	160,250
		166,750	160,250
33 (a)	Consolidated Auditors' fees		
	FAS Finance & Investment Limited 33	166,750	160,250
	FAS Capital Management Limited	47,725	47,725
		214,475	207,975
34	Depreciation and repairs of FI's assets		
	Depreciation		
	Office building	11,018,647	11,061,704
	Furniture & fixture	356,779	331,037
	Office decoration	425,452	357,470
	Office equipment	402,236	379,860
	Motor vehicles	4,974,336	2,597,615
	Electrical installation	123,441	110,549
	Computer	407,601	290,310
	Telephone line & PABX system	67,565	36,160
	Software	82,899	61,862
		17,858,956	15,226,567

		Amount in Taka	
		for the year ended	
		31-Dec-2016	31-Dec-2015
Repairs			
	Motor vehicle repair and maintenance	3,338,927	864,958
		3,338,927	864,958
		21,197,883	16,091,525
34 (a)	Consolidated Depreciation and repairs of assets		
	FAS Finance & Investment Limited	21,197,883	16,091,525
	FAS Capital Management Limited	1,346,954	1,023,549
		22,544,837	17,115,074
35	Other expenses		
	A.G.M. expenses	76,080	1,315,092
	Bank charge and excise duty	2,465,273	1,650,723
	Books, newspaper and periodicals	29,087	27,810
	Business promotion	601,859	376,470
	CDBL charge	39,427	1,600
	Corporate social responsibility	377,260	233,720
	Entertainment	999,536	1,020,978
	Fees, subscription and donation	2,128,246	817,770
	Fine	30,000	1,069,097
	Fuel, oil and lubricants	1,291,002	869,284
	Office maintenance	1,858,912	1,495,529
	Picnic	1,495,858	-
	Portfolio management fees	1,817,540	1,733,716
	Registration and renewal	92,342	337,907
	Security service	837,180	834,400
	Share transfer price	-	91,043
	Staff welfare, training and education	340,090	278,084
	TA & DA	925,850	452,780
	Uniform & Liveries	73,513	61,321
		15,479,055	12,667,324
35 (a)	Consolidated Other expenses		
	FAS Finance & Investment Limited	15,479,055	12,667,324
	FAS Capital Management Limited	2,611,875	3,096,807
		18,090,930	15,764,131
	Less: Inter company transaction	(1,817,540)	(1,733,716)
		16,273,390	14,030,415

		Amount in Taka	
		for the year ended	
		31-Dec-2016	31-Dec-2015
36	Provision against loans, advances and leases	13.1	
	On un-classified loans	2,960,930	46,990,169
	On classified loans	64,574,705	16,377,150
		67,535,635	63,367,319
36 (a)	Consolidated provision against loans, advances and leases		
	FAS Finance & Investment Limited	36	67,535,635
	FAS Capital Management Limited		-
			67,535,635
			63,367,319
37	Provision for diminution in value of investments	13.6	
	In quoted shares	(38,698,651)	85,499,860
		(38,698,651)	85,499,860
37 (a)	Consolidated provision for diminution in value of investments		
	FAS Finance & Investment Limited	37	(38,698,651)
	FAS Capital Management Limited		26,302,686
			(12,395,965)
			126,976,695
38	Provision for taxation		
	Current tax	78,850,709	69,134,717
	Deferred tax	2,652,527	(226,829)
		81,503,236	68,907,888
38 (a)	Consolidated provision for taxation		
	Current tax		
	FAS Finance & Investment Limited	38	78,850,709
	FAS Capital Management Limited		3,119,988
			81,970,697
			85,639,716
	Deferred tax		
	FAS Finance & Investment Limited		2,652,527
	FAS Capital Management Limited		989,739
			3,642,266
			(251,243)
			85,612,963
			85,388,473

		Amount in Taka	
		As at	
		31-Dec-2016	31-Dec-2015
39	Appropriations		
	Retained earnings-brought forward	150,546,914	152,568,055
	Less: Adjustment for prior year	-	-
	Add: Post-tax profit for the year	126,049,723	126,674,422
		276,596,637	279,242,477
	Add: Depreciation on increased value due to revaluation	7,969,905	8,389,374
	Less: Cash dividend-2014	-	(111,750,053)
	Less: Stock dividend-2015	(111,750,050)	-
	Transferred to:	(25,209,945)	(25,334,884)
	Statutory reserve	(25,209,945)	(25,334,884)
	General reserve	-	-
	Proposed dividend	-	-
		147,606,547	150,546,914
40	Earnings per share		
	Earning attributable to ordinary shareholders (Net profit after tax)	126,049,723	126,674,422
	Weighted average number of ordinary shares outstanding	122,925,058	122,925,058
	Earnings per share-EPS (Adjusted)	1.03	1.03
	Earning per share as shown in the face of the profit and loss account is calculated in accordance with BAS-33: Earning per share (EPS).		
40 (a)	Consolidated earnings per share		
	Earning attributable to ordinary shareholders (Net profit after tax & minority interest)	92,357,788	129,606,483
	Weighted average number of ordinary shares outstanding	122,925,058	122,925,058
	Earnings per share-EPS (Adjusted)	0.75	1.05
	Earning per share as shown in the face of the consolidated profit and loss account is calculated in accordance with BAS-33: Earning per share (EPS).		
41	Net asset value per share		
	Total assets	17,110,147,367	13,278,219,570
	Total liabilities	15,341,995,611	(11,636,117,537)
		1,768,151,756	1,642,102,033
	Number of share outstanding	122,925,058	111,750,053
	Net asset value per share	14.38	14.69
41 (a)	Consolidated net asset value per share		
	Total assets	17,666,372,991	13,908,473,815
	Total liabilities	(15,930,273,628)	(12,265,491,178)
	Borrowings from other banks, financial institutions, and agents	(6,191,382,346)	(4,036,971,473)
	Deposits and other accounts	(8,224,278,625)	(7,049,849,244)
	Others liabilities	(1,508,535,977)	(1,173,069,963)
	Minority interest	(6,076,680)	(5,600,498)
		1,736,099,363	1,642,982,637
	Number of share outstanding	122,925,058	111,750,053
	Net asset value per share	14.12	14.70

42.00 Related Party Disclosure

a. Particulars of Directors and their interest in different entities:

Sl. No.	Name of Director	Status in FAS Finance & Investment Limited	Name of the firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.
1	Mr. Mohammad A Hafiz	Chairman (Acting) (Nominated by Nikita & Company Limited)	Stock & Bond Limited, AAA Finance & Investment Limited.
2	Mr. Md. Zahangir Alam	Vice -Chairman (Nominated by Design & Source Limited)	Design & Source Ltd -(Managing Director) ZA Apparels Ltd (Managing Director) ZA Sweaters Ltd (Managing Director) DSL Hong Kong Ltd (Director) ZA Sourcing (Provider) Waymart Apparels Ltd (Managing Director) Denim Processing Plant Ltd (Managing Director) Forest Hill Resort Ltd (Chairman)
3	Mr. Md. Siddiqur Rahman	Director	Simtex Industries Limited Simtex Textile Limited Clewiston Foods & Accommodation Limited Nitol Insurance Company Limited
4	Ms. Kazi Mahjaben Momtaz	Director (Nominated by P&L Agro Farms Limited)	Design & Source Ltd (Chairman) ZA Apparels Ltd (Chairman) ZA Sweaters Ltd (Chairman) Waymart Apparels Ltd (Chairman)
5	Ms. Mahfuza Rahman Baby	Director (Nominated by P & L Agro Farms Limited)	Simtex Industries Limited Simtex Textile Limited
6	Mr. Atharul Islam	Director (Nominated by P & L Agro Farms Limited)	N/A
7	Dr. Uddab Mallick	Director (Nominated by Reptiles Farm Limited)	Kumudini Women's Medical College & Hospital
8	Mr. Arun Kumer Kundu	Director (Nominated by Reptiles Farm Limited)	ARUN & ANJAN, Chartered Accountants., PLFS Investments Limited
9	Mr. Md. Abul Shahjahan	Director (Nominated by Simtex Industries Limited)	N/A
10	Mr. Md. Mostain Billah	Director (Nominated by P & L International Limited)	Mak & Co., Chartered Accountants
11	Ms. Soma Ghosh	Director (Nominated by P & L International Limited)	N/A
12	Mr. Anjan Kumer Roy	Independent Director	Finance Accounting Management Experts (FAME) Ltd., Mak & Co., Chartered Accountants
13	Mr. Pradip Kumar Nandi	Independent Director	N/A
14	Mr. Birendra Kumer Shome	Independent Director	N/A
15	Mr. Md. Russel Shahrrior	Managing Director & Ex-Officio	FAS Capital Management Limited

b. Related Party Transaction

The company carried out a number of transactions with related parties in the normal course of business. The nature of transactions and their values are shown below:

