FAS Finance & Investment Limited

Head Office: Suvastu Imam Square (4th floor)
65, Gulshan Avenue, Gulshan, Dhaka-1212
Phone: 88-02-8825949, 9860558, Fax: 02-9860531
web: www.fasbd.com/ffil, e-mail: info@ fasbd.com

RIGHTS SHARE OFFER DOCUMENT

Date: February 06, 2013

Rights Offer of 54,247,599 Ordinary Shares of Tk.10.00 each at par totaling Tk. 542,475,990 offered on the basis of **1 (one) rights share for 1 (one) existing share** held on the record date.

Record Date	**February 28, 2013**
Subscription	**Opens on: March 18, 2013**
	Closes on: April 04, 2013
Within Banking Hours Both Days Inclusive	

	Long Term	Short Term
Entity Rating-2011	BBB-	ST-4
Date of Rating	January 31, 2012	
Outlook	Stable	
RATING ASSIGNED BY: CRISL		

MANAGER TO THE ISSUE

AAA CONSULTANTS & FINANCIAL ADVISERS LTD.
PARTNERSHIP OF TRUST

Amin Court (4th Floor), Suite # 403-405
31, Bir Uttam Shahid Ashfaquus Samad Road
(Previous 62-63, Motijheel C/A), Dhaka-1000
Phone: +88029559602, +88029567726, **Fax:** 880-2-9558330
Web-site: www.aaawebbd.com, **E-mail:** info@aaawebbd.com

FULLY UNDERWRITTEN BY

Swadesh Investment Management Limited Suite # 01, Level-11, Unique Trade Center 8, Panthapath, Karwan Bazar, Dhaka-1215	**Banco Finance and Investment Limited** Ispahani Building (3rd Floor), 14-15 Motijheel C/A, Dhaka-1000
Southeast Bank Capital Services Limited 52-53, Dilkusha C/A, Dhaka-1000	**Bay Leasing & Investment Limited** Printers Building (7th Floor), 5 Rajuk Avenue, Dhaka-1000
AAA Consultants & Financial Advisers Ltd. Amin Court, 4th Floor (Suite#403-405), Motijheel C/A, Dhaka-1000	

BANKERS TO THE ISSUE

Investment Corporation of Bangladesh Head Office: BDBL Building (13th floor), 8 Rajuk Avenue, Dhaka-1000	
First Security Islami Bank Limited 23, Dilkusha C/A, Dhaka-1000	**Mutual Trust Bank Limited** MTB Center, 26 Gulshan Avenue, Gulshan-1 Dhaka-1212
Southeast Bank Limited Eunus Trade Center, 52-53 Dilkusha C/A, Dhaka-1000	

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

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DEFINITION AND ELABORATION OF THE ABBREVIATED WORDS AND TECHNICAL TERMS USED IN THE PROSPECTUS

ACRONYM		ELABORATION
AAA	:	AAA Consultants & Financial Advisers Ltd.
Allotment	:	Allotment of Share
BB	:	Bangladesh Bank
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
EPS	:	Earnings Per Share
Issue	:	Rights Issue
Issue Manager	:	AAA Consultants & Financial Advisers Ltd.
Issuer Company	:	FAS Finance & Investment Limited
FFIL	:	FAS Finance & Investment Limited
NAV	:	Net Assets Value
Offering Price	:	Price of the Securities of FAS Finance & Investment Limited
Registered Office	:	Head Office of the Company
RI	:	Rights Issue
Rights Issue Rule	:	Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	:	Registrar of Joint Stock Companies & Firms
BSEC	:	Bangladesh Securities and Exchange Commission
Securities	:	Shares of FAS Finance & Investment Limited
Securities Market	:	The Share Market of Bangladesh
Sponsor	:	The Sponsor Shareholders of FAS Finance & Investment Limited
Stockholder	:	Shareholder
Subscription	:	Application Money

FAS Finance & Investment Limited

RIGHTS ISSUE OF SHARES

March 03, 2013

Dear Shareholder(s),

We are pleased to offer you an opportunity to participate in the Rights Issue of Shares of FAS Finance & Investment Limited (FFIL). The honorable shareholders of FAS Finance and Investment Limited in the 8th Extra Ordinary General Meeting held on October 31, 2012 approved rights issuance of **54,247,599** Ordinary Shares of **Tk. 10.00 each at par**, totaling Tk. 542,475,990 at **1 (One) [R]: 1 (One**) i.e. 1 (one) rights share for 1 (one) existing share held on the Record Date for entitlement. The purpose of issuance is to fulfill the regulatory requirements of Bangladesh Bank and to comply with the capital adequacy requirements as per BASEL-II, which will enable the Company to reach sustainable growth in business. FAS Finance & Investment Limited has been able to continue its growth in term of business activities and services through efficient conducting of investible funds by the management under the direction of the Board of Directors as well as patronization and active participation of all our valued shareholders and customers. The Board of Directors of your company consider that FFIL's prospects for upcoming years are very good and the funds raised by the Rights Issue will enable the Company to grow in terms of all round growth and maximize the wealth of shareholders.

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

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

On behalf of the Board of Directors,

Sd/-
Md. Mofiz Uddin Chowdhury
Managing Director

THE RIGHTS OFFER

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 Securities and Exchange Commission on 22 January 1998 with which FAS Capital Management Ltd. is carrying its business. FAS Finance & Investment Limited 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. It also commenced home loan on 11 June 2003. FFIL obtained license for Chittagong, Narsingdi and Sylhet branches under section 4(1) of the Financial Institution Act, 1993 on 14 February, 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) has been shifted from its previous address at 71 Mohakhali Commercial Area (2nd floor), Dhaka–1212 to its new location at Suvastu Imam Square (4th floor), 65 Gulshan Avenue, Gulshan, Dhaka-1212 with Bangladesh Bank approval letter no. DIFM (L) 1053/80/2008-832 dated 29 April 2008.

Subsidiary Company

The company acquired 97% shares (9,700,000 shares of Tk.10 each totaling Tk.9.70 crore) of "FAS Capital Management Limited" (formerly Fidelity Assets & Securities Company Limited). 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.

The Rights Issue

FAS Finance & Investment Limited plans to increase paid-up capital through issuance of Rights Shares. The Board of Directors in the meeting held on 30th September 2012 recommended for Rights Issue of of 54,247,599 Ordinary Shares of Tk.10.00 each at par totaling Tk. 542,475,990 at 01(one) [R]:01(one), i.e. one rights share for every 01(one) existing share held on the record date which was approved by the honorable shareholders in the 8th EGM held on October 31, 2012.

Issue Price

The Issue Price per share has been fixed in the 8th Extra Ordinary General Meeting (EGM) of the Company held on October 31, 2012 at Tk.10.00 each at par totaling Tk. 542,475,990.

RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Risk is always associated with investments and investing in the company involves inherent risk factors. There are a number of factors, both specific to FFIL and of a general nature, which may affect the future operating and financial performance of the FFIL and the value of an investment in FFIL. Some of these factors can be mitigated by the use of safeguards and appropriate managerial action. However, many are outside the control of FFIL and cannot be mitigated. The objective of risk management system of FFIL is to identify measure and manage risks in order to ensure the company's asset quality and protect our stakeholders.

The information given below does not assert to be exhaustive. Additional risks or uncertainties are presently not known to the company or that are currently deemed immaterial may also have a material adverse effect on FFIL's business, financial condition and operating results. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

Prior to accepting their Entitlements, Applicants should carefully consider the following risk factors, as well as the other information contained in this right offer documents.

Interest Rate Risk

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

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

Foreign Exchange Rate Risk

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

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

Industry Risk

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

To cope up industry risk, Management of FAS Finance & Investment is paying attention to increase its market shares. By the identification of customers' need and developing new products and services, FFIL is emphasizing on penetrating new market shares. Furthermore FFIL always believe that diversification of products & services and revenue streams are the best way to march forward. FFIL also concentrating on capacity building by enhancing professional capabilities of the employees, upholding professional ethics and modern infrastructural facility to compete with peer companies.

Market and Technology- Related Risk

Market Risk

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

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

Technology Risk

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

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

Potential or existing government regulations:

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

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

Potential changes in the global or national policies:

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

The risk due to changes in global or national policies is beyond control for any company. Yet the company is well prepared for adoption of policies and preventive measures as and when required to reduce the risk. But severe natural calamities, which sometimes are unpredictable and unforeseen, have the potential to disrupt normal operations of FFIL. Political unrest leading to strikes, hortals etc. certainly plays negative impact in any business. But electricity service being considered a daily necessity & in consideration of its use by all irrespective of their political thoughts is always kept out of obstructions

History of Non-Operation, if any :

Is there any history for the Bank to become non-operative from its commercial operation?

FAS Finance & Investment commenced its business in 1997 and it has no history of non-operation till now. The Company has an independent body that is operated by its Memorandum & Articles of Association and other applicable laws Implemented by the Government. Besides, the company's financial strength is satisfactory. It has very experienced Board of Directors and Management team to make the company more efficient and stronger for commercial operations. So, the chance of becoming non-operative for FFIL is minimum.

Operational Risk

Operational risk is the potential of loss resulting from failed or inadequate internal processes, people, systems and management, or from external events.

FFIL's operational risk management aims to minimize unexpected and catastrophic losses and to manage expected losses. This enables new business opportunities to be pursued in a risk-conscious and controlled manner. FFIL manages operational risks through a framework that ensures that operational risks are properly identified, managed, monitored and reported in a structured and consistent manner. The framework is underpinned by an internal control system that reinforces the control culture by establishing clear roles and responsibilities for staff and preserving their rights in executing their control functions without fear of intimidation. FFIL recognizes the importance of establishing a risk-awareness culture in managing operational risk through embedding risk management in the core processes.

Credit Risk

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

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

Liquidity Risk

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

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

DATE OF OPENING AND CLOSING OF SUBSCRIPTION LISTS

Subscription opens for the rights shares offer on **March 18, 2013** and subscription closes for the rights shares offer on **April 04, 2013**.

UTILIZATION OF INITIAL PUBLIC OFFERING FUND

FAS Finance & Investment Limited Utilized the IPO fund in the business operations such as investment, leasing, lending, refinancing of the company. It is further to state that FAS Finance & Investment Limited has fully utilized the entire amount raised through issuance of IPO for the business augmentation and future growth in the institution's usual course of operation which already reflected in the Audited account of the company.

Sd/-
Md. Akhtar Hossain
SVP & CFO

Sd/-
Md. Mofiz Uddin Chowdhury
Managing Director

PURPOSE OF THE RIGHTS ISSUE

FAS Finance & Investment Limited envisage to issue the Rights Shares to fulfill the regulatory requirements of Bangladesh Bank and to comply with the capital adequacy requirements as per BASEL-II, which will enable the Company to reach sustainable growth in business.

Accordingly FAS Finance & Investment Limited is going for issuance of Rights Share of 54,247,599 Ordinary Shares of Tk.10.00 each totaling Tk. 542,475,990 (Taka Fifty four crore twenty four lac seventy five thousand nine hundred and ninety) only subject to the approval of regulatory authority.

Sd/-
Md. Mofiz Uddin Chowdhury
Managing Director

5 (FIVE) YEARS INFORMATION REGARDING AGM HELD AND DIVIDEND DECLARED BY FAS FINANCE & INVESTMENT LIMITED

Accounting year	Date Of AGM Held & Dividend Declared	Declared dividend	
		Rate (%)	Total amount Taka
2007	26.06.2008	Stock-Nil	-
		Cash-Nil	-
2008	25.06.2009	Stock-Nil	-
		Cash 12%	4,68,78,840
2009	16.06.2010	Stock 15%	5,85,98,550
		Cash-Nil	-
2010	16.06.2011	Stock 15%	6,73,88,325
		Cash-Nil	-
2011	28.06.2012	Stock 5%	25,832,190
		Cash-Nil	-

HIGHLIGHTS OF THE COMPANY

Incorporation of the Company	04 March 1997
Commencement of Business	04 March 1997
Authorized capital of the Company	Tk. 210.00 Crore
Paid up capital of the Company (Considering 5% stock dividend on 2011)	Tk. 54.24 Crore
Listing on Dhaka Stock Exchange	09 January 2008
Listing on Chittagong Stock Exchange	09 January 2008
Trading of share in Stock Exchanges	16 January 2008
Licensed as Financial Institution by Bangladesh Bank	17 September 2001
Number of Branches of the Company	4
Registration of Subsidiary (FAS Capital Management Limited)	13 October 2010
Licensed as Merchant Bank	22nd January, 1998
Signing of First Lease Agreement	27th December, 2001

Total equity structure of the Company as on June 30, 2012 is shown below:-

Amount in BDT

Particulars	June 30, 2012	December 31, 2011
Paid-up capital	516,643,800	516,643,800
Statutory reserve	78,861,879	78,861,879
Other reserve	315,000	315,000
Revaluation reserve	280,607,325	290,935,886
Retained earnings	56,950,826	75,694,414
Total	**933,378,830**	**962,450,979**

FINANCIAL HIGHLIGHTS OF THE PREVIOUS YEARS

Amount in BDT

Particulars		30.06.2012	31.12.2011	31.12.2010	31.12.2009	31.12.2008	31.12.2007
Paid-up Capital		*542,475,990	516,643,800	449,255,500	390,657,000	390,657,000	390,657,000
Total Equity		933,378,830	962,450,979	962,361,528	559,294,633	520,570,110	472,893,734
Profit after Tax		(11,691,227)	61,574,383	79,154,129	85,603,363	47,681,376	53,720,424
Number of Shares		*54,247,599	51,664,380	44,925,550	39,065,700	39,065,700	39,065,700
Face Value		10.00	10.00	10.00	10.00	10.00	10.00
NAV Per Share		17.21	19.62	18.63	12.45	13.33	12.11
EPS		(0.23)	1.19	1.53	1.91	1.22	1.38
Dividend%	Cash	-	-	-	-	12.00	-
	Stock	-	5.00	15.00	15.00	-	-
Cash flow from Operating activities		(19,955,146)	(162,957,095)	30,085,578	214,417,907	(143,021,044)	(157,075,011)

** Considering 5% stock dividend on 2011*

MARKET PRICE PER SHARE OF THE COMPANY FOR LAST 6 (SIX) MONTHS:

Sl. No.	Date	Market Performance	
		Face Value (Tk.)	Closing Price (Tk.)
1	Market Price at December 30, 2012	10.00	27.40
2	Market Price at November 29, 2012	10.00	25.20
3	Market Price at October 31, 2012	10.00	28.90
4	Market Price at September 30, 2012	10.00	34.30
5	Market Price at August 30, 2012	10.00	29.10
6	Market Price at July 30, 2012	10.00	28.40

Source: DSE Monthly Review

EXISTING PRODUCTS & SERVICES RENDERED BY THE COMPANY

1) Lease financing

FAS provides lease finance under simple terms and conditions for acquisition of capital machineries for industrial

Undertakings, industrial equipment, office equipments, medical equipments and construction equipments etc.

2) Transport financing

FAS is one of the fastest growing financing Company's whose investments in transport financing are substantial.

Besides the commercial vehicles, corporate clients may also apply to acquire vehicles for official purpose under this scheme.

3) Term financing

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

4) Project financing

FAS 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, FAS contributes as sponsor or syndicate member of the projects.

5) House financing (Real Estate Finance)

The clients are indulgenced in FAS regardless of their professions and occupations. FAS provide competitive interest rate in flat loan. At present, the Company is providing loan facility to the client for a maximum period of ten years. FAS also provide financing for the construction of a project.

6) Small and Medium Enterprise (SME) refinancing

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

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 concern
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.

7) Working capital financing

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

8) Factoring

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

9) Deposit mobilization

FAS provides attractive interest rate among firms, companies, financial institutions and individual clients.

BOARD OF DIRECTORS

Sl. No.	Name	Designation	Occupation	Address	
				Present (Business)	Permanent
1	Mr. Abdul Matlub Ahmad	Chairman	Business	House#14, Road#99, Gulshan-2, Dhaka	House#2, Road#11, Baridhara, Dhaka
2	Mrs. Selima Ahmad	Director	Business	House#14, Road#99, Gulshan-2, Dhaka	House#2, Road#11, Baridhara, Dhaka
3	Abdul Marib Ahmad	Director	Business	House#14, Road#99, Gulshan-2, Dhaka	House#14, Road#99, Gulshan-2, Dhaka
4	Ms. Syeda Shahnaz Ahmad	Director	Business	181/1, East Kafrul Dhaka Cantonment, Dhaka	House#16, Road#36, Gulshan-2, Dhaka
5	Mr. Syed Monoar Ali	Director	Business	House#940, Road#14, Shymoli, Dhaka	Vill & P.O-Pachuria, P.S-Lohagara, Dist-Narail
6	Md. Khalequzzaman	Director Nominated by Nitol Motors Limited	Business	Flat # 6-E, Tanaka Tower, 42/1 GHA, Sagun Bagicha, Dhaka	Vill: Sthal, PS:Sarisabari, Jagannathganj ghat, Jamalpur
7	Mr. Golam Rabbani	Director Nominated by Nikita & Company Ltd.	Business	Contempo, Flat No.# B-5, 37/KA, Middle Paik Para, Mirpur, Dhaka-1216	Vill. & P.O- Lutfor Manjil, Muslim Para, Nabogram Road, Dist.-Barisal
8	Mr. Satya Gopal Podder	Independent Director	Service	House # Eastern Dream 702, Road #7 Sagun Bagicha, PO # G.P.O-1000, PS # Shahbag,Dhaka	Vill: Sthal, PS:Sarisabari, Jagannathganj ghat, Jamalpur
9	Mr. Mustafa Aminur Rashid	Independent Director	Service	House # 78/1, West Rampura, WAPD Road, PS-Khilgaon, Dhaka	Fuldoher para, Pingna-1219, Sarisabari, Jamalpur
10	Md. Mofiz Uddin Chowdhury	Managing Director	Service	House # 140 (3rd floor), Road # 1, DOHS Baridhara, Dhaka	House # 140 (3rd floor), Road # 1, DOHS Baridhara, Dhaka

MANAGEMENT & EXECUTIVES

Sl. No.	Name Of Executives	Address	Educational Qualification	Designation	Occupation	Place of Posting
1	Mr. Md. Mofiz Uddin Chowdhury	House#140, Road#1, Baridhara DOSH, Dhaka	MA	Managing Director	Service holder	Head Office, Dhaka
2	Mr. Md. Abdul Halim	10/2/F, Madrasha Road,Mohammadpur, Dhaka-1207	M.S.S	EVP	Service holder	Head Office, Dhaka
3	Md. Akhtar Hossain	House #157/A/1, Road#3, Mohammadpur Housing Ltd., Dhaka-1207	MBA	SVP & CFO	Service holder	Head Office, Dhaka
4	Md. Abdul Maleque	Plot#36-38, (Apartment 4-B) Road#5, Block#A, Banasri, Rampura, Dhaka	B.Com	SVP	Service holder	Branch Office, Chittagong
5	Fardose Jahan	138/13, Lalbagh Road, Dhaka-1211	M.Com, ACS	Company Secretary	Service holder	Head Office, Dhaka

CORPORATE INFORMATION: June 30, 2012

FAS Finance & Investment Limited

Head Office: Suvastu Imam Square (4th floor)
65, Gulshan Avenue, Gulshan, Dhaka-1212

Date of Incorporation	:	04 March 1997
Date of Commencement	:	04 March 1997
Listing with Dhaka Stock Exchange	:	09 January 2008
Listing with Chittagong Stock Exchange	:	09 January 2008
Authorized Capital	:	Tk. 210.00 Crore
Paid-up-Capital (Considering 5% stock dividend on 2011)	:	Tk. 54.24 Crore
Shareholders' Equity		Tk. 93.33 Crore
Total Operating Income	:	Tk. 8.52 Crore
Total Assets	:	Tk. 263.48Crore
Number of Employees	:	46
Number of Shareholders	:	4812
Number of Branches	:	4

Managing Director :	**Md. Mofiz Uddin Chowdhury**
Auditor:	**M. J. Abedin & Co.** Chartered Accountants
Legal Advisors:	**1) Anup Kumar Barmon (Advocate)** A.P.P, District & Civil judge Court, Dhaka ;Ayan Asrom, Madhab Kunjjo,New Suvaddo Barmon para West Aaganagar, South Keranigonj, Dhaka **2) Khalilur Rahman Nasir (Advocate)** House #2, Road #1/B, Nikunjjo-2, Khilkhet, Dhaka

