

# Balance Sheet

as at 31 December

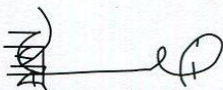
(Figures in BDT)	2008	2007	Notes
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>	<b>921,311,592</b>	<b>635,258,968</b>	
Share capital	460,460,000	328,900,000	12 Page 117
Statutory reserve	169,386,688	112,176,163	
Proposed stock dividend	184,184,000	131,560,000	
Retained earnings	107,280,904	62,622,805	
<b>NON CURRENT LIABILITIES</b>	<b>3,411,321,711</b>	<b>3,178,499,150</b>	
Term deposit	2,177,794,533	2,124,820,667	13 Page 118
Bank loan	747,734,719	437,504,183	14 Page 118
Bond	40,000,000	150,000,000	15 Page 119
IDA fund	19,531,791	56,545,535	16 Page 119
ADB fund	29,241,171	30,000,000	17 Page 120
Fund from Bangladesh Bank	27,533,133	33,495,081	18 Page 120
Advance and security deposit	88,363,408	96,588,976	19 Page 121
Provision for doubtful losses	260,000,000	200,000,000	20 Page 121
Provision for tax	19,500,000	49,500,000	21 Page 122
Other liabilities	1,622,956	44,708	22 Page 123
<b>CURRENT LIABILITIES</b>	<b>1,289,042,331</b>	<b>665,485,433</b>	
Bank loan	389,763,151	218,342,856	14 Page 118
Bond	110,000,000	20,000,000	15 Page 119
IDA fund	37,013,744	37,247,399	16 Page 119
ADB fund	758,829	-	17 Page 120
Fund from Bangladesh Bank	25,248,957	25,043,587	18 Page 120
Advance and security deposit	20,685,209	15,412,810	19 Page 121
Short term borrowings	279,811,743	50,000,000	23 Page 123
Provision for tax	46,000,000	13,500,000	21 Page 122
Accrued expenses and other payables	379,022,555	285,938,781	24 Page 123
Other liabilities	738,143	-	22 Page 123
<b>Total Shareholders' equity and Liabilities</b>	<b>5,621,675,634</b>	<b>4,479,243,551</b>	



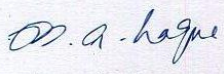
## Balance Sheet- continued

(Figures in BDT)	2008	2007	Notes
<b>ASSETS AND INVESTMENTS</b>			
<b>NON CURRENT ASSETS &amp; INVESTMENTS</b>	<b>3,913,884,530</b>	<b>2,985,105,960</b>	
Net investment in lease finance	995,871,765	1,162,304,339	25 Page 124
Advance against lease finance	133,347,303	62,391,632	26 Page 125
Term finance	1,018,144,919	761,390,389	27 Page 125
Margin loan	642,115,517	282,343,845	28 Page 125
Real estate finance	72,329,743	82,500,000	29 Page 126
Loan against term deposit	3,214,342	216,809	30 Page 126
Hire purchase finance	6,761,688	8,628,469	31 Page 126
Investment in associates	131,111,762	29,033,057	32 Page 127
Investment in securities	910,987,491	596,297,420	33 Page 128
<b>CURRENT ASSETS &amp; INVESTMENTS</b>	<b>1,693,575,972</b>	<b>1,479,276,848</b>	
Net investment in lease finance	418,763,283	409,811,577	25 Page 124
Term finance	473,520,224	548,360,862	27 Page 125
Real estate finance	10,170,257	8,723,528	29 Page 126
Loan against term deposit	8,825,778	2,274,636	30 Page 126
Hire purchase finance	2,649,889	2,216,010	31 Page 126
Account receivables	251,594,608	218,385,931	34 Page 129
Others receivables	115,199,793	47,996,833	35 Page 129
Advances, deposits & prepayments	32,451,263	12,012,205	36 Page 130
Cash and cash equivalents	380,400,877	229,495,266	37 Page 130
Property, plant and equipment	13,323,465	13,844,076	38 Page 131
Intangible assets	891,667	1,016,667	39 Page 131
<b>Total assets and investments</b>	<b>5,621,675,634</b>	<b>4,479,243,551</b>	

The annexed notes 1 to 67 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 22 March 2009 and were signed on its behalf by:

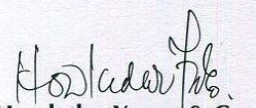
  
**Tauhidul Ashraf ACS**  
 Company Secretary

  
**Md. Akter Hossain Sannamat FCA, FCS**  
 Managing Director

  
**Md. Aminul Haque**  
 Chairman

Signed in terms of our separate report of even date annexed

Dhaka  
 24 March 2009

  
**Howladar Yunus & Co.**  
 Chartered Accountants



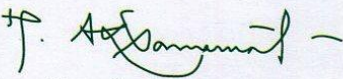
# Profit and Loss Account

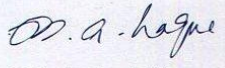
for the year ended 31 December

(Figures in BDT)	2008	2007	Notes
<b>OPERATING REVENUE</b>	<b>819,617,681</b>	<b>724,418,439</b>	
Income from lease finance	208,573,206	198,368,106	
Income from term finance	217,499,136	195,717,474	
Income from margin loan	68,954,429	26,609,857	
Income from real estate finance	160,080	5,423,373	
Income from other finances	1,364,055	1,111,293	40 Page 131
Income from associates	54,728,705	18,800,873	41 Page 131
Capital gain on sale of securities	202,027,744	239,347,298	42 Page 132
Dividend income	9,919,815	12,180,964	
Fees, commissions, etc.	31,350,798	12,283,909	43 Page 132
Other operational income	25,039,713	14,575,292	44 Page 132
<b>OPERATING EXPENSES</b>	<b>531,065,057</b>	<b>522,455,188</b>	
Financial expenses	358,962,745	382,048,119	45 Page 133
Management expenses	78,768,404	66,886,779	46 Page 133
Provision for doubtful losses	93,333,908	73,520,290	20 Page 121
<b>Profit from operation</b>	<b>288,552,624</b>	<b>201,963,251</b>	
<b>Profit before tax</b>	<b>288,552,624</b>	<b>201,963,251</b>	
Provision for taxation	2,500,000	5,000,000	21 Page 122
<b>Net profit after tax</b>	<b>286,052,624</b>	<b>196,963,251</b>	
Earnings per share (EPS)	62.12	42.78	47 Page 135
Weighted average no. of outstanding shares	4,604,600	4,604,600	47 Page 135

The annexed notes 1 to 67 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 22 March 2009 and were signed on its behalf by:

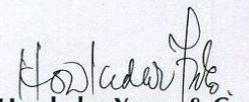
  
**Tauhidul Ashraf ACS**  
 Company Secretary

  
**Md. Akter Hossain Sannamat FCA, FCS**  
 Managing Director

  
**Md. Aminul Haque**  
 Chairman

Signed in terms of our separate report of even date annexed

Dhaka  
 24 March 2009

  
**Howladar Yunus & Co.**  
 Chartered Accountants



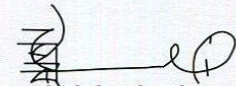
# Profit and Loss Account


## (Merchant Banking Operation)

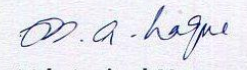
for the year ended 31 December

(Figures in BDT)	2008	2007	Notes
<b>OPERATING REVENUE</b>	<b>99,613,914</b>	<b>37,843,531</b>	
Fees, commissions, etc.	30,552,485	11,025,674	43 Page 132
Income from margin loan	68,954,429	26,609,857	
Other operational income	107,000	208,000	44 Page 132
<b>OPERATING EXPENSES</b>	<b>72,900,260</b>	<b>28,586,282</b>	
Financial expenses	56,903,841	21,175,742	45 Page 133
Management expenses	9,565,271	7,410,540	46 Page 133
Provision for doubtful losses	6,431,148	-	20 Page 121
<b>Profit from Merchant Banking Operation</b>	<b>26,713,654</b>	<b>9,257,249</b>	

The annexed notes 1 to 67 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 22 March 2009 and were signed on its behalf by:

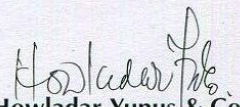
  
**Tauhidul Ashraf ACS**  
 Company Secretary

  
**Md. Akter Hossain Sannamat FCA, FCS**  
 Managing Director

  
**Md. Aminul Haque**  
 Chairman

Signed in terms of our separate report of even date annexed

Dhaka  
 24 March 2009

  
**Howladar Yunus & Co.**  
 Chartered Accountants



# Cash Flow Statement

for the year ended 31 December

(Figures in BDT)