Name of the Related Party	Transaction Nature	Relationship	Balance as at 01-Jan-2016		Addition		Adjustment		Balance as at 31-Dec-2016	
			Taka		Taka		Taka		Taka	
FAS Capital Management Limited	Loan	Subsidiary Company	1,371,419,225		125,207,250		120,000,000		1,376,626,475	
FAS Capital Management Limited	Equity Investment	Subsidiary Company	244,000,000		-		1,000,000		243,000,000	

c. Share issued to Directors and Executives without consideration or exercisable at a discount - Nil

d. Lending policy to related parties

Related parties are allowed loans and advances as per General loan policy of the Company.

e. Loans, advances & leases to Directors & their related concern

Name of the Related Party	Transaction Nature	Classification Status	Outstanding Balance	Provision Kept	Security Amount
Nil	Nil	Nil	Nil	Nil	Nil

43 General

43.01 Expenditure incurred on employees

Salary Range

Below Tk. 3,000
Above Tk. 3,000

31-Dec-2016	
Number of Employees	
Permanent Basis	Contractual Basis
-	-
60	54

Includes all types of benefits paid and provided both in cash and kind other than the re-imbursement of expenses incurred for the company's business.

43.02 Claims

- (a) Claim against the company by Tax Authority
(b) Claim by the company as Income Tax refund

31-Dec-2016	31-Dec-2015
Amount in Taka	
100,193,035	106,367,476
92,582,266	73,375,115

43.03 Proposal of dividend

The Board of Directors 185th Board meeting held on 22nd day of April 2017 recommended for the shareholders a Stock Dividend @ 5% on 122,925,058 shares. This will be considered for approval of the shareholders at the 20th Annual General Meeting to be held on 15th June 2017.

43.04 Figures of the previous year have been rearranged, where necessary, to conform to current year presentation.

43.05 Approval of the Financial Statements

These financial statements were authorized for issue in accordance with a resolution of the company's board of directors on 22nd day of April 2017 on its 185th Board Meeting.

Md. Zahangir Alam, FCS
Vice Chairman

Anjan Kumer Roy, FCA
Director

Md. Russel Shahrion
Managing Director & CEO

Md. Maniruzzaman Akan
Chief Financial Officer

Md. Mohsin Reza Khan
Company Secretary

Date: Dhaka, 22 April 2017

FAS Finance & Investment Limited

Consolidated Fixed Assets Schedule

As at 31 December, 2016

Annexure-1 (a)

a. Cost

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2016
	Balance as on 01.01.2016	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2016	Addition during the year	Adj./disposal during the year	
Land	2,163,200	-	-		-	-	-	2,163,200
Office building	79,559,223	-	-	5%	18,584,379	3,048,742	-	57,926,102
Furniture & fixture	7,822,339	1,250,909	-	10%	3,243,334	696,098	-	5,133,816
Office decoration	7,463,671	843,098	-	10%	2,736,449	622,822	-	4,947,498
Office equipment	7,516,877	4,389,955	-	15%	4,229,123	463,721	-	7,213,988
Motor vehicles	27,435,275	7,221,493	1,429,000	20%	8,264,514	5,053,666	1,063,488	20,973,076
Electrical installation	1,942,299	-	-	15%	1,119,360	123,441	-	699,498
Computer	5,843,711	1,473,460	-	15%	2,914,190	596,664	-	3,806,317
Telephone line & PABX system	904,883	152,880	-	15%	394,581	93,950	-	569,232
Software	2,897,171	-	-	15%	1,021,097	281,411	-	1,594,663
Total	143,548,649	15,331,795	1,429,000		42,507,027	10,980,515	1,063,488	105,027,390
b. Revaluation								
Land	84,364,660	-	-		-	-	-	84,364,660
Office building	229,523,584	-	-	5%	70,125,480	7,969,905	-	151,428,199
Total	313,888,244	-	-		70,125,480	7,969,905	-	235,792,859
Total (a+b) at 31 December 2016	457,436,893	15,331,795	1,429,000		112,632,507	18,950,420	1,063,488	340,820,249
Balance at 31 December 2015	421,810,935	38,325,958	2,700,000		98,664,179	15,945,794	1,977,466	344,804,386

Note: Depreciation on fixed assets has been charged at rates varying from 5% to 20% on diminishing balance method.

FAS Finance & Investment Limited

Fixed Assets Schedule

As at 31 December, 2016

Annexure-1

a. Cost

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2016
	Balance as on 01.01.2016	Addition during the year	Adj./disposal during the year		Balance as on 31.12.2016	Addition during the year	Adj./disposal during the year	
Land	2,163,200	-	-		-	-	-	2,163,200
Office building	79,559,223	-	-	5%	18,584,379	3,048,742	-	57,926,102
Furniture & fixture	6,130,110	-	-	10%	2,562,322	356,779	-	3,211,009
Office decoration	6,647,205	-	-	10%	2,392,687	425,452	-	3,829,066
Office equipment	6,070,037	114,800	-	15%	3,425,912	402,236	-	2,356,689
Motor vehicles	26,006,275	7,221,493	-	20%	7,280,356	4,974,336	-	20,973,076
Electrical installation	1,942,299	-	-	15%	1,119,360	123,441	-	699,498
Computer	4,531,176	913,247	-	15%	2,301,865	407,601	-	2,734,957
Telephone line & PABX system	727,713	56,700	-	15%	297,128	67,565	-	419,720
Software	638,421	-	-	15%	85,762	82,899	-	469,760
Total	134,415,659	8,306,240	-		38,049,771	9,889,051	-	94,783,077

b. Revaluation

Land	84,364,660	-	-		-	-	-	84,364,660
Office building	229,523,584	-	-	5%	70,125,480	7,969,905	-	151,428,199
Total	313,888,244	-	-		70,125,480	7,969,905	-	235,792,859
Total (a+b) at 31 December 2016	448,303,903	8,306,240	-		108,175,251	17,858,956	-	330,575,936
Balance at 31 December 2015	413,205,744	37,798,159	2,700,000		94,926,150	15,226,567	1,977,466	340,128,652

Note: Depreciation on fixed assets has been charged at rates varying from 5% to 20% on diminishing balance method.