BANKERS TO THE ISSUE OF RIGHTS ISSUE OF FAS FINANCE & INVESTMENT LIMITED

MUTUAL TRUST BANK LIMITED			
1. Agrabad Branch, Chittagong	15. Cox's Bazar Branch, Cox's Bazar	29. Jubilee Road Branch, Chittagong	43. Principal Branch, Dhaka
2. Alankar Mour Branch, Chittagong	16. Dagonbhuiyan Branch, Feni	30. Khatungonj Branch, Chittagong	44. Progati Sarani Branch, Dhaka
3. Aman Bazar Branch, Chittagong	17. Dhanmondi Branch, Dhaka	31. Kushtia Branch, Kushtia	45. Raipur Branch, Laxmipur
4. Babu Bazar Branch, Dhaka	18. Dholaikhal Branch, Dhaka	32. Mohammadpur Branch, Dhaka	46. Rajshahi Branch, Rajshahi
5. Banani Branch, Dhaka	19. Dilkusha Branch, Dhaka	33. Moulvi Bazar Branch, Sylhet	47. Rangpur Branch, Rangpur
6. Baridhara Branch, Dhaka	20. Elephant Road Branch, Dhaka	34. MTB Corporate Center Br., Dhaka	48. Savar Branch, Dhaka
7. Bashundhara Branch, Dhaka	21. Feni Branch, Feni	35. Mymensingh Branch, Mymensingh	49. ShanirAkhra Branch, Dhaka
8. Bogra Branch, Bogra	22. Fullbaria Branch, Dhaka	36. Narayangonj Branch, Narayangonj	50. Sonargaon Branch, Dhaka
9. Brahmanbaria Br, Brahmanbaria	23. Gournadi Branch, Barisal	37. Nazirhat Branch, Chittagong	51. Sreenagar Branch, Dhaka
10. CDA Avenue Branch, Chittagong	24. Gulshan Branch, Dhaka	38. Noria Branch, Shariyatpur	52. Syedpur Branch, Sunamganj
11. Chandra Branch, Dhaka	25. Hobigonj Branch, Hobigonj	39. Oxygen Mor Branch, Chittagong	53. Sylhet Branch, Sylhet
12. Chawk Moghaltuli Branch, Dhaka	26. Ishwardi Branch, Ishwardi	40. Pabna Branch, Pabna	54. Thakurgaon Branch, Thakurgaon
13. Chokoria Branch, Chittagong	27. Jessore Branch, Jessore	41. Pallabi Branch, Dhaka	55. Tongi Branch, Dhaka
14. Comilla Branch, Comilla	28. Joypurhat Branch, Joypurhat	42. Panthapath Branch, Dhaka	56. Uttara Model Town Branch, Dhaka

FIRST SECURITY ISLAMI BANK LIMITED			INVESTMENT CORPORATION OF BANGLADESH (ICB)
1. Dilkusha Branch, Dhaka	10. Motijheel Branch, Dhaka	18. Agrabad Branch, Chittagong	1. Head Office, Dhaka
2. Mohakhali Branch, Dhaka	11. Ring Road Branch, Dhaka	19. Jubilee road Branch, Chittagong	2. Chittagong Branch, Chittagong
3. Bangshal Branch, Dhaka	12. Banasree Branch, Dhaka	20. Comilla Branch, Comilla	3. Rajshahi Branch, Rajshahi
4. Dhanmondi Branch, Dhaka	13. Malibagh Branch, Dhaka	21. Rangpur Branch, Rangpur	4. Khulna Branch, Khulna
5. Gulshan Branch, Dhaka	14. Kawran Bazar Branch, Dhaka	22. Rajshahi Branch, Rajshahi	5. Barisal Branch, Barisal
6. Mirpur Branch, Dhaka	15. Bashundhara Branch, Dhaka	23. Sylhet Branch, Sylhet	6. Sylhet Branch, Sylhet
7. Banani Branch, Dhaka	16. Uttara Branch, Dhaka	24. Khulna Branch, Khulna	7. Bogra Branch, Bogra
8. Topkhana Road Branch, Dhaka	17. Narayanganj Br., Narayanganj	25. Jessore Branch, Jessore	8. Local Office, Dhaka
9. Senanibash Branch, Dhaka			

SOUTHEAST BANK LIMITED			
1. Principal Branch, Dhaka	6. New Elephant Road Br., Dhaka	11. Pahartali Branch, Chittagong	
2. Corporate Branch, Dhaka	7. Rokeya Sarani Branch, Dhaka	12. Chouhatta Branch, Sylhet	
3. Mouchak Branch, Dhaka	8. Kakrail Branch, Dhaka	13. Lal dighir paar Branch, Sylhet	
4. Dhanmondi Branch, Dhaka	9. Banani Branch, Dhaka	14. Jubilee Road Branch, Chittagong	
5. Uttara Branch, Dhaka	10. Bangshal Branch, Dhaka	15. CDA Avenue Branch, Chittagong	

DETERMINATION OF OFFERING PRICE

Method-1: Net Assets Value per Share as on June 30, 2012

PARTICULARS	AMOUNT(BDT)
ASSETS:	
Cash	**4,116,454**
In hand (including foreign currencies)	51,707
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4,064,747
Balance with other banks and financial institutions	**7,314,318**
Investments	**185,786,619**
Loans, advances and leases	**1,804,506,613**
Fixed assets including premises, furniture and fixtures	**355,668,556**
Others assets	**224,231,787**
Non-Financial institution's assets	**53,271,231**
Total Assets(A)	**2,634,895,578**
LIABILITIES:	
Borrowings from other banks, financial institution and agents	**946,444,703**
Deposits and Other Accounts	**289,843,199**
Others liabilities	**464,218,694**
Minority interest	**1,010,152**
Total liabilities (B)	**1,701,516,748**
Revaluation reserve (C)	**280,607,325**
Net Asset Value considering Revaluation reserve (A-B)=D	**933,378,830**
Net Asset Value without considering Revaluation reserve (A-B-C)=E	**652,771,505**
***Number of Shares of Tk. 10.00 each outstanding(F)**	**54,247,599**
Net Asset Value (NAV) per share considering Revaluation reserve (D/F)	**17.21**
Net Asset Value without considering Revaluation reserve(E/F)	**12.03**

** Considering 5% stock dividend on 2011*

Method-2: Historical Earnings Based Value per Share

Period	Number of Share	Net Profit After Tax	Weight of Number of Share	Weighted Average Net Profit after tax
2007	39,065,700	53,720,424	0.182731852	9816432.59
2008	39,065,700	47,681,376	0.182731852	8712906.16
2009	39,065,700	85,603,363	0.182731852	15642461.09
2010	44,925,550	91,684,782	0.210141607	19266787.41
2011	51,664,380	7,867,049	0.241662836	1901173.37
Total	**213,787,030**	**286,556,994**	**1.00000000**	**55,339,760.62**
***Number of Shares as on December 31, 2012**				**54,247,599**
Weighted average Earning per Share				**1.02**
Present Market PE (As per DSE Review September 30, 2012)				**13.04**
Historical Earning Based Value per share (1.02 x 13.04)				**13.30**

* Considering 5% stock dividend on 2011

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

FAS Finance & Investment Limited (FFIL), a joint-venture listed Non-Banking Financial Institution (NBFI) was incorporated on March 04, 1997 under the Companies Act, 1994 and obtained its license as Non-Banking Financial Institution from Bangladesh Bank under the ambit of the Financial Institution Act, 1993 on 17.09.2001. The Company commencement its business on 04 March 1997 and has successfully completed almost 15 (Fifteen) years of operation.

IMPLEMENTATION SCHEDULE [Rule-8(k)]

The additional paid up capital and the share premium amount will be invested in the following manner:

Purpose	Amount in Tk.	Implementation Period
Loan Repayment:		
Mutual Trust Bank	100,000,000	01 month after receiving the fund
Term Deposit Repayment:		
Agrani Bank Ltd.	100,000,000	01 months after receiving the fund
Sonali Bank Ltd.	50,000,000	05 months after receiving the fund
National Life Insurance Co. Ltd.	20,000,000	06 months after receiving the fund
Investments:		
FDR with Bank/FIs	10,000,000	02 months after receiving the fund
Lease Finance	100,000,000	03 months after receiving the fund
House Finance	100,000,000	03 months after receiving the fund
Term Finance/ SME Finance	50,000,000	06 months after receiving the fund
Share Investment	12,475,990	02 months after receiving the fund
Total	**542,475,990**	

Dated, Dhaka
11 October, 2012

Sd/-
Sr. Vice President & CFO

Sd/-
Managing Director

QUANTIY OF SHARES HELD BY EACH DIRECTOR AS ON SEPTEMBER 30, 2012

Sl. No.	Name	Status	No. of Shares held	(%) of Share
1.	Mr. Abdul Matlub Ahmad	Chairman	2,666,160	4.91
2.	Mrs. Selima Ahmad	Director	2,282,899	4.21
3.	Mr. Abdul Marib Ahmad	Director	1,357,408	2.50
4.	Ms. Syeda Shahnaz Ahmad	Director	1,527,487	2.82
5.	Mr. Syed Monoar Ali	Director	1,527,487	2.82
6.	Mr. Mustafa Aminur Rashid	Independent Director	-	-
7.	Mr. Satya Gopal Podder	Independent Director	-	-
8.	Mr. Md. Khalequezzaman	Director (Nominated by Nitol Motors Limited)	13,886,250	25.6
9.	Mr. Golam Rabbani	Director (Nominated by Nikita & Company Limited)	6,943,125	12.8
Total			**30,190,816**	**55.65**

COMPOSITION OF SHAREHOLDING POSITION OF THE COMPANY AS ON SEPTEMBER 30, 2012

Sl. No.	Particulars	Number of Shares of Tk.10.00 each	Percentage (%)
1.	Sponsors and Directors	34,718,676	64.00
2.	General public	13,094,736	24.14
3.	Institutions (Including ICB)	6,434,187	11.86
4.	Government	-	-
Total		**54,247,599**	**100.00%**

BENEFICIAL OWNERS HOLDING SHARES 5% OR ABOVE

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

PUBLIC LISTED COMPANY UNDER COMMON MANAGEMENT

As per the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Public Listed Company under the common Management of FAS Finance & Investment Limited.

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

A.	**Issue Manager:**	**AAA Consultants & Financial Advisers Ltd.** Amin Court (4th Floor), Suit # 403-405, 31, Bir Uttam Shahid Ashfaquus Samad Road (Previous 62-63, Motijheel C/A) Dhaka-1000
B.	**Auditors:**	**M. J. Abedin & Co.** Chartered Accountants National Plaza, 109 Bir Uttam C. R. Datta Road, Dhaka-1205
C.	**Bankers to the Issue:**	**i) First Security Islami Bank Limited** 23, Dilkusha C/A, Dhaka-1000 **ii) Southeast Bank Limited** 52-53, Dilkusha C/A, Dhaka-1000 **iii) Investment Corporation of Bangladesh** Head Office: BSB Building (13th floor), 8 Rajuk Avenue, Dhaka-1000 iv) **Mutual Trust Bank Ltd.** MTB Center, 26 Gulshan Avenue, Gulshan-1 Dhaka-1212
D.	**Legal Advisors**	**i) Anup Kumar Barmon (Advocate)** A.P.P, District & Civil judge Court, Dhaka Ayan Asrom, Madhab Kunjjo, New Suvaddo Barmon para West Aaganagar, South Keranigonj, Dhaka **ii) Khalilur Rahman Nasir (Advocate)** House #2, Road #1/B, Nikunjjo-2, Khilkhet, Dhaka
E.	**Compliance Officer of Issuer**	**Fardose Jahan** Company Secretary
F.	**Compliance Officer of Issue Manager**	**Md. Khalid Hossain** Deputy Manager

FAS Finance & Investment Limited is going to rights issue of 54,247,599 Ordinary Shares of Tk.10.00 each at par totaling Tk. 542,475,990 offered on the basis of **1 (one) rights share for 1 (one) existing share** held on the record date. As per Securities and Exchange Commission's guideline, the issuer of a listed security making rights issue shall appoint one or more underwriters licensed under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্চেন্ট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬ to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be **@ 0.10%** on the underwritten amount and there will be no additional commission for take-up unsubscribe portion of shares if any.

Name of Underwriters	No. of Shares to be Underwritten	Offer price (BDT)	Total Amount of Underwritten (BDT)
Banco Finance and Investment Limited Ispahani Building (3rd Floor), 14-15 Motijheel C/A, Dhaka-1000	5,000,000	10.00	50,000,000
Southeast Bank Capital Services Limited 52-53, Dilkusha C/A, Dhaka-1000	15,000,000	10.00	150,000,000
Bay Leasing & Investment Limited Printers Building (7th Floor), 5, Rajuk Avenue, Dhaka-1000	10,000,000	10.00	100,000,000
AAA Consultants & Financial Advisers Ltd. Amin Court (4th Floor), Suite # 403-405, 31, Bir Uttam Shahid Ashfaquus Samad Road (Previous 62-63, Motijheel (C/A), Dhaka-1000	15,000,000	10.00	150,000,000
Swadesh Investment Management Limited Suite # 01, Level-11, Unique Trade Center 8, Panthapath, Karwan Bazar, Dhaka-1215	9,247,599	10.00	92,475,990
Total	**54,247,599**		**542,475,990**

UNDERWRITERS' OBLIGATION

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

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

As per [Rule-8(1)] of the Securities & Exchange Commission (Right Issue) Rules, 2006 Directors Take-Up in the Rights Offer [Rule-8(Q)] is as under:

Sl. No.	Name of Directors	Status	No. of Shares Held	No. of Rights Share Offered	No. of Rights Shares to be Renounced
1.	Mr. Abdul Matlub Ahmad	Chairman	2,666,160	2,666,160	-
2.	Mrs. Selima Ahmad	Director	2,282,899	2,282,899	-
3.	Mr. Abdul Marib Ahmad	Director	1,357,408	1,357,408	-
4.	Ms. Syeda Shahnaz Ahmad	Director	1,527,487	1,527,487	-
5.	Mr. Syed Monoar Ali	Director	1,527,487	1,527,487	-
6.	Mr. Mustafa Aminur Rashid	Independent Director	-	-	-
7.	Mr. Satya Gopal Podder	Independent Director	-	-	-
8.	Mr. Md. Khalequezzaman	Director (Nominated by Nitol Motors Limited)	13,886,250	13,886,250	-
9.	Mr. Golam Rabbani	Director (Nominated by Nikita & Company Limited)	6,943,125	6,943,125	-
Total			**30,190,816**	**30,190,816**	-

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

Basis of the Offer

The Company records its share register of members on **February 28, 2013** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk. 10.00 each at par in the ratio of **01(R): 01** i.e. 01 (one) rights share for 01 (one) existing share held on the record date.

Entitlement

As a shareholder of the Company on the record date on **February 28, 2013** the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

Acceptance of the Offer

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application **Form-A** and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of **April 04, 2013**.

Renunciation

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

General

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

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

Condition of Subscription

Rights Offer of 54,247,599 Ordinary Shares of Tk.10.00 each at par totaling Tk. 542,475,990 offered on the basis of 1 (one) rights share for 1 (one) existing share held on the record date as on **February 28, 2013**.

Payment of Share Price

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

Subscription	**Opens on: *March 18, 2013***
	Closes on: *April 04, 2013*
Within Banking Hours	

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

Lock-In on Rights Share

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

Sl. No.	Name of Shareholders	Position	Shareholdings	Percentage (%)	Date of ROD Approval	Expiry Date of Lock-in
1.	Mr. Abdul Matlub Ahmad	Chairman	2,666,160	4.91	06.02.2013	03.04.2016
2.	Mrs. Selima Ahmad	Director	2,282,899	4.21	06.02.2013	03.04.2016
3.	Mr. Abdul Marib Ahmad	Director	1,357,408	2.50	06.02.2013	03.04.2016
4.	Ms. Syeda Shahnaz Ahmad	Director	152,7487	2.82	06.02.2013	03.04.2016
5.	Mr. Syed Monoar Ali	Director	1,527,487	2.82	06.02.2013	03.04.2016
6.	Mr. Mustafa Aminur Rashid	Independent Director	-	-	06.02.2013	03.04.2016
7.	Mr. Satya Gopal Podder	Independent Director	-	-	06.02.2013	03.04.2016
8.	Mr. Md. Khalequezzaman	Director (Nominated by Nitol Motors Limited)	13,886,250	25.6	06.02.2013	03.04.2016
9.	Mr. Golam Rabbani	Director (Nominated by Nikita & Company Limited)	6,943,125	12.8	06.02.2013	03.04.2016
Total			**30,190,816**	**55.65**		

Others

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

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by **April 04, 2013** or by such later date as may be notified through national dailies to that effect.

MATERIAL CONTRACTS

Bankers to the Issue

First Security Islami Bank Limited, Southeast Bank Limited, **Investment Corporation of Bangladesh** and **Mutual Trust Bank Limited** are the Bankers to the issue who will collect the subscriptions money of the rights offer. No commission will be paid to FAS Finance & Investment Limited and commission **@ 0.10%** to Bankers to the issue for the services to be rendered by them. The rights issue subscriptions money collected from the shareholders by the Bankers to the issue will be remitted to the Company's **Short Term Deposit Account No. 0022-0320001041** with Mutual Trust Bank Limited, Gulshan Branch, Dhaka.

Underwriters

Full amount of rights offer of FAS Finance & Investment Limited have been underwritten by **05(Five)** underwriters as shown in the classified information part of ROD. Each underwriter will be paid underwriting commission **@ 0.10%** of the nominal value of shares underwritten by them out of the rights issue. Simultaneously, with the calling upon an underwriter to subscribe and pay for any number of shares, the company will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

Manager to the Issue

AAA Consultants & Financial Advisers Ltd. is appointed as Manager to the Issue of the rights issue of the Company. Accordingly, an agreement was made between the issue manager and the Company. The Company will pay issue management fee lump sum BDT 20.00 lakh to the Manager to the Issue.

Vendor's Agreement

FAS Finance & Investment Limited has not entered into any vendor's agreement.

Acquisition of Property

There is no Acquisition of Property by the Company after the Balance Sheet date 30.06.2012.

FORM - A
[rule 5 and rule 8(t)]

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

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

For AAA Consultants & Financial Advisers Ltd.

Sd/-
(Khwaja Arif Ahmed)
Managing Director & CEO

Place: Dhaka
Dated: October 03, 2012

FORM - B
[rule 6 and rule 8(t)]

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

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

For
(Name of Underwriters)

Swadesh Investment Management Limited
Banco Finance and Investment Limited
Southeast Bank Capital Services Limited
Bay Leasing & Investment Limited
AAA Consultants & Financial Advisers Ltd.

Sd/-

Managing Director & CEO

FORM- C

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

We have audited the accompanying financial statements for the period ended 30 June 2012 of FAS Finance & Investment Limited in accordance with the International Standards of Auditing, as applicable in Bangladesh and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

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

(b) These financial statements which are in agreement with the books of account of the company give a true and fair view of the state of its affairs as at 30 June 2012 and of the result of its operation and cash flows for the period then ended.

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

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

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

Financial Year	Date of Dividend Declaration	Rate (%)	Declared Dividend Total Amount (Tk.)	Total Paid
2007	06.05.2008	-	-	N/A
2008	27.04.2009	Cash 12%	46,878,840	46,636,788
2009	24.04.2010	Stock 15%	58,598,550	Shares Issued
2010	30.03.2011	Stock 15%	67,388,325	Shares Issued
2011	28.06.2012	Stock 5%	25,832,190	Shares Issued

Dated, Dhaka
23 October 2012

Sd/-
M J ABEDIN & CO
Chartered Accountants

FORM-D

[rule 8(t)]

DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR PERSONAL RESPONSIBILITY IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF FAS FINANCE & INVESTMENT LIMITED

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

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

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

Sd/- **Abdul Matlub Ahmad** Chairman	Sd/- **Abdul Marib Ahmad** Director	Sd/- **Shanaz Ahmad** Director
Sd/- **Syed Monoar Ali** Director	Sd/- **Selima Ahmad** Director	Sd/- **Md. Khalequzzaman** Director Nominated by Nitol Motors Ltd.
Sd/- **Golam Rabbani** Director Nominated by Nikita & Company Ltd.	Sd/- **Satya Gopal Podder** Director	Sd/- **Mustafa Aminur Rashid** Director
Sd/- **Md. Mofiz Uddin Chowdhury** Managing Director		

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

We have audited the accompanying financial statements of **FAS Finance & Investment Limited** which comprise Consolidated Statement of Financial Position as at 30 June 2012 and Consolidated Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and also financial statements of FAS Finance & Investment Limited which comprise the Statement of Financial Position as at 30 June 2012 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows and a summary of significant accounting policies and explanatory notes thereto.

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 (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

Except for the effect on financial statements of the matters discussed in **note – 6.00 (b)** in our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the Company's affairs as on 30 June 2012 and the results of its Statement of Comprehensive Income and its Cash Flow for the period then ended and comply with the Financial Institutions Act 1993, the Rules and Regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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 purposes of our audit and made due verification thereof;

b. in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us ;

c. the Company's Consolidated Statement of Financial Position and Statement of Comprehensive Income together with the annexed notes 1 to 42 dealt with by the report are in agreement with the books of account and returns;

d. the financial statements have been prepared in accordance with generally accepted accounting principles in Bangladesh;

e. the expenditure incurred and payments made were for the purpose of the Company's business;

f. 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;

g. adequate provisions have been made for leases and advances which considered to be doubtful of recovery;

h. the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

i. the records and the statements submitted by the branches have been properly maintained and consolidated in the financial statements;

j. the information and explanations required by us have been received and found satisfactory;

k. the company has followed the instructions issued by the Bangladesh Bank in the matters of lease / advance classification, provisioning and suspension of interest and

l. Except for fact disclosed in note 14.06; the capital adequacy ratio (CAR), as required by law, has been maintained adequately during the period.

m. the Company has complied with the relevant laws pertaining to reserves and maintenance of liquid assets.