	2008	2007
<b>OPERATING ACTIVITIES</b>		
Collection from operational revenue	645,750,717	728,812,361
Payment for operational expenses	(433,668,213)	(403,898,274)
(Increase)/decrease in operating assets	(16,165,609)	(3,824,481)
Increase/(decrease) in operating liabilities	324,516,654	45,416,018
Payment of corporate income tax	(3,716,991)	(4,241,212)
<b>Net cash from operating activities</b>	<b>516,716,558</b>	<b>362,264,412</b>
<b>INVESTMENT ACTIVITIES</b>		
Investment in lease finance	203,336,126	(123,742,922)
Advance for lease assets	(133,347,303)	(62,391,632)
Acquisition of property, plant & equipment	(4,816,673)	(1,470,385)
(Increase)/decrease in real estate finance	8,723,528	(6,598,041)
(Increase)/decrease in term finance	(181,913,893)	(35,810,891)
(Increase)/decrease in stock on hire	1,432,902	660,954
(Increase)/decrease in margin loan	(359,771,672)	(225,769,208)
(Increase)/decrease in loan against term deposits	(9,548,674)	(676,446)
Investment in associates (1st Mutual Fund)	(40,000,000)	-
Investment in associates (Prime Finance AMCL)	(7,350,000)	-
Sale of securities	494,190,410	994,380,691
Investment in securities	(808,880,481)	(1,291,582,369)
<b>Net cash from investment activities</b>	<b>(837,945,730)</b>	<b>(753,000,249)</b>
<b>FINANCING ACTIVITIES</b>		
Increase/(decrease) in lease advance/security deposit	(1,802,329)	(12,612,334)
Receipt of bank loan	788,553,298	450,000,000
Repayment of bank loan	(306,902,467)	(501,172,760)
Receipt of term Deposit	1,066,798,040	1,631,816,705
Repayment of term Deposit	(1,013,824,173)	(987,674,504)
Receipt of ADB fund	-	30,000,000
Repayment of IDA fund	(37,247,399)	(52,939,407)
Repayment of bond	(20,000,000)	(20,000,000)
Fund from Bangladesh Bank	19,285,000	9,290,000
Repayment of fund from Bangladesh Bank	(25,041,578)	(33,857,000)
Payment of cash dividend	-	(59,800,000)
Decrease in portfolio investment deposit	(15,900)	(60)
Decrease in obligation under capital lease	2,332,291	(169,614)
<b>Net cash from financing activities</b>	<b>472,134,783</b>	<b>452,881,026</b>
<b>Net increase in cash and cash equivalents</b>	<b>150,905,611</b>	<b>62,145,189</b>
Cash and cash equivalents at 1 January	229,495,266	167,350,077
<b>Cash and cash equivalents at 31 December</b>	<b>380,400,877</b>	<b>229,495,266</b>
<b>Supplemental schedule for non-cash financing activities</b>		
Bonus shares issued	131,560,000	29,900,000



# Statement of changes in Shareholders' Equity

For the year ended 31 December 2008

(Figures in BDT)	Share Capital	Retained Earnings	Statutory Reserve	Proposed Dividend	Profit and Loss account	Total
<b>Balance as on 1 January 2008</b>	<b>328,900,000</b>	<b>62,622,805</b>	<b>112,176,163</b>	<b>131,560,000</b>	-	<b>635,258,968</b>
<b>Changes during the year 2008</b>						
Issue of bonus shares (year 2007)	131,560,000	-	-	(131,560,000)	-	-
Payment of cash dividend (year 2007)	-	-	-	-	-	-
Net profit for the year 2008	-	-	-	-	286,052,624	286,052,624
Transfer to statutory reserve	-	-	57,210,525	-	(57,210,525)	-
Proposed stock dividend	-	-	-	184,184,000	(184,184,000)	-
Transferred to retained earnings	-	44,658,099	-	-	(44,658,099)	-
<b>Total change in 2008</b>	<b>131,560,000</b>	<b>44,658,099</b>	<b>57,210,525</b>	<b>52,624,000</b>	-	<b>286,052,624</b>
<b>Balance as on 31 December 2008</b>	<b>460,460,000</b>	<b>107,280,904</b>	<b>169,386,688</b>	<b>184,184,000</b>	-	<b>921,311,592</b>
<b>Balance as on 1 January 2007</b>	<b>299,000,000</b>	<b>36,612,204</b>	<b>72,783,513</b>	<b>89,700,000</b>	-	<b>498,095,717</b>
<b>Changes during the year 2007</b>						
Issue of bonus shares (year 2006)	29,900,000	-	-	(29,900,000)	-	-
Payment of cash dividend (year 2006)	-	-	-	(59,800,000)	-	(59,800,000)
Net profit for the year 2007	-	-	-	-	196,963,251	196,963,251
Transfer to statutory reserve	-	-	39,392,650	-	(39,392,650)	-
Proposed cash dividend	-	-	-	-	-	-
Proposed stock dividend	-	-	-	131,560,000	(131,560,000)	-
Transferred to retained earnings	-	26,010,601	-	-	(26,010,601)	-
<b>Total change in 2007</b>	<b>29,900,000</b>	<b>26,010,601</b>	<b>39,392,650</b>	<b>41,860,000</b>	-	<b>137,163,251</b>
<b>Balance as on 31 December 2007</b>	<b>328,900,000</b>	<b>62,622,805</b>	<b>112,176,163</b>	<b>131,560,000</b>	-	<b>635,258,968</b>