FAS Finance & Investment Limited

Investments in Shares and Bonds

As at 31 December, 2016

Annexure-2

Shares (quoted)

Name of Share	Number of Share	Market Price Per Share	Market Value	Cost of Share	Provision Amount
Active Fine Chemical Ltd.	32,113	43	1,390,493	1,386,530	(3,963)
ACI Limited	80,000	386	30,839,998	39,675,574	8,835,576
Bangladesh Submarine Cable Company Limited	10,000	119	1,186,000	1,223,505	37,505
CVO Petrochemical Refinery Limited	63,421	207	13,109,121	17,479,858	4,370,737
Delta Life Insurance Company Limited	58,000	101	5,834,800	8,171,665	2,336,865
Fortune Shoes Limited	10,063	51	511,200	407,718	(103,482)
Generation Next Fashions Limited	1,050,000	10	10,395,000	13,457,186	3,062,186
Golden Son Limited	725,000	23	16,457,500	22,921,582	6,464,082
Grameen Phone Limited	72,000	284	20,455,200	21,770,015	1,314,815
ICB Islamic Bank Limited	600,000	5	3,060,000	2,435,882	(624,118)
Ifad Autos Limited	3,800	100	380,760	348,327	(32,433)
Jamuna Oil Company Limited	57,992	182	10,531,347	11,613,814	1,082,467
Khulna Printing & Packaging Limited	300,700	10	2,856,650	3,324,630	467,980
Miracle Industries Ltd	25,000	62	1,545,000	1,521,449	(23,551)
Marico Bangladesh Limited	3,384	923	3,124,109	4,383,436	1,259,327
Meghna Life Insurance Company Limited	100,000	56	5,570,000	7,596,297	2,026,297
Meghna Petroleum Limited	107,000	170	18,232,800	22,848,990	4,616,190
Mozaffar Hossain Spining Mills Limited	650,000	21	13,780,000	18,195,127	4,415,127
National Tubes Ltd	15,000	126	1,893,000	1,912,347	19,347
Niloy Cement Industries Limited	500	136	-	67,845	67,845
Olympic Accessories Limited	24,000	26	624,000	566,095	(57,905)
Orion Infusions Limited	60,000	59	3,516,000	3,993,557	477,557
Padma Oil Company Limited	215,980	180	38,919,596	49,295,973	10,376,377
Paramount Textiles Limited	908,865	20	18,359,073	19,047,328	688,255
Ratanpur Steel Re-R Mills Limited	57,600	73	4,227,840	2,557,264	(1,670,576)
Reckitt Benckiser (BD) Limited	8,277	1,550	12,829,350	14,337,845	1,508,495
Sandhaani Life Insurance Company Limited	187,500	34	6,281,250	9,546,296	3,265,046
Shajibazar Power Company Limited	195,700	136	26,634,770	28,970,581	2,335,811
Saif Powertec Ltd	15,000	51	759,000	772,980	13,980
Yeakin Polymer Limited	1,141	30	34,699	10,376	(24,323)
			273,338,556	329,840,072	56,501,516

Shares (unquoted)

Particulars	Number of shares	Market price per share /Taka	Total Market Price/Taka	Book value	Provisions
Achia Sea Food Limited	1,000,000	10	10,000,000	10,000,000	-
				10,000,000	-
Grand Total:				339,840,072	56,501,516

FAS Finance & Investment Limited

Financial Highlights

As at 31 December, 2016

Annexure-3

Sl. No.	Particulars	Amount in Taka		
		31-Dec-2016	31-Dec-2015	Change in %
1	Paid up capital	1,229,250,580	1,117,500,530	10.00
2	Total capital	1,849,225,986	1,626,604,728	13.69
3	Capital surplus/deficit	849,225,986	626,604,728	35.53
4	Total assets	17,110,147,367	13,278,219,570	28.86
5	Total deposits	8,224,278,625	7,049,849,244	16.66
6	Total loans, advances and leases	13,841,656,643	11,286,132,874	22.64
7	Total contingent liabilities and commitments	679,637,582	806,888,740	(15.77)
8	Credit deposit ratio	168.30%	160.09%	5.13
9	Percentage of classified loans, advances and leases	9.99%	7.30%	36.92
10	Profit after tax and provision	126,049,723	126,674,422	(0.49)
11	Classified loans, advances and leases during the year	1,382,789,250	823,493,852	67.92
12	Provisions kept against classified loans	124,370,441	82,412,472	50.91
13	Provision surplus/deficit	-	-	-
14	Cost of fund	10.58%	12.03%	(12.05)
15	Interest earning assets	16,260,488,666	12,558,200,011	29.48
16	Non-interest earning assets	849,658,701	720,019,559	18.00
17	Return on investment (ROI)	1.67%	2.42%	(31.25)
18	Return on asset (ROA)	0.83%	1.22%	(32.00)
19	Incomes from investment	17,208,327	26,712,912	(35.58)
20	Earning per share	1.03	1.03	-
21	Net income per share	1.03	1.03	-
22	Price earning ration (Times)	14.08	11.07	27.19

FAS CAPITAL MANAGEMENT LIMITED



Md. Shahidul Alam, Chief Executive Officer, FAS Capital Management Limited



Management Team, FAS Capital Management Limited

AUDITORS' REPORT TO THE SHAREHOLDERS OF FAS CAPITAL MANAGEMENT LIMITED

We have audited the accompanying Financial Statements of FAS CAPITAL MANAGEMENT LIMITED which comprise the Statement of Financial Position as at 31 December 2016 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended 31 December 2016 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 Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 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 misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an 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 relevant 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, we consider 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 (BFRSs), give a true and fair view of state of the company's affairs as at 31 December 2016, and of the results of its operations and cash Flows for the year then ended and comply with the Rules and Regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

Matter of Emphasis:

Without qualifying our opinion we draw attention to the matter that inadequate provision on the balance of margin loan was made as per recent circular no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 of Bangladesh Securities and Exchange Commission (BSEC) due to unusual negative balance of collateral security arising out of fall in market value.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of accounts;
- d) The expenditure incurred and payments made were for the purposes of the company's business;
- e) The information and explanations required by us has been received and found satisfactory;
- f) Adequate provisions (subject to Note 5.01) have been made for loans and advances, investments and other assets which are, in our opinion, doubtful of recovery;
- g) The records and statements submitted by the branches have been properly maintained and consolidated in the Financial Statements.

Dhaka

Dated: 22-04-2017

Pinaki & Co.
Pinaki & Company
Chartered Accountants

FAS Capital Management Limited

Statement of Financial Position

As at 31 December, 2016

Particulars	Notes	31.12.2016 Taka	31.12.2015 Taka
PROPERTY AND ASSETS:			
Current Assets :			
Cash:		6,951	7,730
In hand	2	6,951	7,730
Balance with bank(s)		-	-
Cash at Bank		7,146,399	5,770,590
In Bangladesh	3	7,146,399	5,770,590
Outside Bangladesh		-	-
Investment		561,274,343	343,644,246
Share Investment	4	528,911,843	313,644,246
Other (FDR)		32,362,500	30,000,000
Loans and advances		1,553,339,389	1,861,827,457
Margin Loan to Client	5	1,553,339,389	1,861,827,457
Others assets	6	44,886,723	36,571,488
Total Current Assets :		2,166,653,805	2,247,821,511
Fixed Assets	7	10,244,313	4,675,734
TOTAL ASSETS		2,176,898,118	2,252,497,245
LIABILITIES AND CAPITAL:			
LIABILITIES:			
Borrowings from other banks, financial institutions and agents	8	1,767,336,845	1,821,181,189
Current Liabilities		192,536,987	180,834,954
Provision for Expenses	9	174,503	258,554
Provision for Income Tax	10	30,230,981	34,698,409
Sundry Creditors	11	4,683,209	14,732,383
Others liabilities	12	157,448,294	131,145,608
TOTAL LIABILITIES		1,959,873,832	2,002,016,143
CAPITAL/SHAREHOLDERS' EQUITY		217,024,286	250,481,102
Paid-up Capital	13	250,000,000	250,000,000
Retained earnings	14	(32,975,714)	481,102
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,176,898,118	2,252,497,245