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

Dated, Dhaka
23 October 2012

FAS Finance & Investment Limited
Consolidated Statement of Financial Position
As at 30 June 2012

	Notes	Amount in Taka	
		30-Jun-12	31-Dec-11
PROPERTY AND ASSETS			
Cash:	2.00(a)	**4,116,454**	**2,407,059**
In hand (including foreign currencies)		51,707	6,843
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		4,064,747	2,400,216
Balance with other banks and financial institutions	3.00 (a)	**7,314,318**	**33,546,986**
In Bangladesh		7,314,318	33,546,986
Outside Bangladesh		-	-
Money at call and on short notice	4.00 (a)	-	-
Investments	5.00 (a)	**185,786,619**	**240,032,047**
Government		-	-
Others		185,786,619	240,032,047
Loans, advances and leases		**1,804,506,613**	**1,788,481,860**
Loans, cash credits, overdrafts, and leases etc	6.00 (a)	1,804,506,613	1,788,481,860
Bills purchases and discounted	7.00 (a)	-	-
Fixed assets including premises, furniture and fixtures-Annexture-1(a)	8.00 (a)	**355,668,556**	**370,472,624**
Other assets	9.00 (a)	**224,231,787**	**173,060,784**
Non-Financial Institution's assets	10.00 (a)	**53,271,231**	**53,271,231**
Total Assets		**2,634,895,578**	**2,661,272,591**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institution, and agents	11.00 (a)	**946,444,703**	**935,796,856**
Deposits and other accounts	12.00 (a)	**289,843,199**	**312,885,648**
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Short-term deposit		-	-
Fixed deposits	12.01	289,843,199	312,885,648
Bearer certificates of deposit		-	-
Other deposits		-	-
Others liabilities	13.00 (a)	**464,218,694**	**448,591,402**
Total Liabilities		**1,700,506,596**	**1,697,273,906**
Capital/Shareholders' Equity		**933,378,830**	**962,450,979**
Paid-up capital	14.00	516,643,800	516,643,800
Statutory reserve	15.00	78,861,879	78,861,879
Other reserve	16.00	315,000	315,000
Revaluation reserve	17.00	280,607,325	290,935,886
Retained earnings	18.00 (a)	56,950,826	75,694,414
Minority interest		***1,010,152***	**1,547,706**
Total Liabilities and Shareholders' Equity		**2,634,895,578**	**2,661,272,591**
Net asset value per share		**18.07**	**18.63**

OFF-BALANCE SHEET ITEMS			
Contingent Liabilities		**-**	**-**
Acceptances and endorsements		-	-
Letters of guarantee	19.00 (a)	-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments		**-**	**-**
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	
Total		**-**	**-**
Other memorandum items	20.00 (a)	**1,837,801,128**	**1,943,619,395**

These financial statements should be read in conjunction with annexed notes.

Sd/-	Sd/-	Sd/-	Sd/-
Abdul Matlub Ahmad	**Mustafa Aminur Rashid**	**Md. Mofiz Uddin Chowdhury**	**Md. Akhtar Hossain**
Chairman	**Director**	**Managing Director & CEO**	**SVP & CFO**

As per our separte report of even date annexed.

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

Dated, Dhaka
23 October 2012

FAS Finance & Investment Limited
Consolidated Statement of Comprehensive Income
For the Period from 01 January 2012 to 30 June 2012

	Notes	Amount in Taka	
		30-Jun-12	30-Jun-11
OPERATING INCOME			
Interest income	22.00 (a)	138,932,449	109,266,771
Less: Interest paid on deposits and borrowings, etc.	23.00 (a)	93,717,042	110,437,653
Net Interest income		**45,215,407**	**(1,170,882)**
Investment income	24.00 (a)	30,460,447	124,247,858
Commission, exchange and brokerage	25.00 (a)	-	-
Other operating income	26.00 (a)	9,615,182	17,226,157
		40,075,629	**141,474,015**
Total operating income (a)		**85,291,036**	**140,303,133**
OPERATING EXPENSES			
Salary and allowances	27.00 (a)	11,964,769	6,289,807
Rent, taxes, insurance, electricity, etc.	28.00 (a)	1,891,427	1,051,424
Legal expenses	29.00 (a)	984,696	195,202
Postage, stamps, telecommunication, etc.	30.00 (a)	581,437	758,115
Stationery, printings, advertisements, etc.	31.00 (a)	389,667	744,082
Chief executives salary & fees		1,960,000	3,003,000
Director's fees	32.00 (a)	658,750	40,000
Auditor's fees	33.00 (a)	-	20,500
Charge on loan losses		-	-
Depreciation and repairs of assets	34.00 (a)	14,968,615	16,713,782
Other expenses	35.00 (a)	4,697,246	6,848,717
Total operating expenses (b)		**38,096,607**	**35,664,629**
Profit before provision (c=a-b)		**47,194,429**	**104,638,504**
Provision against loans, advances and Leases	36.00 (a)	49,175,005	36,332,196
Provision for diminution in value of investments	37.00 (a)	11,068,659	59,116,089
Other provisions		-	-
Total provision (d)		**60,243,664**	**95,448,285**
Profit before taxation (c-d)		**(13,049,235)**	**9,190,219**
Provision for taxation	38.00 (a)	**16,560,468**	**7,163,702**
Current tax		16,560,468	7,163,702
Deferred tax		-	-
Net profit after taxation		**(29,609,703)**	**2,026,517**
Attributable:		**(29,609,703)**	**2,026,517**
Shareholders of the company		(29,072,149)	4,422,051
Minority interest		(537,554)	(2,395,534)
Appropriations		**-**	**2,800,838**
Statutory reserve	15.00	-	2,800,838
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		**(29,072,149)**	**1,621,213**
Earnings per share (EPS)	40.00(a)	**(0.56)**	**0.09**

These financial statements should be read in conjunction with annexed notes.

Sd/-	Sd/-	Sd/-	Sd/-
Abdul Matlub Ahmad	**Mustafa Aminur Rashid**	**Md. Mofiz Uddin Chowdhury**	**Md. Akhtar Hossain**
Chairman	**Director**	**Managing Director & CEO**	**SVP & CFO**

As per our separte report of even date annexed.

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

Dated, Dhaka
23 October 2012

FAS Finance & Investment Limited
Consolidated Statement of Cash Flows
For the Period from 01 January 2012 to 30 June 2012

	Amount in Taka	
Cash Flows From Operating Activities	**30-Jun-12**	**30-Jun-11**
Interest receipts	133,671,817	101,937,990
Interest payments	(87,248,433)	(87,492,090)
Dividend receipts	999,507	732,321
Fee and commission receipts	4,250,869	3,388,000
Recoveries on loans previously written off	-	-
Payments to employees	(17,625,874)	(8,626,315)
Payments to suppliers	-	-
Income taxes paid	(56,025,588)	(11,778,998)
Receipts from other operating activities	38,728,135	140,841,694
payment for other operating activities	(11,277,676)	(10,926,279)
Operating profit before changes in operating assets & liabilities	**5,472,757**	**128,076,323**
Increase/decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Loans advances and leases to FI's	-	-
Loans advances and leases to customers	(46,764,470)	(1,543,396)
Other assets	(258,809)	20,000
Deposit from other banks	(50,000,000)	(140,000,000)
Deposit from customers	26,930,321	12,386,209
Other liabilities to customer	(8,309,024)	(15,246,349)
Trading liabilities (short-term borrowing)	67,602,765	(143,823,822)
Other liabilities	(14,628,686)	(84,467,724)
	(25,427,903)	**(372,675,082)**
Net cash from/ (used in) operating activities (a)	**(19,955,146)**	**(244,598,759)**
Cash Flows From Investing Activities		
Purchase/Sale of government securities	-	-
Purchase/Sale of trading securities, shares, bonds, etc.	57,267,207	32,084,459
Purchase/Sale of property, plant and equipment	349,380	(1,178,593)
Purchase/Sale of Subsidiaries	-	-
Net cash used in investing activities (b)	**57,616,587**	**30,905,866**
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	(62,184,174)	3,792,901
Share money deposit	-	1,000,000
Dividend paid	(540)	-
Net cash flow from financing activities (c)	**(62,184,714)**	**4,792,901**
Net increase/ (decrease) in cash (a+b+c)	**(24,523,273)**	**(208,899,992)**
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at beginning of the period	35,954,045	283,140,453
Cash and cash equivalents at end of the period*	**11,430,772**	**74,240,461**
***Cash and cash equivalents at end of the period**		
Cash in hand and balance with Bangladesh Bank	4,116,454	3,566,268
Balance with other banks	7,314,318	70,674,193
Money at call and short notice	-	-
Treasury bills	-	-
Prize bond	-	-
	11,430,772	**74,240,461**

These financial statements should be read in conjunction with annexed notes.

Sd/-	Sd/-	Sd/-	Sd/-
Abdul Matlub Ahmad	**Mustafa Aminur Rashid**	**Md. Mofiz Uddin Chowdhury**	**Md. Akhtar Hossain**
Chairman	**Director**	**Managing Director & CEO**	**SVP & CFO**

As per our separte report of even date annexed.

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

Dated, Dhaka
23 October 2012

FAS Finance & Investment Limited
Consolidated Statement of Changes in Shareholders' Equity
For the Period From 01 January 2012 to 30 June 2012

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earning	Total
Balance as at 01 January 2012	516,643,800	78,861,879	290,935,886	315,000	75,694,414	962,450,979
Effects of changes in accounting policy	-	-	-	-	-	-
Restated Balance	**516,643,800**	**78,861,879**	**290,935,886**	**315,000**	**75,694,414**	**962,450,979**
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 period	-	-	-		(29,072,149)	(29,072,149)
Transfer to statutory reserve	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Transfer of depreciation charge to profit & loss account	-	-	(10,328,561)	-	10,328,561	-
Issue of share capital	-	-	-	-	-	-
Balance as at 30 June 2012	**516,643,800**	**78,861,879**	**280,607,325**	**315,000**	**56,950,826**	**933,378,830**
	-	-	-	-	-	-

For The Period From 01 January 2011 to 30 June 2011

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earning	Total
Balance as at 01 January 2011	449,255,500	66,547,002	313,888,244	315,000	132,355,782	962,361,528
Effects of changes in accounting policy	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	(9,388,818)	(9,388,818)
Restated Balance	**449,255,500**	**66,547,002**	**313,888,244**	**315,000**	**122,966,964**	**952,972,710**
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 period	-	-	-	-	4,422,051	4,422,051
Transfer to statutory reserve	-	2,800,838	-	-	(2,800,838)	-
Stock Dividend-2010	67,388,300	-	-	-	(67,388,300)	-
Transfer of depreciation charged to profit & loss account		-	(11,476,179)	-	11,476,179	-
Issue of share capital	-	-	-	-	-	-
Balance as at 30 June 2011	**516,643,800**	**69,347,840**	**302,412,065**	**315,000**	**68,676,056**	**957,394,761**

Sd/-	Sd/-	Sd/-	Sd/-
Abdul Matlub Ahmad	**Mustafa Aminur Rashid**	**Md. Mofiz Uddin Chowdhury**	**Md. Akhtar Hossain**
Chairman	**Director**	**Managing Director & CEO**	**SVP & CFO**

As per our separte report of even date annexed.

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

Dated, Dhaka
23 October 2012

FAS Finance & Investment Limited

Statement of Financial Position

As at 30 June 2012

	Notes	Amount in Taka	
		30-Jun-12	31-Dec-11
PROPERTY AND ASSETS			
Cash:	2.00	**4,111,603**	**2,406,201**
In hand (including foreign currencies)	2.01	46,856	5,985
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.02	4,064,747	2,400,216
Balance with other banks and financial institutions	3.00	**6,982,615**	**30,246,798**
In Bangladesh	3.01	6,982,615	30,246,798
Outside Bangladesh		-	-
Money at call and on short notice	4.00	-	-
Investments	5.00	**114,419,459**	**153,025,246**
Government	5.01	-	-
Others	5.02	114,419,459	153,025,246
Loans, advances and leases		**1,734,992,297**	**1,759,917,761**
Loans, cash credits, overdrafts, and leases etc	6.00	1,734,992,297	1,759,917,761
Bills purchases and discounted	7.00	-	-
Fixed assets including premises, furniture and fixtures (Annexture-1)	8.00	**350,015,730**	**364,642,970**
Other assets	9.00	**309,971,666**	**257,670,426**
Non-Financial Institution's assets	10.00	**53,271,231**	**53,271,231**
Total Assets		**2,573,764,601**	**2,621,180,633**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institution, and agents	11.00	**946,444,703**	**935,796,856**
Deposits and other accounts	12.00	**289,843,199**	**312,885,648**
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Short-term deposit		-	-
Fixed deposits	12.01	289,843,199	312,885,648
Bearer certificates of deposit		-	-
Other deposits		-	-
Others liabilities	13.00	**335,256,537**	**358,586,740**
Total Liabilities		**1,571,544,439**	**1,607,269,244**
Capital/Shareholders' Equity		**1,002,220,162**	**1,013,911,389**
Paid-up capital	14.00	516,643,800	516,643,800
Statutory reserve	15.00	78,861,879	78,861,879
Other reserve	16.00	315,000	315,000
Revaluation reserve	17.00	280,607,325	290,935,886
Retained earnings	18.00	125,792,158	127,154,824
Total Liabilities and Shareholders' Equity		**2,573,764,601**	**2,621,180,633**
Net asset value per share		**19.40**	**19.62**

OFF-BALANCE SHEET ITEMS			
Contingent Liabilities		**-**	**-**
Acceptances and endorsements		-	-
Letters of guarantee	19.00	-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Other commitments		**-**	**-**
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	
Total		**-**	**-**
Other memorandum items	20.00	**-**	**-**

These financial statements should be read in conjunction with annexed notes.

Sd/-	Sd/-	Sd/-	Sd/-
Abdul Matlub Ahmad	**Mustafa Aminur Rashid**	**Md. Mofiz Uddin Chowdhury**	**Md. Akhtar Hossain**
Chairman	**Director**	**Managing Director & CEO**	**SVP & CFO**

As per our separte report of even date annexed.

Sd/-

Dated, Dhaka
23 October 2012

M. J. ABEDIN & CO
Chartered Accountants

FAS Finance & Investment Limited

Statement of Comprehensive Income

For the Period from 01 January 2012 to 30 June 2012

	Notes	Amount in Taka	
		30-Jun-12	30-Jun-11
OPERATING INCOME			
Interest income	22.00	131,706,480	105,600,636
Less: Interest paid on deposits and borrowings, etc.	23.00	93,717,042	110,437,653
Net interest income		**37,989,438**	**(4,837,017)**
Investment income	24.00	(296,191)	123,087,371
Commission, exchange and brokerage	25.00	-	-
Other operating income	26.00	864,360	3,082,190
		568,169	**126,169,561**
Total operating income (a)		**38,557,607**	**121,332,544**
OPERATING EXPENSES			
Salary and allowances	27.00	7,181,815	4,096,130
Rent, taxes, insurance, electricity, etc.	28.00	1,603,911	649,747
Legal expenses	29.00	969,696	195,202
Postage, stamps, telecommunication, etc.	30.00	325,801	245,887
Stationery, printings, advertisements, etc.	31.00	310,269	491,404
Chief executives salary & fees		1,960,000	3,003,000
Director's fees	32.00	658,750	40,000
Auditor's fees	33.00	-	10,500
Charge on loan losses		-	-
Depreciation and repairs of FI's assets	34.00	14,391,941	16,091,067
Other expenses	35.00	3,640,698	4,377,847
Total operating expenses (b)		**31,042,881**	**29,200,784**
Profit before provision (c=a-b)		**7,514,726**	**92,131,760**
Provision against loans, advances and Leases	36.00	4,175,005	36,250,736
Provision for diminution in value of investments	37.00	6,851,036	34,867,688
Other provisions		-	-
Total provision (d)		**11,026,041**	**71,118,424**
Profit before taxation (c-d)		**(3,511,315)**	**21,013,336**
Provision for taxation	38.00	**8,179,912**	**7,009,148**
Current tax		8,179,912	7,009,148
Deferred tax		-	-
Net profit after taxation		**(11,691,227)**	**14,004,188**
Appropriations		**-**	**2,800,838**
Statutory reserve	15.00	-	2,800,838
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		**(11,691,227)**	**11,203,350**
Earnings per share (EPS)	40.00	**(0.23)**	**0.27**

These financial statements should be read in conjunction with annexed notes.

Sd/-	Sd/-	Sd/-	Sd/-
Abdul Matlub Ahmad	**Mustafa Aminur Rashid**	**Md. Mofiz Uddin Chowdhury**	**Md. Akhtar Hossain**
Chairman	**Director**	**Managing Director & CEO**	**SVP & CFO**

As per our separte report of even date annexed.

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

Dated, Dhaka
23 October 2012

FAS Finance & Investment Limited

Statement of Cash Flows

For the Period from 01 January 2012 to 30 June 2012

	Amount in Taka	
Cash Flows From Operating Activities	**30-Jun-12**	**30-Jun-11**
Interest receipts	41,261,749	16,767,746
Interest payments	(87,248,433)	(87,492,090)
Dividend receipts	109,917	347,271
Fee and commission receipts	-	-
Recoveries on loans previously written off	-	-
Payments to employees	(11,821,197)	(6,617,145)
Payments to suppliers	-	-
Income taxes paid	(55,758,999)	(6,153,954)
Receipts from other operating activities	110,265	125,767,290
payment for other operating activities	(9,452,573)	(6,616,690)
Operating profit before changes in operating assets & liabilities	**(122,799,271)**	**36,002,428**
Increase/decrease in operating assets and liabilities		
Statutory deposit	-	-
Trading securities	-	-
Loans advances and leases to FI's	-	-
Loans advances and leases to customers	83,121,193	80,727,336
Other assets	1,621,223	(859,091)
Deposit from other banks	(50,000,000)	(140,000,000)
Deposit from customers	26,930,321	12,386,209
Other liabilities to customer	(7,809,024)	(15,246,349)
Trading liabilities (short-term borrowing)	67,602,765	(143,823,822)
Other liabilities	(293,570)	(185,149)
	121,172,908	**(207,000,866)**
Net cash from/ (used in) operating activities (a)	**(1,626,363)**	**(170,998,438)**
Cash Flows From Investing Activities		
Purchase/Sale of government securities	-	-
Purchase/Sale of trading securities, shares, bonds, etc.	41,615,576	24,872,775
Purchase/Sale of property, plant and equipment	636,720	(585,135)
Purchase/Sale of Subsidiaries	-	-
Net cash used in investing activities (b)	**42,252,296**	**24,287,640**
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	(62,184,174)	3,792,901
Dividend paid	(540)	-
Net cash flow from financing activities (c)	**(62,184,714)**	**3,792,901**
Net increase/ (decrease) in cash (a+b+c)	**(21,558,781)**	**(142,917,897)**
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at beginning of the period	32,652,999	171,564,358
Cash and cash equivalents at end of the period*	**11,094,218**	**28,646,461**
***Cash and cash equivalents at end of the period**		
Cash in hand and balance with Bangladesh Bank	4,111,603	3,563,045
Balance with other banks	6,982,615	25,083,416
Money at call and short notice	-	-
Treasury bills	-	-
Prize bond	-	-
	11,094,218	**28,646,461**
	-	-

These financial statements should be read in conjunction with annexed notes.

Sd/-	Sd/-	Sd/-	Sd/-
Abdul Matlub Ahmad	**Mustafa Aminur Rashid**	**Md. Mofiz Uddin Chowdhury**	**Md. Akhtar Hossain**
Chairman	**Director**	**Managing Director & CEO**	**SVP & CFO**

As per our separte report of even date annexed.