Signed as per annexed report on even date

FAS Capital Management Limited

Statement of Financial Position

As at 31 December, 2016

Particulars	31.12.2016 Taka	31.12.2015 Taka
OFF-BALANCE SHEET ITEMS		
Contingent Liabilities	-	-
Acceptances and endorsements	-	-
Letters of Guarantee	-	-
Irrevocable Letters of credit	-	-
Bills for Collection	-	-
Other contingent Liabilities	-	-
Others commitments	-	-
Documentary credits and short term trade-related transaction	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, Credit lines and other commitments	-	-
Total	-	-
Other Memorandum Items	799,499,117	1,344,789,363



Md. Shahidul Alam
Chief Executive Officer



Anjan Kumer Roy, FCA
Director



Md. Russel Shahrior
Managing Director & CEO



Pinaki & Company
Chartered Accountants

Date: Dhaka, 22 April 2017

FAS Capital Management Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2016

Particulars	Notes	31.12.2016 Taka	31.12.2015 Taka
OPERATING INCOME:			
Interest Income	15	155,781,053	230,895,576
Less: Interest paid on deposit and borrowings, etc.	16	174,251,543	189,271,524
		(18,470,490)	41,624,052
Investment income	17	24,508,911	25,397,252
Commission, exchange and brokerage	18	300,000	-
Other operating income	19	11,879,523	12,711,769
		36,688,434	38,109,021
Total operating income (a)		18,217,944	79,733,073
OPERATING EXPENSES			
Salary and allowances	20	10,840,644	11,679,110
Rent, taxes, insurance, electricity, etc.	21	6,580,564	1,990,762
Postage, stamps, telecommunication, etc.	22	412,051	382,468
Printing & Stationery	23	462,603	264,403
Audit Fees		47,725	47,725
Directors Fees		82,800	173,650
Legal Expenses		82,800	113,018
Depreciation on Fixed Assets	07	1,091,464	719,227
Repair of Fixed Assets	24	255,490	304,322
Other expenses	25	2,611,875	3,096,807
		22,468,016	18,771,492
Total operating expenses (b)		22,468,016	18,771,492
Profit before provision (c=a-b)		(4,250,072)	60,961,581
Provision for diminution in value of investments		26,302,686	41,476,835
Provisions on Margin Loan		-	-
Other Provision		-	-
		26,302,686	41,476,835
Total provision (d)		26,302,686	41,476,835
Profit before taxation(c-d)		(30,552,758)	19,484,746
Provision for taxation		4,109,727	16,480,585
Current Tax	10	3,119,988	16,504,999
Deferred Tax		989,739	(24,414)
		(34,662,486)	3,004,161
Net profit after taxation		(34,662,486)	3,004,161
Earning Per Share	26	(1.39)	0.12



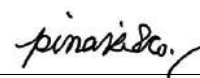
Md. Shahidul Alam
Chief Executive Officer



Anjan Kumer Roy, FCA
Director



Md. Russel Shahrior
Managing Director & CEO



Pinaki & Company
Chartered Accountants

Date: Dhaka, 22 April 2017

FAS Capital Management Limited

Statement of Cash Flows

For the year ended 31 December 2016

Particulars	31.12.16 Taka	31.12.15 Taka
Cash Flows From Operating Activities		
Interest receipts	155,781,053	230,895,576
Interest payments	(174,251,543)	(189,271,524)
Investment Income	24,508,911	25,397,252
Commission, exchange and brokerage	300,000	-
Payments to employees	(10,840,644)	(11,679,110)
Other operating income	11,879,523	12,711,769
Payment for other operating activities	(18,395,073)	(6,373,155)
Operating profit before changes in operating assets & liabilities	(11,017,773)	61,680,808
Increase/Decrease in operating assets and liabilities		
Margin loan to client	308,488,068	(364,450,881)
Other Assets (Receivable)	(8,837,074)	(19,330,411)
Other Assets (Staff loan)	(53,969)	209,360
Deposit from customers	(10,049,175)	3,005,658
Borrowing from other Bank & Financial Institute	(53,844,344)	532,221,171
Liabilities for Expenses	(84,051)	(141,034)
Other Liabilities	-	-
	235,619,455	151,513,863
Net cash from/ (used in) operating activities (a)	224,601,682	213,194,671
Cash Flows From Investing Activities		
Purchase/Sale of trading securities, shares, bonds, etc.	(215,267,597)	(177,631,397)
Others Investment (FDR)	(2,362,500)	(30,000,000)
Purchase/Sale of property, plant and equipment	(5,596,555)	(527,799)
Net cash used in investing activities (b)	(223,226,652)	(208,159,196)
Cash Flows from Financing Activities		
Proceeds from issue of ordinary share	-	-
Net cash flow from financing activities (c)	-	-
Net increase/(decrease) in cash (a+b+c)	1,375,030	5,035,475
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at beginning of the Year	5,778,320	742,845
Cash and cash equivalents at end of the year	7,153,350	5,778,320



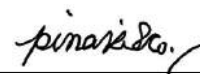
Md. Shahidul Alam
Chief Executive Officer



Anjan Kumer Roy, FCA
Director



Md. Russel Shahrior
Managing Director & CEO



Pinaki & Company
Chartered Accountants

Date: Dhaka, 22 April 2017

FAS Capital Management Limited

Statement of Changes in Equity

For the year ended 31 December 2016

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Opening Balance as on 01.01.2016	250,000,000	481,102	250,481,102
Net Profit after Taxation for the year	-	(34,662,486)	(34,662,486)
Prior Adjustment (Provision on AIT)	-	1,205,670	1,205,670
Balance as on 31 December 2016	250,000,000	(32,975,714)	217,024,286
Balance as on 31 December 2015	250,000,000	481,102	250,481,102



Md. Shahidul Alam
Chief Executive Officer



Anjan Kumer Roy, FCA
Director



Md. Russel Shahrior
Managing Director & CEO



Pinaki & Company
Chartered Accountants

Date: Dhaka, 22 April 2017

FAS Capital Management Limited

Notes to the Financial Statements

For the year ended 31 December 2016

01 Significant Accounting Policies and Other Material Information :

a. Legal Form of the Enterprise :

FAS Capital Management Limited is a subsidiary of FAS Finance & Investment Limited, Incorporated in Bangladesh on 13th October 2010 as a Private Limited company under the Companies Act, 1994. FAS Finance & Investment Limited started its activities as a Merchant Bank in 1997. The Company (Subsidiary) was incorporated as per instruction of BSEC (Letter No. BSEC/Reg./MD-Policy/Part-VI/2008/286 Dated 26 July 2010) to FAS Capital Management Ltd. to form a separate subsidiary company for Merchant Banking alone within 30th September, 2010. Accordingly the then management formed a separate subsidiary-Merchant Banking named as FAS Capital Management Ltd. and applied on 26.09.2010 to BSEC in order to transfer the Merchant Banking License in favor of the newly formed subsidiary company. Simultaneously the management of the FAS Finance & Investment Ltd. transferred the entire investor's portfolio amounting Tk.97.20 crore to FAS Capital Management Ltd. Since then the FAS Capital Management Ltd. has been working as a full fledged subsidiary company with capital of Tk. 25.00 crore.

It may be mentioned here that FCML has received the merchant Banking license from BSEC in its own name on 16.05.2012

b. Nature of Business Activities :

The Main objectives of the company for which it was established are to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, Underwriting, corporate advisory services, etc.

c. Basis of Presentation Financial statements :

The following underlying assumptions, measurement base, laws, rules, regulations and Accounting pronouncements have been considered in preparing and presenting the financial statements:

Going Concern;
Accrual; except statement of cash flow
Historical Cost Convention;
Bangladesh Accounting Standards (BAS's);
BSEC (Merchant Bankers & Portfolio Manager) Rules 1996
BSEC Rules 1987

d. Depreciation Policy :

Depreciation is charged on fixed assets from during the year of acquisition following reducing balance method for full year at the rate varying from 10% to 20% depending on the nature of assets.

e. Statement of Cash Flows :

Statement of Cash Flows (Direct Method) has been prepared as per requirement of BAS-07

f. Investment :

Investment is carried in Financial Statement at cost. Provision is made for diminishing in value of investment.

g. Taxation:

The applicable tax rate for Merchant Bank is 37.50 %. Tax assessments for the assessment year(s): 2015-2016 & 2016-2017 have been completed under Universal Self-Assessment and accordingly, income tax clearance certificates have also been obtained.

Amount in Taka	
as at	
31.12.2016	31.12.2015

h. Reporting Period:

These financial statement cover for the year from 01 January 2016 to 31 December 2016.

i. Gratuity Fund:

Gratuity fund provision has been made as per organization's policy and maintained with "FAS Finance & Investment Limited"

j. Provident Fund:

Provident fund provision has been made as per organization's policy and maintained with "FAS Finance & Investment Limited"

k. General:

All financial information is presented in taka has been rounded off to the nearest taka. Comparative figures for balance have been given.

02 Cash in hand :

Cash in Hand

6,951 7,730

Total

6,951 7,730

03 Cash at Bank :

Account No.

Dutch Bangla Bank Ltd.- Gulshan Branch	SND-116.120.1505	84,829	301,725
The City Bank Ltd.- Gulshan Branch	SND-3101221156001	6,813,156	4,199,005
Mutual Trust Bank Ltd.- Gulshan Branch	SND-0022-0320000793	45,660	10,542
Woori Bank- Head Office	NDA-923000208	8,593	39,711
The City Bank Ltd.- Gulshan Branch	6002-PIAA	190,697	1,200,721
Prime Bank Ltd.- Mohakhali Branch	SND-11031050015284	1	1
Prime Bank Ltd.- Gulshan Branch	SND-11831060023968	-	-
Social Islami Bank Ltd.- Gulshan Branch	SND-0081360000649	665	-
State Bank of India.	CD-05420271520201	2,798	18,885

Total

7,146,399 5,770,590

04 Share Investment :

Bank:

Standard Bank Ltd.	-	1,022,355
BRAC Bank Ltd.	2,281,494	-

Total

2,281,494 1,022,355

Insurance:

Delta Life Insurance Company Ltd.	2,665,675	631,359
Meghna Life Insurance Co.Ltd.	-	907,616
Rupali Life Insurance Co.Ltd.	-	344,680
Pragati Life Insurance Co.Ltd.	3,246,456	-
Sunlife Insurance Co.Ltd.	-	144,074

Total

5,912,131 2,027,729

Finance:

IDLC	-	311,274
LankaBangla Finance Ltd.	-	1,564,152
PLFS Limited	75,050,736	81,079,069

Total

75,050,736 82,954,495

		Amount in Taka	
		as at	
		31.12.2016	31.12.2015
Textile:			
Mozaffar Hossain Spinning Mills Ltd.		18,599,228	13,386,375
Mithun Knitting & Dyeing Ltd.		2,001,890	-
R.N. Spinning Mills Ltd.		-	1,494,168
Simtex Industries Ltd.		71,001,779	9,016,087
Sonali Aansh Industries Ltd.		-	248,992
Yeakin Polymer Ltd.		29,051	-
		91,631,948	24,145,622
Fuel & Power:			
Eastern Lubricant Ltd.		-	16,159
Jamuna Oil Ltd.		-	8,074,859
Khulna Power Company Ltd.		-	378,542
Meghna Petroleum Ltd.		32,019,419	21,577,848
MJL Bangladesh Ltd		-	3,586,188
Padma Oil Company Ltd.		36,483,467	15,947,091
Quasem Drycells Ltd.		2,829,062	607,922
Shahjibazar Power Co. Ltd.		54,315,189	50,402,246
Summit Power Co.Ltd.		8,043,307	3,688,559
United Power GD Co.Ltd.		-	3,367,122
		133,690,444	107,646,536
Engineering:			
Appollo Ispat Complex Ltd.		1,166,401	10,934,464
BBS		262,786	-
BSCCL		1,804,491	-
Miracle Industries Ltd.		1,548,587	-
GPH Ispat Ltd.		-	879,504
Saif Powertec Ltd.		1,029,190	-
RSRM Steels Limited		-	1,697,273
BSRM Limited		2,431,948	-
Western Marine Shipyard Ltd.		3,945,303	2,590,213
		12,188,706	16,101,454
Pharmaceutical:			
ACI Formulation Limited		27,650,014	12,338,778
ACI Limited		35,361,052	29,533,662
Active Fine		2,597,653	-
CVO Petro.Ref.Ltd		18,143,871	-
Far Chemical Industries Ltd.		23,067,904	7,550,747
Renata Ltd.		1,106,749	-
Square Pharma Ltd.		7,451,046	-
Orion Infusion Ltd.		4,595,702	-
		119,973,991	49,423,187
Others:			
Agni Systems Ltd.		-	227,204
Bangladesh Shipping Corporation		-	4,903,083
Berger Paints Bangladesh Ltd.		-	280,623
Eastern Housing Ltd.		-	110,117
Delta BRAC Housing Ltd.		13,670,020	-

	Amount in Taka	
	as at	
	31.12.2016	31.12.2015
Glaxo Smithkline Bangladesh	14,468,213	5,509,992
Grameenphone Ltd.	17,954,392	11,132,293
Fortune Shoes Ltd.	745,762	-
Khulna Printing & Pac.Ltd.	-	314,655
Marico BD Ltd.	1,345,053	-
National Tubes Ltd.	3,439,824	232,552
Gemini Sea Food Ltd.	759,442	-
Olympic Industries Ltd.	-	383,331
Rangpur Dairy Food Ltd.	-	1,017,654
United Airways (BD) Ltd.	1,299,687	1,711,364
	53,682,393	25,822,868
Share Application:		
Indo-Bangla Pharmaceuticals Ltd.	4,500,000	4,500,000
Pacific Denims Ltd	30,000,000	-
	34,500,000	4,500,000
Total	528,911,843	313,644,246

(A schedule of investments in sahare is given in Annexure-2)

05 Margin Loan to Client :

Be Rich Ltd.	204,003,668	175,840,633
Eminent Securities Ltd.	19,418,180	18,397,343
International Leasing Securities Ltd.	44,173,233	29,013,523
International Security Co. Ltd.	-	12,590,572
KHB Securities Ltd.	49,589,908	-
Khwaja Equity Services Ltd.	171,464,259	323,507,010
Mika Securities Ltd.	88,255,157	136,139,846
Royal Capital Ltd.	486,687,308	450,884,210
Shah Mohammad Sagir & Co. Ltd.	168,136,736	146,095,224
S.R. Capital Ltd.	-	62,528,123
Stock & Bond Ltd.	300,560,991	417,629,459
Western Securities Inv.Mgt.Ltd.	1,600,615	1,669,440
Discretionary A/C-General A/c	19,449,334	-
Block Account	-	12,646,138
Segregate Account	-	74,885,936
Total	1,553,339,389	1,861,827,457

05.01 Due to unusual/unexpected fall in the share market, the market value of collateral securities as on 31 December 2016 fell below the receivable amount by Tk. 800,322,779 against which the company made provision for Tk. 89,668,773 which is equivalent to 11.21% of the net unrealized loss of outstanding margin loan to client. As per recent circular no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 of Bangladesh Securities and Exchange Commission (BSEC) the company may keep provision 20% of its negative equity balance for each five quarter from 31 December 2016 to 31 December 2017.