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

Dated, Dhaka
23 October 2012

FAS Finance & Investment Limited

Statement of Changes in Shareholders' Equity

For the Period From 01 January 2012 to 30 June 2012

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earning	Total
Balance as at 01 January 2012	516,643,800	78,861,879	290,935,886	315,000	127,154,824	1,013,911,389
Effects of changes in accounting policy	-	-	-	-	-	-
Restated Balance	**516,643,800**	**78,861,879**	**290,935,886**	**315,000**	**127,154,824**	**1,013,911,389**
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 period	-	-	-	-	(11,691,227)	(11,691,227)
Transfer to statutory reserve	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Transfer of depreciation charge to profit & loss account	-	-	(10,328,561)		10,328,561	-
Issue of share capital	-	-	-	-	-	-
Balance as at 30 June 2012	**516,643,800**	**78,861,879**	**280,607,325**	**315,000**	**125,792,158**	**1,002,220,162**
	-	-	-	-	-	-

For The Period From 01 January 2011 to 30 June 2011

Amount in Taka

Particulars	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earning	Total
Balance as at 01 January 2011	449,255,500	66,547,002	313,888,244	315,000	122,331,260	952,337,006
Effects of changes in accounting policy	-	-	-	-	-	-
Restated Balance	**449,255,500**	**66,547,002**	**313,888,244**	**315,000**	**122,331,260**	**952,337,006**
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 period	-	-	-	-	14,004,188	14,004,188
Transfer to statutory reserve	-	2,800,838	-	-	(2,800,838)	-
Stock Dividend-2010	67,388,300	-	-	-	(67,388,300)	-
Transfer of depreciation charged to profit & loss account	-	-	(11,476,179)		11,476,179	-
Issue of share capital	-	-	-	-	-	-
Balance as at 30 June 2011	**516,643,800**	**69,347,840**	**302,412,065**	**315,000**	**77,622,489**	**966,341,194**

Sd/-	Sd/-	Sd/-	Sd/-
Abdul Matlub Ahmad	**Mustafa Aminur Rashid**	**Md. Mofiz Uddin Chowdhury**	**Md. Akhtar Hossain**
Chairman	**Director**	**Managing Director & CEO**	**SVP & CFO**

As per our separte report of even date annexed.

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

Dated, Dhaka
23 October 2012

FAS Finance & Investment Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
as at 30 June 2012

Particulars	Amount in Taka					
	Up to 1 month's maturity	1-3 month's maturity	3-12 month's maturity	1-5 year's maturity	More than 5 year's maturity	Total
Assets						
Cash in hand (including balance with Bangladesh Bank)	4,111,603	-	-	-	-	4,111,603
Balance with other banks and financial institution	371,584	6,611,031	-	-	-	6,982,615
Money at call and on short notice	-	-	-	-	-	-
Investments	-	30,000,000	69,119,459	15,300,000	-	114,419,459
Loan, advances and leases	85,812,423	148,661,804	354,438,101	726,068,376	420,011,593	1,734,992,297
Fixed assets including premises, furniture and fixture	-	-	-	5,942,936	344,072,794	350,015,730
Other assets	11,167	3,508,396	30,262,481	179,189,622	97,000,000	309,971,666
Non-banking assets	-	-	-	53,271,231	-	53,271,231
Total Assets	**90,306,777**	**188,781,231**	**453,820,041**	**979,772,165**	**861,084,387**	**2,573,764,601**
Liabilities						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	14,710,843	71,988,553	234,318,418	625,426,889	-	946,444,703
Deposits and other accounts	89,450	102,046,795	186,166,075	1,540,879	-	289,843,199
Provision and other liabilities	4,512,889	3,082,745	18,728,967	308,931,936	-	335,256,537
Total Liabilities	**19,313,182**	**177,118,093**	**439,213,460**	**935,899,704**	**-**	**1,571,544,439**
Net Liquidity Excess/(shortage)	**70,993,595**	**11,663,138**	**14,606,581**	**43,872,461**	**861,084,387**	**1,002,220,162**

FAS FINANCE & INVESTMENT LIMITED
Notes to the financial statements
as at and for the period ended 30 June 2012

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 Securities and Exchange Commission on 22 January 1998 with which FAS Capital Management Ltd. is carrying its business. FAS Finance & Investment Limited 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. It also commenced home loan on 11 June 2003. 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) has been shifted from its previous address at 71 Mohakhali Commercial Area (2nd floor), Dhaka–1212 to its new location at Suvastu Imam Square (4th floor), 65 Gulshan Avenue, Gulshan, Dhaka-1212 with Bangladesh Bank approval letter no. DIFM (L) 1053/80/2008-832 dated 29 April 2008.

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 SEC (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 30th September, 2010. According the management formed a separate subsidiary Merchant Banking Company named as FAS Capital Management Ltd (FCML) and applied on 26.09.10 to SEC in order to transfer the Merchant Banking license in favor of the newly formed subsidiary company. FCML has been obtaining license from SEC on 16 May 2012.

The company acquired 97% shares of "FAS Capital Management Limited" (formerly Fidelity Assets & Securities Company Limited) (9,700,000 shares of Tk.10 each totaling Tk.9.70 crore). 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 is one of the fastest growing financing Company whose investments in transport financing are substantial. Besides the commercial vehicles, corporate clients may also apply to acquire vehicles for official purpose under this scheme.

(c) Term financing

FFIL provides loan to the customers within the period series from one year to five years in the manufacturing industries. The Company also extends financing in the processing industries of the agricultural products depending on the nature of a product, profitability of the project and 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 indulgenced in FFIL regardless of their professions and occupations. FFIL provide competitive interest rate in flat loan. At present, the Company is providing loan facility to the client for a maximum period of ten years. 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 guidelines 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

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

(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

1.02.1 Statement of compliance

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

1.02.2 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 Securities and Exchange Ordinance 1969, the 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.

1.02.3 Basis of measurement

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

1.02.4 Revenue recognition

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

Income from house finance is recognized whenever it is received.

(d) 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) Late payment charges;
iv) Processing fees;
v) Settlement charges; and
vi) Miscellaneous.

(e) Recognition of fixed assets

Fixed assets are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the Benchmark treatment of IAS-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.

1.02.5 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 the carrying amount of the item.

1.02.6 Depreciation on fixed assets

Fixed assets are depreciated based on diminishing balance method at different rates varying from 10% to 20% per annum.

Addition to fixed assets are depreciated for the full year irrespective of date of acquisition of assets at the applicable rates while no deprecation is charged on any items in the year of its disposal.

Rates of depreciation applied are shown below:

Sl. No.	Category of assets	Rate of depreciation
1	Office buildings	10%
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%

1.02.7 Investment

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

1.02.8 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 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;

(j) 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)	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)	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)	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)	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%

1.02.9 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.

1.02.10 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.

1.02.11 Taxation

The applicable tax rate for financial institutions is 42.5%. Assessments, before high court are pending for the assessment years 2001-2002, 2002-2003, 2003-2004, 2006-2007, 2007-2008 and appeals are pending for assessment years 2004-2005, 2005-2006, 2008-2009 and 2009-2010. Return submitted but assessment order has not yet been received for 2010-2011 & 2011-2012.

1.02.12 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.

1.02.13 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.

1.02.14 Current maturity

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

1.02.15 Reporting period

These financial statements cover for the period year from 01 January 2012 to 30 June 2012.

1.02.16 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.

1.02.17 Cash and cash equivalents

Cash flow statement is prepared principally in accordance with BAS-7 "Cash Flow Statement" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987and the considering the provisions of Paragraph 18(b) of BAS which prescribed that Enterprise of changes encourage to report Cash Flow Statement from operating activities using the direct method. 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.

1.02.18 Director of the Company

At the end of the period under audit, there were nine 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.

1.02.19 Comparative information

Comparative information has been disclosed in respect of the year 2011 for all numerical information in the financial statements for understanding of current period financial statements.

1.02.20 Employees benefits

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

1.02.21 (i) 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 contribution to the fund

1.02.22 (ii) Gratuity fund

The Company extends gratuity benefits to 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 25 November 2008. The gratuity is paid on the basis of the last basic pay and is payable at the rate of one month's basic pay for every completed year of service.

1.02.23 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.

1.02.24 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.

1.02.25 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.

1.02.26 Foreign currency transaction

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"

1.02.27 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.

1.02.28 Events after balance sheet date

As per BAS -10 "**Events after balance sheet date**" Events after balance sheet date 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 are 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.

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11

2.00 Cash

Cash in hand (including foreign currency)	2.1	46,856	5,985
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	2.2	4,064,747	2,400,216
		4,111,603	**2,406,201**

2.01 Cash in hand (including foreign currency)

Local currency	46,856	5,985
Foreign currency	-	-
	46,856	**5,985**
	-	-

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

Bangladesh with Bangladesh Bank:		
Local currency	4,064,747	2,400,216
Foreign currency	-	-
	4,064,747	**2,400,216**
Agent Bank of Bangladesh Bank	-	-
	4,064,747	**2,400,216**

2.03. Statutory Deposits

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

Cash reserve requirement/ratio (CRR) and statutory liquidity ratio (SLR) have calculated and maintained in accordance with the Financial Institutions Act 1993; section 19 and FID circular number 06/2003, 2.5% of total term deposit excluding different financial institutions' deposit kept with Bangladesh Bank as CRR and as for SLR 5% of total outside liability except financial institutions' liability, should be kept as cash and with Bangladesh Bank as well as with other schedule Banks. Both the reserves are maintained by the company in excess of the statutory requirements, as shown below:

(a) **Cash Reserve Ratio (CRR)**

Required reserve	676,900	658,025
Actual reserve maintained	2,189,747	2,400,216
Surplus	**1,512,847**	**1,742,191**

(b) **Statutory Liquidity Ratio (SLR)**

Required reserve	6,002,138	4,155,506
Actual reserve maintained	7,163,006	16,924,808
Surplus	**1,160,868**	**12,769,302**
Total required reserve	6,679,038	4,813,531
Total actual reserve maintained	9,352,753	19,325,024
Surplus	**2,673,715**	**14,511,493**

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11

2 (a) Consolidated Cash

i. Cash in hand (including foreign currency)

FAS Finance & Investment Limited	**2.1**	46,856	5,985
FAS Capital Management Limited		4,851	858
		51,707	**6,843**

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

FAS Finance & Investment Limited	**2.2**	4,064,747	2,400,216
FAS Capital Management Limited		-	-
		4,064,747	**2,400,216**
		4,116,454	**2,407,059**
		-	-

	Amount in Taka	
	As at	
	30-Jun-12	31-Dec-11

3.00 **Balance with other banks and financial institutions**

In Bangladesh	6,982,615	30,246,798
Outside Bangladesh	-	-
	6,982,615	**30,246,798**

3.01 **In Bangladesh**

Current Deposits

Bank Asia Limited, Scotia Branch, Dhaka	CD-0733002967	8,352	8,352
Dutch-Bangla Bank Limited, Gulshan Branch , Dhaka	CD-01161100006323	2,750	2,750
EXIM Bank Limited, Gulshan Branch, Dhaka	CD-00711100035678	58	58
HSBC, Dhaka Branch, Dhaka	CD-001-212992-011	6,665	6,665
Islami Bank Bangladesh Limited, Foreign Exchange Corporate Branch.,	AWCA-205010901008	4,885	4,885
Jamuna Bank Limited, Mohakhali Branch, Dhaka	CD-0001-0210002904	19,271	19,271
Janata Bank Limited, Corporate Branch, Dhaka	CD-001018416	6,833	6,833
Mutual Trust Bank Limited, Sylhet Branch , Sylhet	CD-0023-021000-2846	-	343
Pubali Bank Limited, Mohakhali Branch , Dhaka	CD-36779010115917	6,517	22,507
Social Islami Bank Limited, Pricipal Branch, Dhaka	CD-0002-13300035421	6,577	6,577
Southeast Bank Limited, Gulshan Branch, Dhaka	CD-11100012031	1,624	1,624
Standard Bank Limited, Gulshan Branch, Dhaka	CD-00933010415	9,425	9,425
Standard Chartered Bank, Gulshan Branch , Dhaka	CD-01-5547253-01	-	4,302
State Bank of India, Gulshan Branch , Dhaka	CD-05420232420001	87,911	18,925
Woori Bank Limited, Dhaka Branch, Dhaka	CDA-923915855	210,716	2,207,846
		371,584	**2,320,363**

Short Term Deposit

Bank Asia Limited, Scotia Branch, Dhaka	STD-00736000673	2,790	217,790
Dutch Bangla Bank Limited, Gulshan Branch, Dhaka	STD-	484,276	2,496,793
Dutch Bangla Bank Limited, CDA Avenue Branch, CTG	STD-	6,757	6,892
EXIM Bank Limited, Gulshan Branch, Dhaka	STD-00713100065009	18,456	3,918,805
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	STD-131-0000-1512	1,101,351	1,101,351
First Security Islami Bank Ltd., Ring Road Branch, Dhaka	STD-0133-131-056	809,800	810,340
HSBC, Dhaka Branch, Dhaka	STD-001212992-067	3,084	3,084
ICB Islamic Bank Limited , Gulshan Branch, Dhaka	STD-002500050251	21,038	19,920
Islami Bank Bangladesh Limited, Foreign Exchange Corporate Branch	AWCA-205010901008191168 19116	98,077	98,077
Mutual Trust Bank Limited, Gulshan Branch, Dhaka	STD-0022-320000131	91,038	1,346,139
Mutual Trust Bank Limited, CDA Avenue Branch, CTG	STD-0009-32-0000889	309,175	1,278,459
Mutual Trust Bank Limited, Sylhet Branch , Sylhet	STD-0023-032000-0578	449,805	1,067,480
Prime Bank Limited, Mohakhali Branch, Dhaka	STD-11031020003975	73,392	186,320
Pubali Bank Limited, Narshingdi Branch, Narshingdi	STD-0722102000518	299,553	1,666,795
Standard Chartered Bank, Gulshan Branch, Dhaka	STD-02-5547253-01	2,089	463,447
Trust Bank Limited, Principal Branch ,Dhaka	STD-002-320000779	24,214	24,214
Uttara Bank Limited, Corporate Branch, Dhaka	STD-41-132	72,573	382,437
Woori Bank Limited, Dhaka Branch, Dhaka	NDA-923000195	2,743,563	12,838,092
		6,611,031	**27,926,435**

Savings Deposit	-	-
Fixed Deposit:	-	-
	6,982,615	**30,246,798**
	-	-

	Amount in Taka	
	As at	
	30-Jun-12	31-Dec-11

3.01.01 **Account-wise/grouping of balance with other banks and financial institutions**

Current deposits	371,584	2,320,363
Short term deposits	6,611,031	27,926,435
Savings deposits	-	-
Fixed deposits	-	-
	6,982,615	**30,246,798**
	-	-

3.01.02 **Maturity grouping of balance with other banks**

Repayable-on demand	371,584	2,320,363
-up to 3 months	6,611,031	27,926,435
-over 3 months but below 1 year	-	-
-over 1 year but below 5 years	-	-
-over 5 years	-	-
	6,982,615	**30,246,798**
	-	-

3.00 (a) **Consolidated balance with other banks and financial institutions**

i. In Bangladesh:			
FAS Finance & Investment Limited	3.1	6,982,615	30,246,798
FAS Capital Management Limited	3 (a)i	331,703	3,300,188
		7,314,318	**33,546,986**
ii. Outside Bangladesh:			
FAS Finance & Investment Limited		-	-
FAS Capital Management Limited		-	-
		-	-
		7,314,318	**33,546,986**

3.00 (a)i **Bank balance of FAS Capital Management Limited**

Dutch Bangla Bank Ltd. Gulshan Branch, Dhaka	STD-116.120.1505	100,172	497,949
Jamuna Bank Ltd. Mohakhali Branch, Dhaka	STD-0320000467	-	243,528
Mercantile Bank Ltd. Mohakhali Branch, Dhaka	SND-011313100000420	-	362,865
Mutual Trust Bank Ltd. Gulshan Branch, Dhaka	STD-0022-0320000793	70,257	82,229
Prime Bank Ltd. Mohakhali Branch, Dhaka	STD-11031050015284	3,979	9,604
Prime Bank Ltd. Gulshan Branch, Dhaka	STD-11831060023968	32,839	113,521
Standard Chartered Bank, Gulshan Branch, Dhaka	SND-02-1111079-01	32,992	259,127
Standard Chartered Bank, Gulshan Branch, Dhaka	STD-02-5547253-02	-	410,835
Standard Chartered Bank, Gulshan Branch, Dhaka	CD-01-5547253-02	387	4,771
City Bank Ltd. Gulshan Branch, Dhaka	STD-3101221156001	81,056	413,208
City Bank Ltd. Gulshan Branch, Dhaka	STD-310191238001	-	603,410
City Bank Ltd. Narsingdi Branch, Narshingdi	STD-310109238002	-	289,321
Woori Bank Limited, Dhaka Branch, Dhaka	NDA-923000208	10,021	9,820
Total		**331,703**	**3,300,188**

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11

4.00 **Money at call and on short notice**

With banks	-	-
With financial institutions	-	-
	-	-

4.00 (a) **Consolidated money at call and on short notice**

FAS Finance & Investment Limited	-	-
FAS Capital Management Limited	-	-
	-	**-**

5.00 **Investments**

5.01 **In Government securities**

Treasury bills	-	-
National investment bonds	-	-
Bangladesh bank bills	-	-
Government notes/bonds	-	-
Prize bonds	-	-
Others	-	-
	-	**-**

5.02 **Other Investments**

Preference shares		-	-
Ordinary shares (Quoted and Unquoted)	5.2.a	114,419,459	153,025,246
Debentures		-	-
Bonds	5.2.b	-	-
Zero Coupon Bond		-	-
Other investments		-	-
Gold, etc.		-	-
		114,419,459	**153,025,246**
		114,419,459	**153,025,246**

	Amount in Taka	
	As at	
	30-Jun-12	31-Dec-11

5.02.a **Ordinary shares (Quoted and Unquoted)**

Quoted		
Aftab Automobiles Ltd.	8,023,582	8,023,582
Aims 1st Mutual Fund	10,697,770	10,697,770
Arab Bangladesh Bank Ltd	1,957,541	2,016,973
Asia Pacific Insurance Company Ltd.	8,810	8,811
Bangladesh General Insurance Company Ltd.	16,989	16,989
Bay Leasing & Investment Ltd.	102,608	102,608
Bangladesh Finance & Investment Ltd.	28,845	28,845
BD Welding Electrodes	65,967	65,967
City Bank Ltd.	12,204	13,006
CMC Kamal Textile Ltd	29	366
Confidence Cement Ltd.	-	672,912
Daffodil Computers Ltd.	144,425	216,450
Delta Brac Housing Finance Corp. Ltd.	2,281,554	1,896,991
Dhaka Bank Ltd.	37	3,361
EBL First Mutual Fund	-	10,136,333
Exim Bank Limited	2,097,506	1,796,275
Fareast Islami Life Insurance Company Ltd.	33,912	2,153,407
First Security Islami Bank Ltd.	13,525,749	13,524,334
Fu-Wang Foods Ltd.	229	712,955
Grameen Phone Ltd.	-	72,312
Lanka Bangla Finance Ltd.	-	9,886,389
Malek Spinning Mills Ltd.	-	72,252
Meghna Life Insurance Co. Ltd.	4,224,816	4,224,817
M.I. Cement Factory	25	4,241
Malek Spinning Mills Ltd.	72,252	-
Mutual Trust Bank Ltd.	79,781	79,781
National Bank Ltd.	4,545,636	-
National Credit & Commerce Bank Ltd.	1,185,423	915,162
Navana CNG Ltd.	-	511,792
Niloy Cement Industries Ltd.	67,847	67,847
Nitol Insurance Company Ltd.	13,523,541	9,808,648
Northern General Insurance Company Ltd.	70,833	70,833
One Bank Limited	714,335	714,335
Padma Oil Company Ltd.	3,302,619	3,302,618
Paragon Leather Ltd.	890	890
Peoples Leasing & Financial Services	44,284	44,284
PHP First Mutual Fund	-	339,864
Premier Leasing International Ltd.	7,717,537	7,717,537
Prime Finance & Investment Ltd.	13,336	13,337
Prime Islami Life Insurance Company	614,151	614,151
Progressive Life insurance Company Limited	1,993,882	1,993,882
RAK Ceramics (Bangladesh) Ltd.	42,279	42,279
Rupaili Life Insurance Company Limited	7,009,601	12,155,153
Saiham Textile Mills Ltd.	26,916	16,916
Sandhaani Life Insurance Co. Ltd	11,559,153	11,559,153
Shahjalal Islami Bank Ltd.	11,147	15,814
Sonargaon Textile Ltd.	1,757,733	1,992,098
Square Pharmaceuticals Ltd	-	15,526,992
Standard Bank Ltd.	-	1,493,175
Standard Insurance Limited	81,644	81,644
United Airways (Bangladesh) Ltd.	31,905	31,905
Union capital Ltd.	1,414,321	1,414,321
United Commercial Bank Ltd.	15,815	15,815
Uttara Finance	-	837,074
	99,119,459	**137,725,246**

(A schedule of investment in shares is given in annexure-2 (a))

			Amount in Taka	
			As at	
			30-Jun-12	31-Dec-11
	Unquoted			
	Shahjibazar Power Company Ltd.		**15,300,000**	**15,300,000**
			114,419,459	**153,025,246**
5.02.b	**Bonds**			
	IBBLP Bond			-
			-	**-**
5.03	**Maturity grouping**			
	Repayable-on demand		-	-
	-up to 3 months		30,000,000	137,725,246
	-over 3 months but below 1 year		69,119,459	-
	-over 1 year but below 5 years		15,300,000	15,300,000
	-over 5 years		-	-
			114,419,459	**153,025,246**
5.00 (a)	**Consolidated Investments**			
	i. In Government securities			
	FAS Finance & Investment Limited			-
	FAS Capital Management Limited		-	-
			-	**-**
	ii. Other Investments			
	FAS Finance & Investment Limited	5.2	114,419,459	153,025,246
	FAS Capital Management Limited	5 (a)i	71,367,160	87,006,801
			185,786,619	**240,032,047**
			185,786,619	**240,032,047**

A schedule of investment in shares is given in annexure-2 (b) (FAS Capital Management Ltd.)