06 Others Assets :

Accounts Receivable	06.01	11,017,976	12,939,298
Advances, Deposits and Prepayments		15,137,796	6,129,400
Deferred Tax Asset		-	575,808
Advance Income Tax (AIT)	06.02	12,851,676	12,993,366
Loan to Staff		53,969	-
Receivable Interest on FDR		537,306	726,370
Receivable Dividend Income		5,288,000	3,207,246
		44,886,723	36,571,488

		Amount in Taka	
		as at	
		31.12.2016	31.12.2015
06.01	Accounts Receivable :		
	Brokerage House	10,018,060	12,939,298
	Receivable-Work Station Rent	247,500	-
	Receivable-CDBL-All Broker	752,416	-
	Total	11,017,976	12,939,298
06.01.01	Brokerage House :		
	Be Rich Ltd.	29,944	513,085
	Discretionary A/C-BD-0002	-	1,934,252
	Discretionary A/C-BD-0003	1,002,956	-
	Discretionary A/C-BD-0004	-	156,801
	International Leasing Securities Ltd.	32,477	-
	KHB Securities Ltd.	2,366,597	-
	KHB Securities Ltd.-Own	1,482,262	-
	Western Securites Inv. Mgt. Ltd-Own	1,038,939	-
	Western Securites Ltd.	2,149,753	-
	Khwaja Equity Services Ltd.-Own	-	2,456,089
	Khwaja Equity Services Ltd.	1,815,086	-
	Mika Securities Ltd.	1,542	2,073,866
	Mika Securities Ltd.-Own	-	4,089,436
	Royal Capital Ltd.	969	633,660
	Shah Mohammad Sagir & Co. Ltd.	15,092	753,191
	Stock & Bond Ltd.	82,443	328,918
	Total	10,018,060	12,939,298
06.02	Advance Income Tax (AIT):		
	Opening Balance	12,993,366	2,220,933
	Add: Addition during the year	6,653,987	10,772,645
		19,647,353	12,993,578
	Less: Adjustment during the year	6,795,677	212
	Total	12,851,676	12,993,366
07	Fixed Assets :		
	Cost:		
	Opening Balance	9,132,990	8,605,191
	Add: Addition during the year	7,025,555	527,799
		16,158,545	9,132,990
	Less: Disposal of Fixed Assets	1,429,000	-
		14,729,545	9,132,990
	Accumulated Depreciation		
	Opening Balance	4,457,256	3,738,029
	Add: Addition during the year	1,091,464	719,227
		5,548,720	-
	Less: Adjustment during the year	1,063,488	-
		4,485,232	4,457,256
	Total	10,244,313	4,675,734
	(Details of the Fixed Assets are shown in Annexure-1)		
08	Borrowings from other banks, financial institutions and agents :		
	Banks	74,710,370	46,822,024
	Financial institutions	1,692,626,475	1,774,359,165
	Total	1,767,336,845	1,821,181,189

		Amount in Taka	
		as at	
		31.12.2016	31.12.2015
8.01	Borrowings from other financial institutions :		
	Woori Bank (Time Loan)	30,000,000	-
	Social Islami Bank Ltd-Quard	19,392,541	-
	Woori Bank (SOD)	25,317,829	24,470,104
	State Bank of India (Overdraft)	-	22,351,920
	Total	74,710,370	46,822,024
8.02	Short Term Portion of Long Term Loan :		
	FAS Finance & Investment Ltd.	1,376,626,475	1,371,419,225
	International Leasing & Fin.Services Ltd.	316,000,000	250,000,000
	Investment Corporation of Bangladesh	-	62,939,940
	Reliance Finance Limited	-	90,000,000
	Total	1,692,626,475	1,774,359,165
		1,767,336,845	1,821,181,189
09	Provision for Expenses :		
	Audit Fees	34,500	34,500
	CDBL Charges	140,003	224,054
	Total	174,503	258,554
10	Provision for Income Tax :		
	Provision for Current Tax 10.01	29,817,050	34,698,409
	Provision for Deferred Tax 10.02	413,931	-
	Total	30,230,981	34,698,409
10.01	Provision for Current Tax :		
	Opening Balance	34,698,409	18,193,410
	Add: Addition during the year	3,119,988	16,504,999
		37,818,397	34,698,409
	Less: Adjustment during the year	8,001,347	-
	Total	29,817,050	34,698,409
10.02	Provision for Deferred Tax :		
	Opening Balance	-	-
	Add: Addition during the year	413,931	-
		413,931	-
	Less: Adjustment during the year	-	-
	Total	413,931	-
11	Sundry Creditors :		
	All Broker-Cash Account	2,621,778	2,169,379
	Discretionary A/C-BD-0001	102,138	7,833,150
	Discretionary A/C-BD-0002	718,274	-
	Discretionary A/C-BD-0003	-	1,081,680
	Discretionary A/C-BD-0004	1,228,563	-
	Discretionary A/C-General	-	3,267,278
	Discretionary A/C-LRHR	12,456	-
	Khwaja Equity Services Ltd.	-	380,896
	Total	4,683,209	14,732,383
12	Others Liabilities :		
	Provision against Share Investment 12.01	67,779,521	41,476,835
	Provision against Margin loan 12.02	89,668,773	89,668,773
	Total	157,448,294	131,145,608

		Amount in Taka			
		as at			
		31.12.2016	31.12.2015		
12.01	Provision for Share Investment:				
	Opening Balance	41,476,835	-		
	Add: Addition during the year	26,302,686	41,476,835		
		67,779,521	41,476,835		
	Less: Adjustment during the year	-	-		
	Total	67,779,521	41,476,835		
12.02	Provision against Margin loan:				
	Opening Balance	89,668,773	89,668,773		
	Add: Addition during the year	-	-		
		89,668,773	89,668,773		
	Less: Adjustment during the year	-	-		
	Total	89,668,773	89,668,773		
13	Share Capital :				
13.01	Authorized Capital :				
	100,000,000 Ordinary Shares of Tk. 10.00 each	1,000,000,000	1,000,000,000		
13.02	Paid Up Capital :				
	Paid Up Capital 25,000,000 Ordinary Shares of Tk. 10.00 each	250,000,000	250,000,000		
	Total	250,000,000	250,000,000		
13.03	Percentage of Shareholding				
		2016(%)	Taka	2015(%)	Taka
	Sponsors	2.8	7,000,000	2.4	6,000,000
	Financial Institution	97.2	243,000,000	97.6	244,000,000
	Total	100	250,000,000	100	250,000,000
13.04	Name of directors, Sponsors Shareholders & their shareholding				
		Number of Share	Total Value	%	
	Mr. Abdul Matlub Ahmad	100,000	1,000,000	0.4	
	Mr. Abdul Halim	100,000	1,000,000	0.4	
	Mr.Sudhir Chandra Sarker	100,000	1,000,000	0.4	
	Mr.Uzzal Kumer Nandi	100,000	1,000,000	0.4	
	Mr.Md.Ensan Ali Sheikh	100,000	1,000,000	0.4	
	Mrs. Hafiza Khanam	100,000	1,000,000	0.4	
	Mr.Shaikh Md.Rezvi Newaz	100,000	1,000,000	0.4	
	FAS Finance & Investment Ltd.	24,300,000	243,000,000	97.2	
	Total	25,000,000	250,000,000	100	
14	Retained earnings :				
	Opening balance	481,102	(2,678,786)		
	Prior Adjustment (Provision on AIT)	1,205,670	-		
	Deferred Tax(prior year adjustment)	-	155,727		
	Net Profit after Tax	(34,662,486)	3,004,161		
	Total	(32,975,714)	481,102		