5.00 (a)i **Ordinary shares (Quoted and Unquoted) of FAS Capital Management Limited**

Bank Asia Ltd.	-	895,100
City Bank Ltd.	341,736	459,995
City General Insurance Co. Ltd.	-	1,227,210
Continental Insurance Ltd.	2,460	270,300
Eastern Housing Ltd.	658,858	-
Eastern Insurance co..Ltd.	4,140	773,100
Fareast Islami Life Ins. Co. Ltd.	3,923,709	7,460,052
First Security Islami Bank Ltd.	326,766	-
Jamuna Bank Ltd.	-	20,417
Lafarge Surma Cement Ltd.	417,075	-
LankaBangla Finance Ltd.	1,855,624	-
Mercantile Insurance Company Ltd.	1,139,929	-
National Bank Ltd.	731,238	-
R.N Spinning Mills Ltd.	8,673,960	-
Rupali Insurance Company Ltd.	526,580	-
Saiham Textile Mills Ltd.	10,975,000	-
Shaji Bazar Power Company Ltd.	15,300,000	15,300,000
Social Islami Bank Ltd.	-	31,450,110
Sonargaon Textile Mills Ltd	-	1,083,150
Southeast Bank Ltd.	24,751,845	24,750,934
Trust Bank Ltd.	1,738,240	-
United Commercial Bank Ltd.	-	3,316,433
Total	**71,367,160**	**87,006,801**

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11
6.00	**Loans, advances and leases**	**1,734,992,297**	**1,759,917,761**
6.01	**Maturity wise grouping's.**		
	Repayable-on demand	-	-
	-up to 3 months	234,474,227	373,559,567
	-over 3 months but below 1 year	354,438,101	675,975,087
	-over 1 year but below 5 years	726,068,376	601,897,372
	-over 5 years	420,011,593	108,485,735
		1,734,992,297	**1,759,917,761**
		-	-
6.02	**Loans, cash credits, overdrafts, and leases etc**		
	In Bangladesh		
	Loans-General	1,586,654,139	1,570,635,589
	Cash credits	-	-
	Overdrafts	-	-
	Leases	148,338,158	189,282,172
		1,734,992,297	**1,759,917,761**
	Outside Bangladesh	-	-
		1,734,992,297	**1,759,917,761**
		-	-
6.03	**Loans, Advances & leases on the Basis of Significant**		
	Advance to allied concerns of Directors	26,350,269	28,956,574
	Advance to Chief Executive Officer, Other Executives and Staffs	608,787	375,995
	Advances to industries	1,451,048,931	1,461,443,726
	Advance to customer groups	256,984,310	269,141,466
		1,734,992,297	**1,759,917,761**
		-	-
6.04	**Industry-wise loans, advances and leases**		
	Agriculture	4,728,833	5,837,499
	Chemicals & pharmaceuticals	2,705,013	12,891,349
	Electronics & electrical	12,092,527	17,194,588
	Food & beverage	3,799,340	3,780,559
	Garments & accessories	68,377,012	91,542,771
	Glass & ceramics	5,605,515	5,255,460
	Home loan	134,305,434	119,597,818
	Housing companies	182,643,057	212,748,163
	Information technology	1,600,921	1,649,487
	Iron, Steel & Engineering	468,671	1,807,292
	Paper, Printing & Packaging	21,020,090	26,838,333
	Plastics industries	8,481,461	8,855,827
	Transport financing	146,545,511	212,138,741
	Others	1,142,618,912	1,039,779,874
		1,734,992,297	**1,759,917,761**
		-	-

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11
6.05	**Geographical Location-wise (Division)**		
	Dhaka	1,667,261,873	1,687,354,816
	Chittagong	56,360,477	61,006,333
	Sylhet	11,369,947	11,556,612
		1,734,992,297	**1,759,917,761**
		-	-
6.06	**Classification of loans, advances and leases**		
	Unclassified		
	Standard	1,324,046,191	1,539,502,227
	Special mention account	254,338,184	57,033,985
	Total unclassified loans, advances and leases	**1,578,384,375**	**1,596,536,212**
	Classified		
	Sub-standard	61,742,575	9,102,880
	Doubtful	8,018,587	30,862,092
	Bad/Losses	86,846,760	123,416,577
	Total classified loans, advances and leases	**156,607,922**	**163,381,549**
		1,734,992,297	**1,759,917,761**
		-	
6.07	**Particulars of Loans, Advances and leases**		
i)	Loans considered good in respect of which the FI's is fully secured	1,560,113,542	1,572,074,529
ii)	Loans considered good against which the FI's holds no security other than the debtors' personal guarantee	135,582,058	98,380,840
iii)	Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	39,296,697	89,462,392
iv)	Loans adversely classified but provision not maintained there against		-
		1,734,992,297	**1,759,917,761**
v)	Loans due by directors or officers of the FI's or any of them either separately or jointly with any other persons	608,787	375,995
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	26,350,269	28,956,574
vii)	Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the FI's or any of them either separately or jointly with any other persons	637,722	47,889,820
viii)	Maximum total amount of advances including temporary advances granted during the period 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	28,956,574	45,038,320

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11
ix)	Due from other FI's	-	-
x)	Amount of classified loans on which interest has not been charged:		
	a) Increase/decrease of provision (specific)	(35,240,358)	(37,595,395)
	b) Amount of loan written off	116,459,314	71,590,105
	c) Amount realized against loan previously written off	-	-
	d) Provision kept against loans classified as bad/loss on the date preparing the balance sheet	27,099,667	62,340,025
	e) Interest creditable to interest suspense account	6,702,990	13,176,715
xi)	Written off loan		
	During the period	44,869,209	71,590,105
	Cumulative to date (as per Bangladesh Bank guidelines)	116,459,314	71,590,105
	The amount of written off loans for which lawsuits have been filed for its recovery	116,459,314	71,590,105

6.00 (a) **Consolidated loans, cash credits, overdrafts, and leases etc**

i. In Bangladesh			
FAS Finance & Investment Limited	6.2	1,734,992,297	1,759,917,761
FAS Capital Management Limited	6.00 (b)	1,078,956,167	1,005,386,597
		2,813,948,464	**2,765,304,358**
Less: Loan to FAS Capital Management Limited		1,009,441,851	976,822,498
		1,804,506,613	**1,788,481,860**
ii. Outside Bangladesh			
FAS Finance & Investment Limited			-
FAS Capital Management Limited		-	-
		-	-
		1,804,506,613	**1,788,481,860**

6.00 (b) Due to unusual / unexpected fall down in the share market the market value of securities at June 30, 2012 fell below the receivable amount by Tk. 299,517,453 against which the company provided provision Tk. 104,960,880 which is equivalent to 9.73% of the outstanding loan amount. As per Securities and Exchange Commission (Merchant Banker & Portfolio Manager) Ordinance 1996 the company may keep provision 1% on the outstanding of the total loan.

7.00 **Bills purchases and discounted**

In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-

7.01 **Maturity grouping**

Repayable-with in 1 month	-	-
-over 1 month but within 3 months	-	-
-over 3 months but within 6 months	-	-
-over 6 months	-	-
	-	-

7.00 (a) **Consolidated bills purchases and discounted**

FAS Finance & Investment Limited	-	-
FAS Capital Management Limited	-	-
	-	-

			Amount in Taka	
			As at	
			30-Jun-12	31-Dec-11
8.00	**Fixed assets including premises, furniture and fixtures**			
	Cost:			
	Land		86,527,860	86,527,860
	Office building		288,681,678	288,681,678
	Furniture & fixture		4,445,171	4,426,171
	Office decoration		3,651,820	3,651,820
	Office equipment		4,644,811	4,617,081
	Motor vehicles		12,496,489	14,556,489
	Electrical installation		1,581,987	1,581,987
	Computer		2,497,228	2,380,678
	Telephone line & PABX system		427,623	427,623
	Software		50,000	50,000
			405,004,667	**406,901,387**
	Less: Accumulated depreciation			
	Office building		41,858,843	28,868,168
	Furniture & fixture		1,305,811	1,140,581
	Office decoration		1,102,016	967,816
	Office equipment		1,966,336	1,749,162
	Motor vehicles		6,553,553	7,521,214
	Electrical installation		657,660	582,715
	Computer		1,357,424	1,265,007
	Telephone line & PABX system		176,607	156,254
	Software		10,687	7,500
			54,988,937	**42,258,417**
	Written down value at the end of the period		**350,015,730**	**364,642,970**
8.00 (a)	**Consolidated fixed assets including premises, furniture and fixtures**			
	FAS Finance & Investment Limited	8	350,015,730	364,642,970
	FAS Capital Management Limited		5,652,826	5,829,654
			355,668,556	**370,472,624**
9.00	**Others assets**			
	Income Generating			
	i) Investment in Shares of subsidiary companies			
	-In Bangladesh	9.1	97,000,000	97,000,000
	-Outside Bangladesh		-	-
			97,000,000	**97,000,000**
	Non-Income Generating			
	ii) Stationery, stamps, printing, materials, etc.		118,589	137,067
	iii) Advance rent and advertisement		102,079	122,914
	iv) Interest accrued on investment but not collected, commission & brokerage receivable on shares and debenture and income receivable		-	-
	v) Security deposit		1,103,300	1,103,300
	vi) Preliminary, formation and organization expenses, renovation/development and prepaid expenses		32,319,121	30,814,044
	vii) Branch adjustment (net reconciled)		-	-
	viii) Suspense account		-	-
	ix) Silver		-	-
	x) Advance corporate income tax	9.2	177,434,247	121,675,248
	xi) Accounts receivable		1,637,129	6,559,852
	xii) others		257,201	258,001
			212,971,666	**160,670,426**
			309,971,666	**257,670,426**

			Amount in Taka	
			As at	
			30-Jun-12	31-Dec-11
9.01	**Investment in Shares of subsidiary companies**			
	-In Bangladesh	9.1.a	97,000,000	97,000,000
	-Outside Bangladesh		-	-
			97,000,000	**97,000,000**
9.01.a	**Investment in Shares of subsidiary companies-In Bangladesh**			
	FAS Capital Management Limited		97,000,000	97,000,000
			97,000,000	**97,000,000**

Out of the total of 10,000,000 ordinary shares issued and paid up, FAS Finance & Investment Limited holds 9,700,000 ordinary shares of Tk. 10 each.

9.02	**Advance corporate income tax**			
	Advance income tax on bank interest		7,016,807	6,997,330
	Advance income tax on dividend		1,106,733	1,084,469
	Advance income tax (LTU)		163,614,656	107,912,398
	Advance income tax on motor vehicle		39,000	24,000
	Advance income tax on share placement		5,620,000	5,620,000
	Advance income tax on underwriting commission		37,051	37,051
			177,434,247	**121,675,248**
9.02 (a)	**Consolidated advance corporate income tax**			
	FAS Finance & Investment Limited	9.2	177,434,247	121,675,248
	FAS Capital Management Limited		6,087,944	5,821,355
			183,522,191	**127,496,603**
9.00 (a)	**Consolidated others assets**			
	i. Income Generating			
	FAS Finance & Investment Limited	9	97,000,000	97,000,000
	FAS Capital Management Limited		-	-
			97,000,000	**97,000,000**
	Less: Investment in subsidiary companies		97,000,000	97,000,000
	(FAS Capital Management Limited)		-	-
	ii. Non-Income Generating			
	FAS Finance & Investment Limited	9	212,971,666	160,670,426
	FAS Capital Management Limited		12,009,095	14,427,934
			224,980,761	**175,098,360**
	Less: Inter company transactions		748,974	2,037,576
			224,231,787	**173,060,784**
			224,231,787	**173,060,784**
10.00	**Non-Financial Institution's assets**			
	Land & Building		53,271,231	53,271,231
			53,271,231	**53,271,231**

This represents the asset which has been acquired by the company in satisfaction of the claimed amount towards Rhine Builders Limited and the holding period of the asset will be maximum 5 (five) years in accordance with the decision of the company management.

			Amount in Taka	
			As at	
			30-Jun-12	31-Dec-11
10.00 (a)	**Consolidated Non-Financial Institution's assets**			
	FAS Finance & Investment Limited	10	53,271,231	53,271,231
	FAS Capital Management Limited		-	-
			53,271,231	**53,271,231**
11.00	**Borrowings from other banks, financial institution and agents**			
	In Bangladesh	11.1	946,444,703	935,796,856
	Outside Bangladesh		-	-
			946,444,703	**935,796,856**
11.01	**In Bangladesh**			
	SME refinancing loan		105,845,233	138,252,778
	Mutual Trust Bank Limited		425,828,437	385,823,767
	Pubali Bank Limited		129,452,122	149,318,066
	Uttara Bank Limited		285,318,911	262,402,245
			946,444,703	**935,796,856**
			-	**-**
11.02	**Security against Borrowings from other banks, financial institution and agents**			
	Secured		840,599,470	797,544,078
	Unsecured		105,845,233	138,252,778
			946,444,703	**935,796,856**
			-	-
11.03	**Maturity grouping's.**			
	Repayable-on demand			
	-up to 3 months		86,699,396	85,407,826
	-over 3 months but below 1 year		234,318,418	470,983,081
	-over 1 year but below 5 years		625,426,889	379,405,949
	-over 5 years		-	-
			946,444,703	**935,796,856**
			-	-
11.00 (a)	**Consolidated borrowings from other banks, financial institution and agents**			
	FAS Finance & Investment Limited	11	946,444,703	935,796,856
	FAS Capital Management Limited		1,009,441,851	976,822,498
			1,955,886,554	**1,912,619,354**
	Less: Loan from FAS Finance & Investment Limited		1,009,441,851	976,822,498
			946,444,703	**935,796,856**
12.00	**Deposits and other accounts**			
	Current deposits and other accounts		-	-
	Bills payable		-	-
	Savings bank deposits		-	-
	Short-term deposit		-	-
	Fixed deposits	12.1	289,843,199	312,885,648
	Bearer certificates of deposit		-	-
	Others deposits		-	-
			289,843,199	**312,885,648**

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11
12.01	**Fixed deposits**		
	Deposit from FI's-inside Bangladesh	270,000,000	300,000,000
	Other than FI's-inside Bangladesh	19,843,199	12,885,648
		289,843,199	**312,885,648**
12.01.a	**Maturity analysis of Fixed Deposits**		
	Deposit from FI's-inside Bangladesh		
	Repayable-on demand		
	-within 1 month	-	-
	-over 1 months but below 6 months	250,000,000	300,000,000
	-over 6 months but below 1 year	20,000,000	-
	-over 1 year but below 5 years	-	-
	-over 5 year but below 10 years	-	-
		270,000,000	**300,000,000**
	Other than FI's-inside Bangladesh		
	Repayable-on demand		-
	-within 1 month	89,450	190,000
	-over 1 months but below 6 months	17,111,696	5,840,461
	-over 6 months but below 1 year	1,101,174	3,996,979
	-over 1 year but below 5 years	1,540,879	2,754,847
	-over 5 year but below 10 years	-	103,361
		19,843,199	**12,885,648**
		289,843,199	**312,885,648**
		-	
12.00 (a)	**Consolidated deposits and other accounts**		
	FAS Finance & Investment Limited		
	Current deposits and other accounts	-	-
	Bills payable	-	-
	Savings bank deposits	-	-
	Short-term deposit	-	-
	Fixed deposits 12.1	289,843,199	312,885,648
	Bearer certificates of deposit	-	-
	Others deposits	-	-
		289,843,199	**312,885,648**
	FAS Capital Management Limited		
	Current deposits and other accounts	-	-
	Bills payable	-	-
	Savings bank deposits	-	-
	Short-term deposit	-	-
	Fixed deposits	-	-
	Bearer certificates of deposit	-	-
	Others deposits	-	-
		-	**-**
		289,843,199	**312,885,648**

			Amount in Taka	
			As at	
			30-Jun-12	31-Dec-11
13.00	**Others liabilities**			
	Accumulated provision against loans, advances and leases	13.1	58,249,539	90,962,545
	Provision for current tax	13.2	171,067,334	162,887,422
	Deferred tax liabilities	13.3	40,031	40,031
	Interest suspense account	13.4	42,127,132	37,488,123
	Accounts payable		225,297	791,378
	Accrued expenses		2,857,448	4,567,285
	Provision for gratuity	13.5	-	1,879,673
	Provision against investments	13.6	31,599,333	24,748,297
	Provident fund	13.7	106,302	-
	Leases advance		5,742,265	7,226,478
	Advance installment		3,776,190	12,031,860
	Unclaimed dividend		241,513	242,053
	Salary tax		300,141	48,300
	Interest payable		13,289,537	12,031,622
	Tax deduction at source		137,291	107,742
	Vat payable		57,754	25,360
	Sundry deposit		5,439,430	3,508,571
			335,256,537	**358,586,740**
			-	

13.01 **Accumulated provision against loans, advances and leases**

Provision for classified loans, advances and leases			
Opening balance		66,354,480	105,147,518
Fully provided debts written off during the p	(-)	(36,888,011)	(56,225,364)
Recovery of amounts previously written off	(+)	-	-
Specific provision made for the period	(+)	-	-
Recoveries and provision no longer required	(-)	-	-
Net charge to Profit and Loss Statement	(+)	3,622,783	17,432,326
Total Provision for classified loans, advances and leases		**33,089,252**	**66,354,480**
Provision for unclassified loans, advances and leases			
Opening balance		24,608,065	16,941,995
Provision for the period		552,222	7,666,070
Adjustment during the period		-	-
Total provision for unclassified loans, advances and leases		**25,160,287**	**24,608,065**
Total provision against loans, advances and leases		**58,249,539**	**90,962,545**

Provision for	Required	Maintained	Excess/(Shortage)
Classified loans and advances	33,089,252	33,089,252	-
Un-classified loans and advances	25,146,753	25,160,287	13,534
	58,236,005	**58,249,539**	**13,534**

13.02 **Provision for current tax**

Opening balance	162,887,422	111,864,085
Add: Provision made during the period	8,179,912	51,023,337
Less: Adjustment during the period	-	-
	171,067,334	**162,887,422**

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

			Amount in Taka	
			As at	
			30-Jun-12	31-Dec-11
13.02 (a)	**Consolidated provision for current tax**			
	FAS Finance & Investment Limited	13.2	171,067,334	162,887,422
	FAS Capital Management Limited		9,462,122	1,081,566
			180,529,456	**163,968,988**
13.03	**Deferred tax liabilities**			
	Opening balance		40,031	2,306,612
	Add: Provision made during the period		-	-
	Less: Adjustment during the period		-	(2,266,581)
			40,031	**40,031**
13.03 (a)	**Consolidated Deferred tax liabilities**			
	FAS Finance & Investment Limited	13.3	40,031	40,031
	FAS Capital Management Limited		-	-
			40,031	**40,031**
13.04	**Interest suspense account**			
	Opening balance		37,488,123	83,386,596
	Transfer during the period	(+)	31,327,158	46,733,168
	Recovery during the period	(-)	(18,706,951)	(77,266,900)
	Written off during the period	(-)	(7,981,198)	(15,364,741)
			42,127,132	**37,488,123**
13.05	**Provision for gratuity**			
	Opening balance		1,879,673	1,102,273
	Add: Provision made during period		-	777,400
	Add: Transferred from FASCML		754,910	
	Less: Adjustment during the period		(2,634,583)	-
			-	**1,879,673**
13.06	**Provision against investments**			
	Opening balance		24,748,297	13,857,007
	Add: Provision made during the period		6,851,036	10,891,290
	Less: Adjustment during the period		-	-
			31,599,333	**24,748,297**
13.06 (a)	**Consolidated provision against investments**			
	FAS Finance & Investment Limited	13.6	31,599,333	24,748,297
	FAS Capital Management Limited		9,266,850	5,049,227
			40,866,183	**29,797,524**
13.07	**Provident fund**			
	Opening balance		-	-
	Add: Provision made during the period		607,259	777,266
	Less: Adjustment during the period		(500,957)	(777,266)
			106,302	**-**

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11

13.00(a) **Consolidated other liabilities**

FAS Finance & Investment Limited	13	335,256,537	358,586,740
FAS Capital Management Limited		*129,711,131*	92,042,238
		464,967,668	**450,628,978**
Less: Inter company transactions		748,974	2,037,576
		464,218,694	**448,591,402**