		Amount in Taka	
		as at	
		31.12.2016	31.12.2015
15	Interest Income :		
	Interest on Margin Loan	155,201,508	230,422,350
	Bank Interest-SND A/c	566,824	460,836
	Interest on Staff Loan	12,721	12,390
	Total	155,781,053	230,895,576
15.01	Interest on Margin Loan :		
	Be Rich Ltd.	14,865,398	21,747,821
	Discretionary-General A/c	1,933,080	-
	Eminent Securities Ltd.	754,870	1,695,643
	Far East Securities Ltd.	-	2,831,841
	International Leasing Securities Ltd.	4,054,491	2,248,150
	International Security Co. Ltd.	832,442	1,246,420
	Khwaja Equity Services Ltd.	42,466,059	39,428,110
	KHB Securities Ltd.	14,028,353	-
	Mika Securities Ltd.	5,176,268	-
	Royal Capital Ltd.	30,191,536	68,484,125
	Stock & Bond Ltd.	23,323,558	66,664,594
	Shah Mohammad Sagir & Co. Ltd.	14,993,684	20,540,715
	S.R. Capital Ltd.	2,056,045	4,032,647
	Western Securities Inv. Mgt. Ltd.	525,724	-
	Sylnet Securities Ltd.	-	1,502,284
	Total	155,201,508	230,422,350
16	Interest paid on deposit and borrowings, etc. :		
	Banks	4,262,484	2,482,352
	Financial Institutions	169,989,059	186,789,172
	Total	174,251,543	189,271,524
17	Investment Income :		
	Profit on Share Investment	10,800,813	20,080,321
	Dividend on Shares	13,708,098	5,316,931
	Total	24,508,911	25,397,252
18	Commission, Exchange and Brokerage :		
	Trustee Fee	300,000	-
	Total	300,000	-
19	Other Operating Income :		
	Portfolio Management Fees	7,868,099	11,574,999
	Documentation Fee	74,000	92,400
	Interest on FDR	2,435,936	726,370
	Issue Mgt. Fees	250,000	-
	Gain on sale of Fixed Assets	554,488	-
	Work Station Rent	697,000	318,000
	Total	11,879,523	12,711,769

		Amount in Taka	
		as at	
		31.12.2016	31.12.2015
19.01	Portfolio Management Fees :		
	Be Rich Ltd.	297,998	888,778
	Eminent Securities Ltd.	279,643	138,104
	Far East Shares & Securities Ltd.	-	69,396
	International Leasing Securities Ltd.	101,997	137,765
	International Security Co. Ltd.	8,161	36,579
	Khwaja Equity Services Ltd.	1,445,175	2,050,134
	KHB Securities Ltd.	388,773	-
	Discretionary-LRHR	925	-
	Mika Securities Ltd.	321,200	-
	Royal Capital Ltd.	1,036,715	2,548,010
	Stock & Bond Ltd.	1,091,116	2,430,501
	Discretionary-General A/c	437,593	-
	Shah Mohammad. Sagir & Co. Ltd.	377,211	921,414
	S.R. Capital Ltd.	264,052	556,685
	Synet Securities Ltd.	-	63,917
	FAS Finance & Investment Ltd.	1,817,540	1,733,716
	Total	7,868,099	11,574,999
20	Salary and Allowances :		
	Basic Salary and all other allowances	8,010,993	8,834,381
	Provident Fund	402,109	463,258
	Festival Bonus	820,755	912,632
	Incentive Bonus	372,884	323,212
	Leave Fare Assistance	307,750	-
	Gratuity Fund	926,153	1,145,627
	Total	10,840,644	11,679,110
21	Rent, Taxes, Insurance, Electricity, etc :		
	Office Rent	6,031,872	1,850,384
	Electric Bill	540,984	118,319
	Generator Bill	6,544	20,332
	Insurance Premium	1,164	1,727
	Total	6,580,564	1,990,762
22	Postage, Stamps, Telecommunication :		
	Internet Bill	195,650	181,524
	Telephone & Mobile Bill	205,691	190,504
	Postage & Courier	10,710	10,440
	Total	412,051	382,468
23	Printing, Stationery & Advertisement		
	Dhaka (Head Office)	462,603	264,403
	Total	462,603	264,403
24	Repairs & Maintenance		
	Software Maintenance	135,454	148,771
	Vehicle Maintenance	70,206	124,646
	Repair & Maintenance	49,830	30,905
	Total	255,490	304,322

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Other Expenses :

Bank Charge & Commission
CDBL Charge
Cleaning Service Bill
Conveyance allowance
Cookeries
Documentation Charge
Earn Leave Expenses
Entertainment
Fees & Subscription
Fuel & Lubricants
Garage Rent
Medical Allowance
Miscellaneous Exp.
Newspaper & Periodicals
Office Maintenance
Registration Fees
Renewal Fees
Security Deposit
Security Service Bill
Service Charge
Share Transfer Exp.
Spear & Accessories
TA/DA-Head Office
Stamp & Notary
Training & Development Exp.
Tour & Travels
VAT Expense
Wasa Bill

Amount in Taka	
as at	
31.12.2016	31.12.2015
104,640	84,482
-	1,832,351
97,500	-
72,920	92,465
29,650	-
-	25,000
171,818	67,269
287,891	146,057
8,000	11,500
215,961	238,853
23,000	14,500
-	7,694
-	200
9,495	11,590
222,905	28,845
30,000	56,898
244,750	190,057
-	4,500
618,083	27,600
327,981	124,824
37,346	91,042
30,785	9,730
24,800	-
11,493	6,690
4,000	13,000
10,175	-
-	3,750
28,682	7,910
2,611,875	3,096,807
(34,662,486)	3,004,161
25,000,000	25,000,000
(1.39)	0.12

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Basic Earning Per Share (EPS) disclosure under BAS-33

Net Profit for the year
Weighted average number of ordinary shares
Basic Earning Per Share (EPS)

FAS Capital Management Limited

Notes to the Financial Statements

For the year ended 31 December 2016

27 Related Party Disclosure

a. Particulars of Directors and their interest in different entities:

Sl. No.	Name of Director	Status in FCML	Name of the firms/Companies in which interested as proprietor, Partner,director,managing agent,guarantor,employee etc
1	Mr. Mohammad A Hafiz	Chairman (Nominated by FAS Finance & Investment Limited)	Stock & Bond Limited and AAA Finance & Investment Ltd.
2	Mr. Anjan Kumer Roy	Director (Nominated by FAS Finance & Investment Limited)	Mak & Co, Chartered Accountants & Finance Accounting Management Experts (FAME) Ltd.
3	Mr. Md. Russel Shahrir	Director (Nominated by FAS Finance & Investment Limited)	Managing Director, FAS Finance & Investment Ltd.
4	Mr. Md. Ensan Ali Sheikh	Director	Simtex Industries Limited
5	Mrs. Hafiza Khanam	Director	Simtex Industries Limited
6	Mr. Shaikh Md.Rezvi Newaz	Director	N/A
7	Mr. Md. Shahidul Alam	Chief Executive Officer	N/A

b. Related Party Transaction

The company carried out a number of transactions with related parties in the normal course of business. The nature of transactions and their values are shown below:

Sl. No.	Name of the Related Party	Transaction Nature	Balance as at 01-Jan-2016	Addition	Adjustment	Balance as at 31 December 2016
			Taka	Taka	Taka	Taka
1	FAS Finance & Investment Limited	Loan	1,371,419,225	125,207,250	120,000,000	1,376,626,475
2	FAS Finance & Investment Limited	Paid up Capital	244,000,000	-	1,000,000	243,000,000