14.00 **Share Capital**

	516,643,800	**516,643,800**

14.01 **Authorized Capital**

210,000,000 ordinary shares of Taka 10 each	**2,100,000,000**	**2,100,000,000**

14.02 **Issued, Subscribed and paid-up Capital**

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
	516,643,800	**516,643,800**

14.03 **Percentage of shareholding**

	%		Amount in Taka	
	30 June 2012	**31 Dec. 2011**	**30 June 2012**	**31 Dec. 2011**
Bangladeshi sponsors	64.00	64.00	330,654,100	330,654,100
Foreign sponsors	-	-		
Financial institutions/ Others	2.98	14.27	15,374,050	73,731,600
Employees	-	-		
General public	33.02	21.73	170,615,650	112,258,100
	100	**100**	**516,643,800**	**516,643,800**
			-	-

14.04 **Classification of Shareholders by holding**

Holding	Number of holders		% of total holding	
	30-06-2012 (Face value @ Tk. 10)	**2011 (Face value @ Tk. 10)**	**30-06-2012**	**2011**
up to 500 Shares	1,745	1,471	0.87%	0.61%
501 to 5,000 Shares	3,208	2,821	9.02%	7.22%
5001 to 10,000 Shares	230	203	3.21%	2.76%
10001 to 20,000 Shares	101	123	2.72%	3.27%
20001 to 30,000 Shares	40	49	1.90%	2.35%
30001 to 40,000 Shares	21	18	1.38%	1.20%
40001 to 50,000 Shares	14	15	1.21%	1.31%
50001 to 100,000 Shares	29	27	4.12%	3.66%
100001 to 1000,000 Shares	33	27	14.84%	77.63%
Over 1,000,000 Shares	9	-	60.73%	0.00%
	5,430	**4,754**	**100%**	**100%**

Amount in Taka	
As at	
30-Jun-12	31-Dec-11

No. of Shares		Value of Shares	
30-06-2012	2011	30-06-2012	2011
450,499	314,290	4,504,990	3,142,900
4,659,210	3,728,760	46,592,100	37,287,600
1,659,925	1,424,850	16,599,250	14,248,500
1,403,170	1,688,460	14,031,700	16,884,600
981,410	1,213,670	9,814,100	12,136,700
711,090	618,460	7,110,900	6,184,600
626,290	678,400	6,262,900	6,784,000
2,126,140	1,892,730	21,261,400	18,927,300
7,669,521	40,104,760	76,695,210	401,047,600
31,377,125		313,771,250	-
51,664,380	**51,664,380**	**516,643,800**	**516,643,800**
-		-	

14.05 Name of the Directors, sponsors shareholders and their shareholding (including holdings of general public) as on 30 June 2012

Sl. No.	Name	Position	Total Nos. of Share	Value of Shares	% of Shareholding
1	Mr. Abdul Matlub Ahmad	Chairman	2,539,200	25,392,000	4.91%
2	Mrs. Selima Ahmad	Director	2,174,190	21,741,900	4.21%
3	Mr. Abdul Marib Ahmad	Director	1,292,770	12,927,700	2.50%
4	Ms. Shahnaz Ahmad	Director	1,454,750	14,547,500	2.82%
5	Mr. Syed Monowar Ali	Director	1,454,750	14,547,500	2.82%
6	Mr. Md. Khalequzzaman	Director	13,225,000	132,250,000	25.60%
7	Mr Serajul Islam	Director	218,210	2,182,100	0.42%
8	Mr. Mustafa Aminur Rashid	Independent Director	-	-	-
9	Mr. Satya Gopal Podder	Independent Director	-	-	-
10	Nikita & Co. Ltd.	Sponsor	6,612,500	66,125,000	12.80%
11	Mr. Nasim Ali Khan	Sponsor	1,454,750	14,547,500	2.82%
12	Mr. Asaduzzaman Chowdhury	Sponsor	145,480	1,454,800	0.28%
13	Bangladesh National Car Ltd.	Sponsor	1,781,570	17,815,700	3.45%
14	Mr. Mahmudul Hoque Shamim	Sponsor	243,240	2,432,400	0.47%
15	Mr. Enamul Hoque	Sponsor	218,210	2,182,100	0.42%
16	Mr. Altaf Hossain	Sponsor	145,470	1,454,700	0.28%
17	Ms. Shahin Ara	Sponsor	105,320	1,053,200	0.20%
18	General Shareholders	General	18,598,970	185,989,700	36.00%
Total			**51,664,380**	**516,643,800**	**100%**

	Amount in Taka	
	As at	
	30-Jun-12	31-Dec-11

14.06 **Capital adequacy ratio (CAR)**

In terms of Bangladesh Bank DFIM circular no. 05 dated 24 July 2011, required capital of the Company at 30 June 2012 was of Taka 1,000,000,000 as against available core capital of Taka 653,781,657 and supplementary capital of Tk. 165,463,950 making a total of Tk. 819,245,607 thereby showing a shortfall capital of Tk. 180,754,393 at that date. Details are shown below:

14.06.01 **Core capital (Tier I)**

Paid-up capital	516,643,800	516,643,800
Statutory reserve	78,861,879	78,861,879
General reserve	315,000	315,000
Retained earnings	56,950,826	75,694,414
Minority Interest in Subsidiaries	1,010,152	1,547,706
	653,781,657	**673,062,799**

14.06.02 **Supplementary capital (Tier II)**

General provision on unclassified loans and advances	25,160,287	24,608,065
Provision for off-balance sheet exposure	-	-
Exchange equalization account	-	-
Asset revaluation reserve	140,303,663	145,467,943
Revaluation loss on investment - held to maturity (HTM)	-	-
	165,463,950	**170,076,008**
(A) Total Capital	**819,245,607**	**843,138,807**
(B) Required Capital	1,000,000,000	500,000,000
(C) Shortfall (A-B)	**(180,754,393)**	**343,138,807**

15.00 **Statutory reserve**

Opening balance	78,861,879	66,547,002
Add: Addition during the period	-	12,314,877
	78,861,879	**78,861,879**

16.00 **Other reserve**

Capital reserve	16.1	315,000	315,000
		315,000	**315,000**

16.01 **Capital reserve**

Opening balance	315,000	315,000
Add: Addition during the period	-	-
	315,000	**315,000**

17.00 **Revaluation Reserve**

Land	17.1	84,364,660	84,364,660
Office building	17.2	196,242,665	206,571,226
		280,607,325	**290,935,886**

The board of Directors has approved the revaluation report of the immovable properties of the company from Tk. 61,321,294 to Tk. 375,209,538 resulting into a valuation surplus of Tk. 313,888,244. The revaluation is conducted by Surveyor G.K. Adjusters Limited

			Amount in Taka	
			As at	
			30-Jun-12	31-Dec-11
17.01	**Revaluation reserve-Land**			
	Opening balance		84,364,660	84,364,660
	Add: Addition during the period		-	-
			84,364,660	**84,364,660**
17.02	**Revaluation reserve-Office building**			
	Opening balance		206,571,226	229,523,584
	Add: Addition during the period		-	-
			206,571,226	229,523,584
	Less: Depreciation on increased value due to revaluation		10,328,561	22,952,358
			196,242,665	**206,571,226**
18.00	**Retained earnings**			
	Opening balance		127,154,824	122,331,260
	Net profit after taxation		(11,691,227)	61,574,383
	Transfer to Statutory reserve		-	(12,314,877)
	Stock dividend paid-2010		-	(67,388,300)
	Add: Depreciation on increased value due to revaluation		10,328,561	22,952,358
			125,792,158	**127,154,824**
18.00 (a)	**Consolidated retained earnings**			
	Opening balance		75,694,414	132,355,782
	Consolidated net profit after taxation		(29,072,149)	9,478,269
	Prior year adjustment		-	(9,388,818)
	Transfer to Statutory reserve		-	(12,314,877)
	Stock dividend paid-2009		-	-
	Stock dividend paid-2010		-	(67,388,300)
	Add: Depreciation on increased value due to revaluation		10,328,561	22,952,358
			56,950,826	**75,694,414**
19.00	**Letters of guarantee**			
	Stock & Bond Limited		-	-
			-	**-**
19.00 (a)	**Consolidated letters of guarantee**			
	FAS Finance & Investment Limited	19	-	-
	FAS Capital Management Limited		-	-
			-	**-**
20.00	**Other memorandum items**			
	Customers' stocks of securities-Merchant Banking Wing		-	-
			-	**-**
20.00 (a)	**Consolidated other memorandum items**			
	FAS Finance & Investment Limited	20	-	-
	FAS Capital Management Limited	20 (a)i	1,837,801,128	1,943,619,395
			1,837,801,128	**1,943,619,395**
20.00 (a)i	**Other memorandum items of FAS Capital Management Limited**			
	Customers' stocks of securities-Merchant Banking Wing		1,837,801,128	1,943,619,395
			1,837,801,128	**1,943,619,395**

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

		Amount in Taka	
		for the period	
		30-Jun-12	30-Jun-11

21.00 **Profit and loss account**

Income

Interest, discount and similar income	131,706,480	105,600,636
Dividend income	109,917	347,271
Fees, commission and brokerage	-	-
Gains less losses arising from investment securities	(406,108)	122,740,100
Gains less losses arising from dealing in foreign currencies	-	-
Other operating income	864,360	3,082,190
Gains less losses arising from dealing securities	-	-
Income from non-banking assets	-	-
Profit less losses on interest rate changes	-	-
	132,274,649	**231,770,197**

Expenses

Interest, fee and commission	93,717,042	110,437,653
Losses on loans and advances	-	-
Administrative expenses	13,043,676	8,856,137
Other operating expenses	3,640,698	4,377,847
Depreciation on FI's assets	14,358,507	15,966,800
	124,759,923	**139,638,437**
	7,514,726	**92,131,760**

22.00 **Interest income**

Interest on loans, advance and leases	131,511,703	100,828,619
Interest on placement with other banks and financial institution	194,777	4,772,017
Interest on foreign currency balance	-	-
	131,706,480	**105,600,636**

22.00 (a) **Consolidated interest income**

FAS Finance & Investment Limited	22	131,706,480	105,600,636
FAS Capital Management Limited		92,410,068	85,170,244
		224,116,548	**190,770,880**
Less: Inter company interest income		85,184,099	81,504,109
		138,932,449	**109,266,771**

23.00 **Interest paid on deposits, borrowing, etc.**

Interest on deposits	24,694,398	45,522,054
Interest on borrowings	69,022,644	64,915,599
Interest on foreign bank accounts	-	-
	93,717,042	**110,437,653**

23.00 (a) **Consolidated interest paid on deposits, borrowing, etc.**

FAS Finance & Investment Limited	23	93,717,042	110,437,653
FAS Capital Management Limited		85,184,099	81,504,109
		178,901,141	**191,941,762**
Less: Inter company interest expenses		85,184,099	81,504,109
		93,717,042	**110,437,653**

			Amount in Taka for the period	
			30-Jun-12	30-Jun-11
24.00	**Investment income**			
	Interest on treasury bills		-	-
	Gain on sale of shares		(406,108)	122,740,100
	Dividend on shares		109,917	347,271
	Interest on debenture		-	-
	Interest on treasury bonds		-	-
	Gain on treasury bills and treasury bonds		-	-
	Interest on other bonds		-	-
			(296,191)	**123,087,371**
24.00 (a)	**Consolidated investment income**			
	FAS Finance & Investment Limited	24	(296,191)	123,087,371
	FAS Capital Management Limited		30,756,638	1,160,487
			30,460,447	**124,247,858**
25.00	**Commission, exchange and brokerage**			
	Commission		-	
	Exchange gain/(loss)		-	-
	Brokerage		-	-
			-	**-**
25.00 (a)	**Consolidated Commission, exchange and brokerage**			
	FAS Finance & Investment Limited	25	-	-
	FAS Capital Management Limited			
			-	**-**
26.00	**Other operating income**			
	Application fees		11,880	14,000
	Appraisal fees		10,000	12,000
	Documentation charge		47,000	74,500
	Gain on sale of fixed assets		367,987	
	Legal fees		10,000	12,000
	Mortgage inspection fee		4,000	9,130
	Misc. Income		333	3,800
	Portfolio management fee		-	-
	Sale of application form		900	1,413,569
	Service charge		122,260	235,235
	Settlement fees		-	-
	Residual value		-	5,456
	Office rent		290,000	1,302,500
			864,360	**3,082,190**
26.00 (a)	**Consolidated Other operating income**			
	FAS Finance & Investment Limited	26	864,360	3,082,190
	FAS Capital Management Limited		9,356,945	15,823,047
			10,221,305	**18,905,237**
	Less: Inter company office rent & portfolio management fees		606,123	1,679,080
			9,615,182	**17,226,157**

			Amount in Taka for the period	
			30-Jun-12	30-Jun-11
27.00	**Salary and allowances**			
	Basic salary, provident fund contribution and all other allowances		7,181,815	4,096,130
	Festival and incentive bonus		-	-
			7,181,815	**4,096,130**
27.00 (a)	**Consolidated salary and allowances**			
	FAS Finance & Investment Limited	27	7,181,815	4,096,130
	FAS Capital Management Limited		4,782,954	2,193,677
			11,964,769	**6,289,807**
28.00	**Rent, taxes, insurance, electricity, etc.**			
	Rent, rates and taxes		454,307	223,854
	Insurance premium		597,855	46,868
	Electricity, gas and water, etc		551,749	379,025
			1,603,911	**649,747**
28.00 (a)	**Consolidated rent, taxes, insurance, electricity, etc.**			
	FAS Finance & Investment Limited	28	1,603,911	649,747
	FAS Capital Management Limited		437,516	1,401,677
			2,041,427	**2,051,424**
	Less: Inter company office rent		150,000	1,000,000
			1,891,427	**1,051,424**
29.00	**Legal expenses**			
	Professional & legal fees		939,696	143,202
	Appraisal fees		30,000	52,000
			969,696	**195,202**
29.00 (a)	**Consolidated legal expenses**			
	FAS Finance & Investment Limited	**29**	969,696	195,202
	FAS Capital Management Limited		15,000	-
			984,696	**195,202**
30.00	**Postage, stamps, telecommunication, etc.**			
	Telephone & fax		173,188	107,319
	Internet		129,979	116,791
	Postage and stamp		22,634	21,777
			325,801	**245,887**
30.00 (a)	**Consolidated postage, stamps, telecommunication, etc.**			
	FAS Finance & Investment Limited	30	325,801	245,887
	FAS Capital Management Limited		255,636	512,228
			581,437	**758,115**
31.00	**Stationery, printings, advertisements, etc.**			
	Printing		50,625	141,767
	Stationery & Photocopy		44,281	51,087
	Publicity and advertisement		215,363	298,550
			310,269	**491,404**

			Amount in Taka for the period	
			30-Jun-12	30-Jun-11
31.00 (a)	**Consolidated stationery, printings, advertisements, etc.**			
	FAS Finance & Investment Limited	31	310,269	491,404
	FAS Capital Management Limited		79,398	252,678
			389,667	**744,082**
32.00	**Director's fees**			
	Directors' fees		658,750	40,000
	Meeting expenses		-	-
			658,750	**40,000**
32.00 (a)	**Consolidated Director's fees**			
	FAS Finance & Investment Limited	32	658,750	40,000
	FAS Capital Management Limited		-	-
			658,750	**40,000**
33.00	**Auditor's fees**			
	Statutory		-	10,500
	Third quarter audit fees		-	-
	Half yearly		-	-
			-	**10,500**
33.00 (a)	**Consolidated Auditor's fees**			
	FAS Finance & Investment Limited	33	-	10,500
	FAS Capital Management Limited			10,000
			-	**20,500**
34.00	**Depreciation and repairs of FI's assets**			
	Depreciation			
	Office building		12,990,675	14,434,084
	Furniture & fixture		165,230	145,674
	Office decoration		134,200	146,029
	Office equipment		217,174	236,334
	Motor vehicles		660,326	798,285
	Electrical installation		74,945	80,858
	Computer		92,417	98,442
	Telephone line & PABX system		20,353	23,344
	Software		3,187	3,750
			14,358,507	**15,966,800**
	Repairs			
	Motor vehicle repair and maintenance		33,434	124,267
			33,434	**124,267**
			14,391,941	**16,091,067**
34.00 (a)	**Consolidated Depreciation and repairs of assets**			
	FAS Finance & Investment Limited	34	14,391,941	16,091,067
	FAS Capital Management Limited		576,674	622,715
			14,968,615	**16,713,782**

			Amount in Taka	
			for the period	
35.00	**Other expenses**		**30-Jun-12**	**30-Jun-11**
	A.G.M expenses		-	178,636
	Bank charge and excise duty		303,244	82,466
	Books, newspaper and periodicals		24,613	18,877
	Business promotion		709,980	1,033,794
	Corporate social responsibility		-	109,438
	CDBL charge		-	1,300
	Documentation charge		13,500	31,700
	Entertainment		227,182	220,185
	Fees, subscription and donation		651,800	474,471
	Fine		-	-
	Fuel, oil and lubricants		199,207	137,786
	Medical expenses		-	8,080
	Meeting expenses		-	-
	Office maintenance		276,642	201,536
	Portfolio management fees		456,123	679,080
	Registration and renewal		9,415	1,000
	Service charge & commission		-	-
	Security service		163,758	141,000
	Server rental		-	-
	Share transfer price		-	147,901
	Software maintenance		-	-
	Staff bus exp.		-	2,245
	Staff welfare, training and education		465,049	196,667
	TA & DA		140,185	708,735
	Utensil & cookeries		-	2,950
			3,640,698	**4,377,847**
35.00 (a)	**Consolidated Other expenses**			
	FAS Finance & Investment Limited	35	3,640,698	4,377,847
	FAS Capital Management Limited		1,512,671	3,149,950
			5,153,369	7,527,797
	Less: Inter company transaction		456,123	679,080
			4,697,246	**6,848,717**
36.00	**Provision against loans, advances and leases**			
	On un-classified loans		552,222	(450,435)
	On classified loans		3,622,783	36,701,171
			4,175,005	**36,250,736**
36.00 (a)	**Consolidated provision against loans, advances and leases**			
	FAS Finance & Investment Limited	36	4,175,005	36,250,736
	FAS Capital Management Limited		45,000,000	81,460
			49,175,005	**36,332,196**
37.00	**Provision for diminution in value of investments**			
	In quoted shares		6,851,036	34,867,688
			6,851,036	**34,867,688**

			Amount in Taka for the period	
			30-Jun-12	30-Jun-11
37.00 (a)	**Consolidated provision for diminution in value of investments**			
	FAS Finance & Investment Limited	37	6,851,036	34,867,688
	FAS Capital Management Limited		4,217,623	24,248,401
			11,068,659	**59,116,089**
38.00	**Provision for taxation**			
	Current tax		8,179,912	7,009,148
	Deferred tax		-	-
			8,179,912	**7,009,148**
38.00 (a)	**Consolidated provision for taxation**			
	Current tax			
	FAS Finance & Investment Limited	38	8,179,912	7,009,148
	FAS Capital Management Limited		8,380,556	154,554
			16,560,468	**7,163,702**
	Deferred tax			
	FAS Finance & Investment Limited		-	-
	FAS Capital Management Limited		-	-
			-	-
			16,560,468	**7,163,702**
39.00	**Appropriations**			
	Retained earnings-brought forward		127,154,824	122,331,260
	Less: Adjustment for prior year		-	-
	Add: Post-tax profit for the period		(11,691,227)	61,574,383
			115,463,597	**183,905,643**
	Add: Depreciation on increased value due to revaluation		**10,328,561**	**22,952,358**
	Less: Stock dividend-2010		**-**	**67,388,300**
	Transferred to:		**-**	**12,314,877**
	Statutory reserve		-	12,314,877
	General reserve		-	-
	Proposed dividend		-	-
			125,792,158	**127,154,824**
40.00	**Earnings per share**			
	Earning attributable to ordinary shareholders (Net profit after tax)		(11,691,227)	14,004,188
	Weighted average number of ordinary shares outstanding		51,664,380	51,664,380
	Earnings per share		**(0.23)**	**0.27**
			-	

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).

40.00 (a)	**Consolidated earnings per share**			
	Earning attributable to ordinary shareholders (Net profit after tax & minority interest)		(29,072,149)	4,422,051
	Weighted average number of ordinary shares outstanding		51,664,380	51,664,380
	Earnings per share		**(0.56)**	**0.09**
			-	-

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).

Amount in Taka	
for the period	
30-Jun-12	30-Jun-11

41.00 **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 on 30-06-2012
Nitol Motors Ltd. (Property Div.)	House Finance 0019/HL/2006	Sponsor Shareholder	26,350,269
Nitol Motors Ltd.	Accounts Receivable	Shareholder	1,200,000
Mrs. Saleha Begum	House Finance 0079/HL/2010	Spouse of Mr. Md. Mofizuddin Chowdhury,	860,980

42.00 **General**

42.01 **Expenditure incurred on employees**

Salary Range	Permanent Basis	Contractual Basis
Below Tk.3,000	Nil	Nil
Above Tk.3,000	44	2

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.

42.02 **Claims**

(a) Claim against the company acknowledge as debts.	Nil	Nil
(b) Claim by the company not acknowledge as receivable.	Nil	Nil

42.03 Figures of the previous years have been rearranged, where necessary, to conform to current period presentation.

42.04 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 23 October 2012.

Sd/-	Sd/-	Sd/-	Sd/-
Abdul Matlub Ahmad	**Mustafa Aminur Rashid**	**Md. Mofiz Uddin Chowdhury**	**Md. Akhtar Hossain**
Chairman	**Director**	**Managing Director & CEO**	**SVP & CFO**

Dated, Dhaka
23 October 2012

FAS Finance & Investment Limited
Fixed Assets Schedule
As on 30 June 2012

Annexture-1

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 30.06.2012
	Balance as on 01.01.2012	Addition/Revaluation reserve during the period	Adj./disposal during the period	Balance as on 30.06.2012		Balance as on 01.01.2012	Addition during the period	Adj./disposal during the period	Balance as on 30.06.2012	
Land	86,527,860	-	-	86,527,860		-	-	-	-	86,527,860
Office building	288,681,678	-	-	288,681,678	10%	28,868,168	12,990,675	-	41,858,843	246,822,835
Furniture & fixture	4,426,171	19,000	-	4,445,171	10%	1,140,581	165,230	-	1,305,811	3,139,360
Office decoration	3,651,820	-	-	3,651,820	10%	967,816	134,200	-	1,102,016	2,549,804
Office equipment	4,617,081	27,730	-	4,644,811	15%	1,749,162	217,174	-	1,966,336	2,678,475
Motor vehicles	14,556,489	-	2,060,000	12,496,489	20%	7,521,214	660,326	1,627,987	6,553,553	5,942,936
Electrical installation	1,581,987	-	-	1,581,987	15%	582,715	74,945	-	657,660	924,327
Computer	2,380,678	116,550	-	2,497,228	15%	1,265,007	92,417	-	1,357,424	1,139,804
Telephone line & PABX system	427,623	-	-	427,623	15%	156,254	20,353	-	176,607	251,016
Software	50,000	-	-	50,000	15%	7,500	3,187	-	10,687	39,313
Balance at 30 June 2012	**406,901,387**	**163,280**	**2,060,000**	**405,004,667**		**42,258,417**	**14,358,507**	**1,627,987**	**54,988,937**	**350,015,730**
Balance at 31 December 2011	**404,377,781**	**2,523,606**	**-**	**406,901,387**		**10,033,425**	**32,224,992**	**-**	**42,258,417**	**364,642,970**

Note: Depreciation on fixed assets has been charged at rates varying from 10% to 20% on diminishing balance method.
Full period depreciation has been charged on addition on fixed Assets.

FAS Finance & Investment Limited
Consolidated Fixed Assets Schedule
As on 30 June 2012

Annexture-1 (a)

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 30.06.2012
	Balance as on 01.01.2012	Addition/Revaluation reserve during the period	Adj./disposal during the period	Balance as on 30.06.2012		Balance as on 01.01.2012	Addition during the period	Adj./disposal during the period	Balance as on 30.06.2012	
Land	86,527,860	-	-	86,527,860		-	-	-	-	86,527,860
Office building	288,681,678	-	-	288,681,678	10%	28,868,168	12,990,675	-	41,858,843	246,822,835
Furniture & fixture	5,851,100	154,000.00	-	6,005,100	10%	1,306,256	234,943	-	1,541,199	4,463,901
Office decoration	4,468,286	-	-	4,468,286	10%	1,063,805	170,224	-	1,234,029	3,234,257
Office equipment	6,010,881	87,470.00	48,500.00	6,049,851	15%	1,986,896	304,722	7,275	2,284,343	3,765,508
Motor vehicles	15,985,489	-	2,060,000.00	13,925,489	20%	7,864,174	768,930	1,627,987.00	7,005,117	6,920,372
Electrical installation	1,581,987	-	-	1,581,987	15%	582,715	74,945	-	657,660	924,327
Computer	3,223,385	149,150.00	-	3,372,535	15%	1,408,135	147,330	-	1,555,465	1,817,070
Telephone line & PABX system	585,418	15,000.00	-	600,418	15%	182,857	31,316	-	214,173	386,245
Software	996,750	52,000.00	-	1,048,750	15%	177,204	65,365	-	242,569	806,181
Balance at 30 June 2012	**413,912,834**	**457,620**	**2,108,500**	**412,261,954**		**43,440,210**	**14,788,450**	**1,635,262**	**56,593,398**	**355,668,556**
Balance at 31 December 2011	**409,859,179**	**4,053,655**	**-**	**413,912,834**		**10,235,994**	**33,204,216**	**-**	**43,440,210**	**370,472,624**

Note: Depreciation on fixed assets has been charged at rates varying from 10% to 20% on diminishing balance method.
Full year depreciation has been charged on addition on fixed assets.

FAS Finance & Investment Limited
Investments In Shares and Bonds
As At 30 June 2012

Annexture-2 (a)

Shares (quoted)

Particulars	Number of shares	Market price per share /Taka	Total Market Price/Taka	Book value	Provisions
Aftab Automobiles Ltd.	40,920	136.70	5,593,764	8,023,582	2,429,818
Aims 1st Mutual Fund	160,500	33.80	5,424,900	10,697,770	5,272,870
Arab Bangladesh Bank Ltd	31,700	42.40	1,344,080	1,957,541	613,461
Asia Pacific Insurance Company Ltd.	150	32.00	4,800	8,810	4,010
Bangladesh Finance & Investment Ltd.	330	41.40	13,662	28,845	15,183
Bangladesh General Insurance Company Ltd.	315	31.60	9,954	16,989	7,035
Bay Leasing & Investment Ltd.	1,200	44.90	53,880	102,608	48,728
BD Welding Electrodes	1,050	25.80	27,090	65,967	38,877
City Bank Ltd.	250	32.20	8,050	12,204	4,154
CMC Kamal Textile Ltd	3	23.30	70	29	-
Daffodil Computers Ltd.	10,026	16.20	162,421	144,425	-
Delta Brac Housing Finance Corp. Ltd.	19,500	83.60	1,630,200	2,281,554	651,354
Dhaka Bank Ltd.	1	28.14	28	37	9
Exim Bank Limited	77,406	18.80	1,455,233	2,097,506	642,273
Fareast Islami Life Insurance Company Ltd.	140	168.10	23,534	33,912	10,378
First Security Islami Bank Ltd.	510,950	17.40	8,890,530	13,525,749	4,635,219
Fu-Wang Foods Ltd.	5	34.00	170	229	59
Jamuna Bank Ltd.	8,513	20.20	171,963		-
Khulna Power Company Limimited	7,126	54.30	386,942		-
M.I. Cement Factory	1	108.60	109	25	-
Malek Spinning Mills Ltd.	1,100	18.50	20,350	72,252	51,902
Meghna Life Insurance Co. Ltd.	19,450	158.70	3,086,715	4,224,816	1,138,101
Mutual Trust Bank Ltd.	2,000	24.40	48,800	79,781	30,981
National Bank Ltd.	112,100	28.90	3,239,690	4,545,636	1,305,946
National Credit & Commerce Bank Ltd.	43,290	20.60	891,774	1,185,423	293,649
Niloy Cement Industries Ltd.	500	260.75	130,375	67,847	-
Nitol Insurance Company Ltd.	238,162	42.90	10,217,150	13,523,541	3,306,391
Northern General Insurance Company Ltd.	1,150	48.10	55,315	70,833	15,518
One Bank Limited	17,550	24.50	429,975	714,335	284,360
Padma Oil Company Ltd.	5,625	305.80	1,720,125	3,302,619	1,582,494
Paragon Leather Ltd.	39	-	-	890	890
Peoples Leasing & Financial Services	420	41.55	17,452	44,284	26,832
Premier Leasing International Ltd.	156,660	20.90	3,274,194	7,717,537	4,443,343
Prime Finance & Investment Ltd.	140	60.40	8,456	13,336	4,880
Prime Islami Life Insurance Company	2,150	177.00	380,550	614,151	233,601
Progressive Life insurance Company Limited	10,000	151.60	1,516,000	1,993,882	477,882
RAK Ceramics (Bangladesh) Ltd.	440	66.70	29,348	42,279	12,931
Rupaili Life Insurance Company Limited	36,100	175.00	6,317,500	7,009,601	692,101
Saiham Textile Mills Ltd.	600	22.50	13,500	26,916	13,416
Sandhaani Life Insurance Co. Ltd	83,990	117.60	9,877,224	11,559,153	1,681,929
Shahjalal Islami Bank Ltd.	375	22.70	8,513	11,147	2,635
Sonargaon Textile Ltd.	41,250	20.00	825,000	1,757,733	932,733
Standard Insurance Limited	1,650	41.70	68,805	81,644	12,839
Union capital Ltd.	20,350	37.20	757,020	1,414,321	657,301
United Airways (Bangladesh) Ltd.	1,000	15.50	15,500	31,905	16,405
United Commercial Bank Ltd.	345	26.00	8,970	15,815	6,845
				99,119,459	**31,599,333**

Shares (unquoted)

Particulars	Number of shares	Market price per share /Taka	Total Market Price/Taka	Book value	Provisions
Shahjibazar Power Company Ltd.	170,000	90.00	15,300,000	15,300,000	-
				15,300,000	**-**
Grand Total:				**114,419,459**	**31,599,333**
				-	-

FAS Capital Management Limited
Investments In Shares and Bonds
As at 30 June-2012

Shares (quoted)

Annexure-2 (b)

Particulars	Number of shares	Market price per share /Taka	Total Market Price/Taka	Book value	Provisions
Marginable					
Continental Insurance Ltd.	180	33.10	5,971.24	2,460	(3,511.24)
Eastern Housing Ltd.	10,000	63.90	639,000.00	658,858	19,858.00
Eastern Insurnce co..Ltd.	145	45.80	6,636.42	4,140	(2,496.42)
Fareast Islami Life Ins. Co. Ltd.	20,000	168.10	3,362,000.00	3,923,709	561,709.00
First security Islami Bank	17,000	17.40	295,800.00	326,766	30,966.00
LankaBangla Finance Ltd.	29,667	82.10	2,435,660.70	1,855,624	(580,036.70)
Mercantile Insurance Co. Ltd.	32,200	31.90	1,027,180.00	1,139,929	112,749.00
National Bank ltd.	20,000	28.90	578,000.00	731,238	153,238.00
R.N Spinning Mills Ltd.	433,698	26.90	11,666,476.20	8,673,960	(2,992,516.20)
Rupali Insurance Co.Ltd.	26,329	40.00	1,053,160.00	526,580	(526,580.00)
Saiham textile Mills Ltd.	439,000	22.50	9,877,500.00	10,975,000	1,097,500.00
Southeast Bank Ltd.	622,750	20.90	13,015,475.00	24,751,845	11,736,370.00
The City Bank Ltd.	8,250	32.20	265,650.00	341,736	76,086.00
Trust Bank Ltd.	86,912	25.00	2,172,800.00	1,738,240	(434,560.00)
Non -Marginable					
Lafarge Surma Cement Ltd.	10,000	39.90	399,000.00	417,075	18,075.00
Shaji Bazar Power Co. Ltd.	0.00		15,300,000	15,300,000	-
Total			**62,100,310**	**71,367,160**	**9,266,850.44**

FAS Finance & Investment Limited
Financial Highlights
As at 30 June 2012

Annexure-3

Sl. No.	Particulars	Amount in Taka		
		30-Jun-12	30-Jun-11	Change in %
1	Paid up capital	516,643,800	516,643,800	-
2	Total capital	819,245,607	840,703,524	(2.55)
3	Capital surplus/deficit	(180,754,393)	340,703,524	(153.05)
4	Total assets	2,573,764,601	2,760,069,004	(6.75)
5	Total deposits	289,843,199	389,225,184	(25.53)
6	Total loans, advances and leases	1,734,992,297	1,903,367,248	(8.85)
7	Total contingent liabilities and commitments	-	120,000,000	(100.00)
8	Credit deposit ratio	598.60%	489.01%	22.41
9	Percentage of classified loans, advances and leases	9.03%	26.77%	(66.28)
10	Profit after tax and provision	(11,691,227)	14,004,188	(183.48)
11	Classified loans, advances and leases during the year	156,607,922	509,561,109	(69.27)
12	Provisions kept against classified loans	33,089,252	141,848,689	(76.67)
13	Provision surplus/deficit	13,534	-	100.00
14	Cost of fund	18.75%	15.19%	23.44
15	Interest earning assets	1,957,505,974	2,158,297,278	(9.30)
16	Non-interest earning assets	616,258,627	601,771,726	2.41
17	Return on investment (ROI)	-0.60%	0.74%	(181.26)
18	Return on asset (ROA)	-0.44%	0.49%	(188.75)
19	Incomes from investment	(296,191)	123,087,371	(100.24)
20	Earning per share	(0.23)	0.27	(183.48)
21	Net income per share	(0.23)	0.27	(183.48)
22	Price earning ration (Times)	(125.06)	186.67	(166.99)

AUDITORS' REPORT

TO THE SHAREHOLDERS OF FAS CAPITAL MANAGEMENT LIMITED

We have audited the accompanying Statement of Financial Position of **FAS Capital Management Limited** as of 30 June 2012 and the related Statement of Comprehensive Income, Statement of Cash Flows, Statement of changes in Shareholders' Equity and notes thereof for the period then ended.

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 (BFRSs), the Companies Act 1994, the Financial Institution Act 1993, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

Except for the effect on financial statements of the matters discussed in **note – 5.01** in our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the Company's affairs as on 30 June 2012 and the results of its Statement of Comprehensive Income and its Cash Flows for the year then ended and comply with the Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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 account 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 Comprehensive Income together with the annexed notes thereto dealt with by this report are in agreement with the books of account;

d) the Financial Statements have been prepared in accordance with generally accepted accounting principles in Bangladesh;

e) the expenditure incurred and payments made were for the purposes of the Company's business;

f) the information and explanations required by us have been received and found satisfactory;

g) except for matter disclosed in note 5.01, adequate provision has been made on outstanding margin loan; and

h) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statement.

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

Dated, Dhaka
23 October 2012

FAS Capital Management Limited

Statement of Financial Position

As at 30 June 2012

	Notes	Amount in Taka	
		30-Jun-12	31-Dec-11
PROPERTY AND ASSETS			
Current Assets :			
Cash:		**4,851**	**858**
In hand	2.00	4,851	858
Balance with bank(s)		-	-
Cash at Bank		**331,703**	**3,300,188**
In Bangladesh	3.00	331,703	3,300,188
Outside Bangladesh		-	-
Investment		**71,367,160**	**87,006,801**
Share Investment	4.00	71,367,160	87,006,801
Others		-	-
Loans and advances		**1,078,956,167**	**1,005,386,597**
Margin Loan to Client	5.00	1,078,948,709	1,005,370,768
Loan to Stuff		7,458	15,829
Others assets	6.00	**12,009,095**	**14,427,934**
Total Current Assets :		**1,162,668,976**	**1,110,122,378**
Fixed Assets (Annexure-1)	7.00	**5,652,826**	**5,829,654**
Total Assets		**1,168,321,802**	**1,115,952,032**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	8.00	**1,009,441,851**	**976,822,498**
Current Liabilities		**129,711,131**	**92,042,238**
Provision for Expenses	9.00	240,215	2,747,276
Provision for Income Tax	10.00	9,462,122	1,081,566
Sundry Creditors	11.00	5,727,124	23,128,289
Others liabilities	12.00	114,281,670	65,085,107
Total Liabilities		**1,139,152,982**	**1,068,864,736**
Capital/Shareholders' Equity		**29,168,820**	**47,087,296**
Paid-up Capital	13.00	100,000,000	100,000,000
Retained earnings	14.00	(70,831,180)	(52,912,704)
Total Liabilities and Shareholders' Equity		**1,168,321,802**	**1,115,952,032**

Sd/-	Sd/-	Sd/-
Md. Maniruzzaman Akan	**Abdul Halim**	**Nasim Ali Khan**
SAVP	**Director**	**CEO**

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

Dated, Dhaka
23 October 2012

	Notes	Amount in Taka	
		30-Jun-12	31-Dec-11

OFF-BALANCE SHEET ITEMS

Contingent Liabilities		-	-
Acceptances and endorsements		-	-
Letters of Guarantee		-	-
Irretable 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 stanby facilities,Credit lines and other commitments		-	-
Total			
Other Memorandum Items	27.00	1,837,801,128	1,943,619,395

Sd/-
Md. Maniruzzaman Akan
SAVP

Sd/-
Abdul Halim
Director

Sd/-
Nasim Ali Khan
CEO

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

Dated, Dhaka
23 October 2012

FAS Capital Management Limited

Statement of Comprehensive income

For the Period From 01 January 2012 to 30 June 2012

	Notes	Amount in Taka	
		30-Jun-12	30-Jun-11
OPERATING INCOME			
Interest Income	15.00	92,410,068	85,170,244
Less: Interest paid on deposit and borrowings, etc.	16.00	85,184,099	81,504,109
Net Interest income		**7,225,969**	**3,666,135**
Investment income	17.00	30,756,638	1,160,487
Commission, exchange and brokerage	18.00	-	-
Other operating income	19.00	9,356,945	15,823,047
		40,113,583	**16,983,534**
Total operating income (a)		**47,339,552**	**20,649,669**
OPERATING EXPENSES			
Salary and allowances	20.00	4,782,954	2,193,677
Rent, taxes, insurance, electricity, etc.	21.00	437,516	1,401,677
Legal expenses	22.00	15,000	-
Postage, stamps, telecommunication, etc.	23.00	255,636	512,228
Printing,Stationery & Advertisement	24.00	79,398	252,678
Auditor's fees		-	10,000
Depreciation and repairs of Fl's assets	25.00	576,674	622,715
Other expenses	26.00	1,512,671	3,149,950
Total operating expenses (b)		**7,659,849**	**8,142,925**
Profit before provision (c=a-b)		**39,679,703**	**12,506,744**
Provision for diminution in value of investments**		4,217,623	24,248,401
Provisions on Margin Loan		45,000,000	81,460
Other Provision		-	-
Total provision (d)		**49,217,623**	**24,329,861**
Profit before taxation(c-d)		**(9,537,920)**	**(11,823,117)**
Provision for taxation		**8,380,556**	**154,554**
Current tax		8,380,556	154,554
Deferred tax		-	-
Net profit after taxation		**(17,918,476)**	**(11,977,671)**
Earning per share(EPS)	28.00	**(1.79)**	**(1.20)**

Sd/-
Md. Maniruzzaman Akan
SAVP

Sd/-
Abdul Halim
Director

Sd/-
Nasim Ali Khan
CEO

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

Dated, Dhaka
23 October 2012

FAS Capital Management Limited

Statement of Cash Flows

For the Period From 01 January 2012 to 30 June 2012

	Amount in Taka	
	30-Jun-12	30-Jun-11
Cash Flows From Operating Activities		
Interest receipts	92,410,068	167,788,651
Interest payments	(85,184,099)	(161,332,388)
Investment Income	30,756,638	(22,980,598)
Commission, exchange and brokerage	-	165,156
Payments to employees	(4,782,954)	(6,579,162)
Other operating income	9,356,945	28,416,841
Payment for other operating activities	(2,479,227)	(7,224,756)
Operating profit before changes in operating assets & liabilities	**40,077,371**	**(1,746,256)**
Increase/Decrease in operating assets and liabilities		
Margin loan to client	(73,577,941)	(9,282,800)
Other Assets (Receivable)	2,346,881	66,374,630
Others Assets(Staff loan)	8,371	15,016
Deposit from customers	(17,401,165)	(90,173,496)
Browing From other Bank & Financial Institute	32,619,353	(62,328,970)
Liabilities for Expenses	(2,507,061)	872,387
Other liabilities(Bills Payable)	(21,060)	(2,568,065)
	(58,532,622)	**(97,091,298)**
Net cash from/ (used in) operating activities (a)	**(18,455,251)**	**(98,837,554)**
Cash Flows From Investing Activities		
Purchase/Sale of trading securities, shares, bonds, etc.	15,711,599	(7,907,447)
Purchase/Sale of property, plant and equipment	(245,840)	(1,530,048)
Net cash used in investing activities (b)	**15,465,759**	**(9,437,495)**
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)	**(2,989,492)**	**(108,275,049)**
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at beginning of the Year	3,301,046	111,576,095
Cash and cash equivalents at end of the year	**311,554**	**3,301,046**

-

Sd/-
Md. Maniruzzaman Akan
SAVP

Sd/-
Abdul Halim
Director

Sd/-
Nasim Ali Khan
CEO

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

Dated, Dhaka
23 October 2012

FAS Capital Management Limited

Statement of Changes in Equity

For the year ended 30 June 2012

Amount in Taka

Particulars	Share Capital	Share Premium	Proposed Dividend	Retained Earning	Total
Opening Balance as on 01.01.2012	100,000,000	-	-	(52,912,704)	47,087,296
Share Issued During the year	-	-	-	-	-
Share Premium received During the year	-	-	-	-	-
Capital Gain During the year	-	-	-	-	-
Net Profit after Tax	-	-	-	(17,918,476)	(17,918,476)
Income Tax Provision on Capital Gain	-	-	-	-	-
Proposed Stock Dividend	-	-	-	-	-
Balance as on 30 June 2012	**100,000,000**	**-**	**-**	**(70,831,180)**	**29,168,820**

FAS Capital Management Limited
Notes to the Financial Statements
For the Period ended 30 June, 2012

1.00 Significant Accountingt Policies and Other Material Information :

a. Leagal Form of the Enterprise :

FAS Capital Management Limited was Incorporated in Bangladesh on 13th October 2010 as a Private Limited Company under the Companies Act, 1994.

b. Nature of Business Activities :

FAS Capital Management Limited was established to cater to the needs of the first growing Capital Market in Bangladesh. It works as a Merchant Bank with a full-fledged merchant banking license from the Securities & Exchange Commission, the appropriate Goverenment Regulatory agency.