FAS Capital Management Limited

Fixed Assets Schedule

As at 31 December 2016

Annexure-1

Particulars	Cost				Rate (%)	Depreciation				Written Down Value as on 31.12.2016
	Balance as on 01.01.2016	Addition during the year	Adjustment/disposal during the year	Balance as on 31.12.2016		Balance as on 01.01.2016	Addition during the year	Adjustment / disposal during the year	Balance as on 31.12.2016	
Computer & Accessories	1,312,535	560,213	-	1,872,748	15	612,325	189,063	-	801,388	1,071,360
Furniture & Fixture	1,692,229	1,250,909	-	2,943,138	10	681,012	339,319	-	1,020,331	1,922,807
Motor Vehicle	1,429,000	-	1,429,000	-	20	984,158	79,330	1,063,488	-	-
Office Decoration	816,466	843,098	-	1,659,564	10	343,762	197,370	-	541,132	1,118,432
Office Equipment	1,446,840	4,275,155	-	5,721,995	15	803,211	61,485	-	864,696	4,857,299
Software	2,258,750	-	-	2,258,750	15	935,335	198,512	-	1,133,847	1,124,903
Telephone & PABX	177,170	96,180	-	273,350	15	97,453	26,385	-	123,838	149,512
Balance as on 31 Dec 2016	9,132,990	7,025,555	1,429,000	14,729,545		4,457,256	1,091,464	1,063,488	4,485,232	10,244,313
Balance as on 31 Dec 2015	8,605,191	527,799	-	9,132,990		3,738,029	719,227	-	4,457,256	4,675,734

FAS Capital Management Limited

Provision against Company's Own Investment

As at 31 December 2016

Annexure-2

SI	Company Name	Quantity	Avg. Cost	Total Cost	Market Rate	Market Value	Unreal. Gain
01	ACI Formulations Ltd.	155,000	178.39	27,650,015	152.00	23,560,000.00	(4,090,015.00)
02	ACI Limited	76,202	464.04	35,361,052	385.50	29,375,871.00	(5,985,181.00)
03	Active Fine Chemical Ltd.	60,000	43.29	2,597,653	43.30	2,598,000	347.00
04	Appollo Ispat Co.Ltd	70,000	16.66	1,166,401	20.50	1,435,000	268,599.00
05	BD Building System Ltd.	5,000	52.56	262,786	51.80	259,000	(3,786.00)
06	BD Ste.Re-Rol.Mills Ltd.	17,000	143.06	2,431,948	127.60	2,169,200	(262,748.02)
07	BD Sub.Cable Co. Ltd.	15,000	120.30	1,804,491	118.60	1,779,000.00	(25,491.00)
08	BRAC Bank Limited	35,000	65.19	2,281,494	64.10	2,243,500	(37,994.00)
09	CVO Petrochemical Re.Ltd	67,000	270.80	18,143,871	206.70	13,848,900.00	(4,294,971.00)
10	Delta Brac H. Fin. Cor. Ltd.	130,000	105.15	13,670,020	102.20	13,286,000.00	(384,020.00)
11	Delta Life Ins. C. Ltd.	25,000	106.63	2,665,675	100.60	2,515,000	(150,675.00)
12	Far Chemical Ind. Ltd.	1,005,000	22.95	23,067,904	23.90	24,019,500	951,596.00
13	Fortune Shoes Limited	15,063	49.51	745,762	50.80	765,200	19,438.40
14	Gemini Sea Food Ltd.	1,000	759.44	759,442	713.30	713,300	(46,142.00)
15	GlaxoSmithKline (BD) Ltd.	8,000	1,808.53	14,468,213	1,532.90	12,263,200	(2,205,013.00)
16	Grameenphone Ltd.	60,000	299.24	17,954,392	284.10	17,046,000	(908,392.00)
17	Marico Bangladesh Ltd.	1,100	1,222.78	1,345,053	923.20	1,015,520	(329,533.00)
18	Meghna Petroleum Ltd	150,000	213.46	32,019,419	170.40	25,560,000	(6,459,419.00)
19	Miracle Industries Ltd.	25,060	61.80	1,548,587	61.80	1,548,708	121.00
20	Mithun Knitting	35,000	57.20	2,001,890	56.10	1,963,500	(38,390.00)
21	Mozaffar H.S. Mills Ltd.	700,000	26.57	18,599,228	21.20	14,840,000	(3,759,228.00)
22	National Tubes Ltd.	27,000	127.40	3,439,824	126.20	3,407,400	(32,424.00)
23	Orion Infusions Ltd.	70,000	65.65	4,595,702	58.60	4,102,000	(493,702.00)
24	Padma Oil Company Ltd.	170,000	214.61	36,483,467	180.20	30,634,000	(5,849,467.00)
25	Peoples leasing & Fin.	5,500,000	13.65	75,050,735	9.50	52,250,000	(22,800,735.00)
26	Pragati Life Insurance Ltd.	23,121	140.41	3,246,456	101.20	2,339,845	(906,610.80)
27	Quasem Drycell Ltd.	30,000	94.30	2,829,062	94.20	2,826,000	(3,062.00)
28	Renata Ltd.	1,000	1,106.75	1,106,749	1,085.50	1,085,500	(21,249.00)
29	Saif Powertec Ltd.	20,000	51.46	1,029,190	50.60	1,012,000	(17,190.00)
30	Shahjibazar Power Co. Ltd	356,450	152.38	54,315,189	136.10	48,512,845	(5,802,344.00)
31	Simtex Industries Limited	3,144,000	22.58	71,001,779	21.50	67,596,000.00	(3,405,779.00)
32	Square Pharma	30,000	248.37	7,451,046	249.10	7,473,000	21,954.00
33	Summit Power Ltd.	200,000	40.22	8,043,307	37.00	7,400,000	(643,307.00)
34	United Airways (BD) Ltd.	213,715	6.08	1,299,687	6.90	1,474,634	174,946.50
35	Western Marine Ship. Ltd.	115,000	34.31	3,945,303	32.00	3,680,000.00	(265,303.00)
36	Yeakin Polymer Limited	1,141	25.45	29,051	30.40	34,699	5,647.56
	Sub Total			494,411,843			
37	Indo-Bangla Pha. Ltd.	450,000	10.00	4,500,000			
38	Pacific Denims Ltd. -IPO	3,000,000	10.00	30,000,000			
	Grand Total			524,411,843		426,632,322	(67,779,521)

Required Share Provision 31.12.2016	67,779,521
Less:Share Provision Last Year	41,476,835
Share Provision made during the year	26,302,686



FAS Finance & Investment Ltd.

Corporate Office: Suvastu Imam Square (4th Floor) 65, Gulshan Avenue, Gulshan-1, Dhaka-1212

Proxy Form

I/We of being a member of **FAS FINANCE & INVESTMENT LIMITED** and a holder of shares do hereby appoint Mr/Ms/Mrs or (failing him/her) of as my/our proxy to attend and vote for me/as and on my/our behalf at the **20th Annual General Meeting** of the company to be held on Thursday, 15 June, 2017 and at any adjournment thereof.

Signature of Member :
BO/ID No. :
No. of Shares :
Signature of Proxy :

Revenue
Stamp of Tk
20/-

Note:

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



FAS Finance & Investment Ltd.

Corporate Office: Suvastu Imam Square (4th Floor) 65, Gulshan Avenue, Gulshan-1, Dhaka-1212

ATTENDANCE SLIP

I hereby record my attendance at the **20th Annual General Meeting** of the Company as a holder of shares being held on Thursday, 15 June, 2017.

Name of Member/Proxy :
BO ID No. :
Signature :

Note:

Member(s) attending the meeting in Proxy or Proxies are requested to complete the attendance slip and deposit the same at the entrance of the meeting hall.



AMMR STOCK



AMMR STOCK

Head Office

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Chittagong
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Email: chittagong@fasbd.com

Sylhet Branch

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Email: sylhet@fasbd.com

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