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);
SEC (Merchant Bankers & Portfolio Manager) Ordinace 1996
SEC Rules 1987

d. Depreciation Policy :

Depreciation is charged on fixed assets from the following year of acquisition following reducing balance method 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. Provission has been adjusted by netting off.

g. Taxation:

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

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

			Amount in Taka	
2.00	**Cash in hand :**		**As at**	
			30-Jun-12	**31-Dec-11**
	Cash in Hand		4,851	858
	Total		**4,851**	**858**

3.00	**Cash at Bank :**	**Account No.**		
	Dutch Bangla Bank Ltd. Gulshan Branch	STD-116.120.1505	100,172	497,949
	Jamuna Bank Ltd. Mohakhali Branch	STD-0320000467	-	243,528
	Mercantile Bank Ltd. Mohakhali Branch	SND-011313100000420	-	362,865
	Mutual Trust Bank Ltd. Gulshan Branch	STD-0022-0320000793	70,257	82,229
	Prime Bank Ltd. Mohakhali Branch	STD-11031050015284	3,979	9,604
	Prime Bank Ltd. Gulshan Branch	STD-11831060023968	32,839	113,521
	Standard Chartered Bank, Gulshan Branch	SND-02-1111079-01	32,992	259,127
	Standard Chartered Bank, Gulshan Branch	STD-02-5547253-02	387	4,771
	Standard Chartered Bank, Gulshan Branch	CD-01-5547253-02	-	410,835
	The City Bank Ltd. Gulshan Branch	STD-3101221156001	81,056	413,208
	The City Bank Ltd. Gulshan Branch	STD-310191238001	-	603,410
	The City Bank Ltd. Narsingdi (Br.)	STD-310109238002	-	289,321
	Woori Bank Ltd.-Gulshan Br.	NDA-923000208	10,021	9,820
	Total		**331,703**	**3,300,188**

4.00	**Share Investment :**		
	Bank:		
	Bank Asia Ltd.	-	895,100
	Jamuna Bank Ltd.	-	20,418
	Social Islami Bank Ltd.	-	31,450,110
	Southeast Bank Ltd.	24,751,845	24,750,934
	The City Bank Ltd.	341,736	459,995
	United Commercial Bank Ltd.	-	3,316,433
	First security Islami Bank	326,766	-
	National Bank ltd.	731,238	-
	Trust Bank Ltd.	1,738,240	-
		27,889,825	**60,892,990**
	Insurance:		
	City General Insurance Co. Ltd.	-	1,227,210
	Continental Insurance Ltd.	2,460	270,300
	Eastern Insurnce co..Ltd.	4,140	773,100
	Fareast Islami Life Ins. Co. Ltd.	3,923,709	7,460,051
	Mercantile Insurance Co. Ltd.	1,139,929	-
	Rupali Insurance Co.Ltd.	526,580	-
		5,596,818	**9,730,661**
	Housing:		
	Eastern Housing Ltd.	**658,858**	**-**
	Cement:		
	Lafarge Surma Cement Ltd.	**417,075**	**-**
	NBFI		
	LankaBangla Finance Ltd.	**1,855,624**	**-**

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11
Spinning Mills:			
Saiham textile Mills Ltd.		10,975,000	-
Sonargaon Textile Mills Ltd		-	1,083,150
R.N Spinning Mills Ltd.		8,673,960	
		19,648,960	**1,083,150**
Shaji Bazar Power Co. Ltd.		**15,300,000**	**15,300,000**
Total		**71,367,160**	**87,006,801**

(A schedule of investment in shares is given in annexure-2 (b))

5.00 Margin Loan to Client :

Be Rich Ltd.	129,248,914	118,312,633
Eminent Securities Ltd.	12,860,537	11,911,508
Far East Shares & Securities Ltd.	64,059,426	58,280,873
International Security Co. Ltd.	10,603,708	9,877,984
Khwaja Equity Services Ltd.	175,527,593	159,456,748
Royal Capital Ltd.	307,768,901	299,397,389
Shah Moh. Sagir & Co. Ltd.	108,339,128	100,817,731
S.R. Capital Ltd.	46,639,294	42,387,460
Stock And Security Linkway Ltd.	2,630,784	705,893
Stock & Bond Ltd.	194,002,196	179,254,514
Sylnet Securities Ltd.	27,268,228	24,968,035
Total	**1,078,948,709**	**1,005,370,768**

5.01 Due to unusual / unexpected fall down in the share market the market value of securities at June 30, 2012 fell below the receivable amount by Tk. 299,517,453 against which the company provided provision Tk. 104,960,880 which is equivalent to 9.73% of the outstanding loan amount. As per Securities and Exchange Commission (Merchant Banker & Portfolio Manager) Ordinance 1996 the company may keep provision 1% on the outstanding of the total loan.

6.00 Others Assets :

Accounts Receivable	6.01	1,029,647	56,973
Advances, Deposits and Prepayments	6.02	2,829,793	2,443,456
Receivable Underwriting Commission		1,855,281	6,106,150
Advance Income Tax (AIT)		6,087,944	5,821,355
Receivable FFIL-Portfolio M.F		206,430	-
		12,009,095	**14,427,934**

6.01 Accounts Receivable :

Brokerage House	6.01.01	1,025,647	52,973
Receivable Work Station Rent		4,000	4,000
Total		**1,029,647**	**56,973**

6.01.01 Brokerage House :	**Taka**	**Taka**
Be Rich Ltd.	-	-
Far East Shares & Securities Ltd.	-	2,316
International Securities Co. Ltd.	549	549
Eminent Securities Ltd.	-	13,353
Khwaja Equity Ltd.	114,065	-
Khwaja Equity Ltd.FCML	-	11,990
Royal Capital ltd.	888,274	
Shah Mohammad Sagir & Co.	-	-
Stock And Security Linkway Ltd.(P-Investors)	3	3
Stock And Security Linkway Ltd.(P-Own)	63	63
S.R Capital Ltd.	-	-
Sylnet Securities Ltd.	-	24,699
Stock & Bond	22,693	
Total	**1,025,647**	**52,973**

			Amount in Taka	
			As at	
			30-Jun-12	31-Dec-11
6.02	**Advances, Deposits and Prepayments :**			
	Advance	6.02.01	1,525,293	1,138,956
	Security Deposit	6.02.02	1,304,500	1,304,500
	Total		**2,829,793**	**2,443,456**
6.02.01	**Advance :**			
	Advance (Kazi Fazlur Rahman)		500,000	500,000
	Office Expenses(Head/Branch Office)	6.02.1.01	5,108	2,271
	BTCL		-	15,000
	Stock & Security Linkway Ltd.		100,800	100,800
	Advance(Sudir Chandra Sarker)		515,000	515,000
	Md. Milon Gazi		885	885
	Sk Sarwar		3,500	5,000
	Leads corporation Ltd		400,000	
	Total		**1,525,293**	**1,138,956**
6.02.1.01	**Office Expenses :**			
	Narsingdi (Branch Office)		1,322	-
	Head Office		-	748.00
	Chittagong (Branch Office)		2,147	1,523.00
	Sylhet (Branch Office)		1,639	-
	Total		**5,108**	**2,271**
6.02.02	**Security Deposit :**			
	Grameen Phone		4,500	4,500.00
	Office Rent	6.03.02.01	1,100,000	1,100,000.00
	CDBL-DP		200,000	200,000.00
	Total		**1,304,500**	**1,304,500**
6.03.02.01	**Office Rent :**			
	Dhaka (Head Office)		500,000	500,000
	Patuakhali (Proposed Branch)		600,000	600,000
	Total		**1,100,000**	**1,100,000**
7.00	**Fixed Assets :**			
	Cost:			
	Computer & Accessories		875,307	842,707
	Furniture & Fixture		1,559,929	1,424,929
	Motor Vehicle		1,429,000	1,429,000
	Office Decoration		816,466	816,466
	Office Equipment		1,405,040	1,393,800
	Software		998,750	946,750
	Telephone & PABX		172,794	157,795
	Total		**7,257,287**	**7,011,447**

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11
	Less: Accumulated Depreciation		
	Computer & Accessories	198,041	143,128
	Furniture & Fixture	235,388	165,675
	Motor Vehicle	451,564	342,960
	Office Decoration	132,013	95,989
	Office Equipment	318,007	237,734
	Software	231,882	169,704
	Telephone & PABX	37,566	26,603
	Total	**1,604,461**	**1,181,793**
	Written down value at the end of the year (Annexure-1)	**5,652,826**	**5,829,654**
8.00	**Borrowings from other banks, financial institutions and agents :**		
	Bank	-	-
	Financial institutions	1,009,441,851	976,822,498
	Others	-	-
	Total	**1,009,441,851**	**976,822,498**
9.00	**Provision for Expenses :**		
	Electric Bill	-	251,916
	Generator Bill	-	140,032
	Suvastu Imam Square	-	30,289
	Office Rent (Head Office)	25,000	900,000
	Service Charges	17,544	239,832
	Telephone Bill	759	1,377
	Staff Bus Expenses	51,399	32,231
	Audit Fees	3,875	30,000
	CDBL Charges	136,400	120,936
	Salary & Allowances(Bonus)	-	1,000,663
	S.B & Stationery	5,238	-
	Total	**240,215**	**2,747,276**
10.00	**Provision for Income Tax :**		
	Opening Balance	1,081,566	99,713
	Add: Provision during the year	8,380,556	981,853
		9,462,122	1,081,566
	Less: Adjustment during the year	-	-
	Total	**9,462,122**	**1,081,566**
11.00	**Sundry Creditors :**		
	Be Rich Ltd.	18,712	36,305
	Green Land Equities Ltd.	4,559	4,559
	Royal Capital Ltd.	-	1,601,592
	S.R. Capital Ltd.	-	294,732
	Payable to Broker (SF)	5,519,344	20,148,030
	Khwaja Equity services Ltd.	-	775,268
	Shah Mohammad Sagir & Co.Ltd	184,509	225,382
	Stock & Bond Ltd.	-	36,625
	Loan & Advance	-	5,796
	Total	**5,727,124**	**23,128,289**

			Amount in Taka	
			As at	
			30-Jun-12	31-Dec-11
12.00	**Others Liabilities :**			
	Provision against Share Investment	12.01	9,266,850	5,049,227
	Provision against Margin loan	12.02	104,960,880	59,960,880
	Interest Payable		-	-
	Provident Fund		53,940	-
	VAT Expenses		-	-
	Source Tax		-	75,000
	Total		**114,281,670**	**65,085,107**
12.01	**Provision for Share Investment:**			
	Opening Balance		5,049,227	5,049,227
	Add: Provision during the year		4,217,623	-
			9,266,850	5,049,227
	Less: Adjustment during the year		-	-
	Total		**9,266,850**	**5,049,227**
12.02	**Provision against Margin loan:**			
	Opening Balance		59,960,880	9,960,880
	Add: Provision during the year		45,000,000	50,000,000
			104,960,880	59,960,880
	Less: Adjustment during the year		-	-
	Total		**104,960,880**	**59,960,880**
13.00	**Share Capital :**			
13.01	**Authorised 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		100,000,000	100,000,000
	10,000,000 Ordinary Shares of Tk. 10.00 each		**100,000,000**	**100,000,000**

13.03 Percentage of Shareholding

	2012(%)	Taka	2011(%)	Taka
Sponsors	3	**3,000,000**	20	**20,000,000**
Financial Institutions	97	**97,000,000**	80	**80,000,000**
	100	**100,000,000**	100	**100,000,000**

13.04 Name of directors,Sponsors Shareholders & their shareholding

	Number of Share	Total Value	%
Mr. Abdul Matlub Ahmad	100000	1,000,000	1
Mr.Abdul Halim	100000	1,000,000	1
Mr.Sudir Chandra Sarker	100000	1,000,000	1
FAS Finance & Investment Ltd.	9700000	97,000,000	97
	10000000	100,000,000	100

		Amount in Taka	
		As at	
		30-Jun-12	31-Dec-11

14.00 Retained earnings :

Opening balance	(52,912,704)	794,630
Net profit after taxation	(17,918,476)	(53,707,334)
Transfer to statutory reserve	-	-
Total	**(70,831,180)**	**(52,912,704)**

		Amount in Taka	
		for the period	
		2012	2011

15.00 Interest Income :

Interest on Margin Loan	15.01	92,119,496	84,411,835
Bank Interest		289,661	755,600
Interest on Staff Loan		911	2,809
Interest for Late payment		-	-
Total		**92,410,068**	**85,170,244**

15.01 Interest on Margin Loan :

Be Rich Ltd.	11,027,738	10,478,010
Eminent Securities Ltd.	1,094,081	1,276,070
Far East Shares & Securities Ltd.	5,360,229	4,064,334
International Security Co. Ltd.	901,600	758,540
Khwaja Equity Services Ltd.	14,942,258	13,194,920
Royal Capital Ltd.	25,720,235	24,727,192
Stock & Bond Ltd.	16,307,976	14,559,822
Shah Moh. Sagir & Co. Ltd.	9,239,210	9,688,313
S.R. Capital Ltd.	3,918,904	3,123,857
Sylnet Securities Ltd.	2,289,511	1,825,849
Stock And Security Linkway Ltd.	1,317,754	714,928
Total	**92,119,496**	**84,411,835**

16.00 Interest paid on deposit and borrowings, etc. :

Bank	-	-
Financial Institute	85,184,099	81,504,109
Others	-	-
Total	**85,184,099**	**81,504,109**

17.00 Investment Income :

Profit on Share Investment	29,867,048	775,437
Dividend on Shares	889,590	385,050
Others	-	-
Total	**30,756,638**	**1,160,487**

			Amount in Taka for the period	
			2012	2011
18.00	**Commission, Exchange and Brokerage :**			
	Underwriting Commission		-	-
	Total		**-**	**-**
19.00	**Other Operating Income :**		**Taka**	**Taka**
	Portfolio Management Fees	19.01	9,355,745	15,805,665
	Documentation Fee		1,200	7,200
	Work Station Rent		-	5,000
	Cheque Dishonour Fee		-	-
	Other Income		-	5,182
	Total		**9,356,945**	**15,823,047**
19.01	**Portfolio Management Fees :**			
	Be Rich Ltd.		931,887	1,706,188
	Eminent Securities Ltd.		83,265	195,329
	Far East Shares & Securities Ltd.		295,616	444,875
	International Security Co. Ltd.		43,976	84,182
	Khwaja Equity Services Ltd.		1,559,158	2,567,701
	Royal Capital Ltd.		2,462,115	4,584,901
	Stock & Bond Ltd.		1,433,839	2,116,973
	Shah Moh. Sagir & Co. Ltd.		845,975	1,724,752
	S.R. Capital Ltd.		214,313	348,738
	Sylnet Securities Ltd.		185,851	269,213
	Stock And Security Linkway Ltd.		843,627	1,083,733
	FAS Finannce		456,123	679,080
	Total		**9,355,745**	**15,805,665**
20.00	**Salary and Allowances :**			
	Basic Salary, Provident fund Contribution and all	20.01	3,864,164	2,102,513
	Provident Fund	20.02	163,880	91,164
	Gratuity Fund	20.03	754,910	-
	Total		**4,782,954**	**2,193,677**
20.01	**Salary & Allowances :**			
	Dhaka (Head Office)		3,269,403	1,598,265
	Chittagong (Branch Office)		210,755	143,880
	Narsingdi (Branch Office)		278,366	215,326
	Sylhet(Brance Office)		105,640	145,042
	Total		**3,864,164**	**2,102,513**

		Amount in Taka for the period	
		2012	2011
20.02	**Provident Fund :**		
	Dhaka (Head Office)	130,940	71,274
	Chittagong (Branch Office)	11,730	5,910
	Narsingdi (Branch Office)	15,480	9,240
	Sylhet (Branch Office)	5,730	4,740
	Total	**163,880**	**91,164**
20.03	**Gratuity Fund :**		
	Dhaka (Head Office)	-	-
	Chittagong (Branch Office)	-	-
	Narsingdi (Branch Office)	-	-
	Sylhet(Brance Office)	-	-
	Gratuity Fund	754,910	
	Total	**754,910**	**-**
21.00	**Rent, Taxes, Insurance, Electricity, etc :**		
	Office Rent (Head Office)	150,000	1,200,000
	Electric Bill (Head Office)	121,013	123,343
	Generator Bill (Head Office)	133,672	67,466
	Insurance Premium	32,831	10,868
	Total	**437,516**	**1,401,677**
22.00	**Legal Expenses :**		
	Professional Fees	15,000	-
	Others	-	-
	Total	**15,000**	**-**
23.00	**Postage, Stamps, Telecommunication :**		
	Postage & Courier	2,935	11,790
	Internet Bill	179,836	469,181
	Telephone & Mobile Bill	72,355	31,257
	Stamp	510	-
	Total	**255,636**	**512,228**
24.00	**Printing, Stationery & Advertisement**		
	Dhaka (Head Office)	73,609	244,291
	Narsingdi (Branch Office)	1,000	2,585
	Chittagong (Branch Office)	4,651	5,802
	Sylhet (Branch Office)	138	-
	Total	**79,398**	**252,678**

			Amount in Taka for the period	
25.00	**Depreciation on Fixed Assets :**		**2012**	**2011**
	Computer & Accessories		54,913	60,494
	Furniture & Fixture		69,713	52,459
	Motor Vehicle		108,604	135,755
	Office Decoration		36,024	34,102
	Office Equipment		87,548	77,117
	Software		62,178	62,713
	Telephone & PABX		10,963	8,441
	Total		**429,943**	**431,081**
	Repairs			
	Software Maintenance		12,000	**186,000**
	Vehicle Maintenance		115,291	**2,750**
	Repair & Maintenance		19,440	**2,884**
	Total		**146,731**	**191,634**
			576,674	**622,715**
26.00	**Other Expenses :**			
	Server Rental		126,000	126,000
	Service Charge		119,916	119,916
	Register Fees		100,000	-
	Renewal Fees		100,000	50,000
	Fuel & Lubricants		148,715	58,694
	TA&DA		45,840	58,703
	Spare & Accessories		700	-
	Business Promotion		-	100,423
	CDBL Charge		232,724	1,650,100
	Bank Charge & Commission		27,589	26,179
	Entertainmnet	26.01	23,075	79,632
	Office Maintenance		17,059	107,324
	Newspaper & Periodicals		6,596	-
	Fees & Subscription		100,000	254,500
	Garage Rent		28,250	-
	Staff Fooding		1,500	7,004
	Staff Walfare		-	9,040
	Tour & Travels		232,200	467,685
	Training & development		104,410	5,500
	VAT Expense		55,610	14,850
	Corporate social Responsibility		-	3,500
	Crockerice		-	-
	WASA Bill		8,262	-
	Loss On fixed assets		34,225	-
	Advertisement & Publicity		-	10,900
	Total		**1,512,671**	**3,149,950**

		Amount in Taka	
		for the period	
26.01	**Entertainmnet :**	**2012**	**2011**
	Dhaka (Head Office)	21,372	57,303
	Narsingdi (Branch Office)	450	15,930
	Chittagong (Branch Office)	1,253	706
	Sylhet (Branch Office)	-	5,693
	Total	**23,075**	**79,632**
27.00	**Other Memorandum Items:**		
	Customer's Stock of Securities-Marchant Banking wing	**1,837,801,128**	**1,943,619,395**
		1,837,801,128	**1,943,619,395**
28.00	**Basic Earning per Shares(EPS) Discloser under BAS 33:**		
	Net Profit for the year	**(17,918,476)**	**(11,977,671.00)**
	Weighted average number of ordinery Shares	**10,000,000**	**10,000,000.00**
	Basic Earning per Share(EPS)	**(1.79)**	**(1.20)**

Sd/-	Sd/-	Sd/-
Md. Maniruzzaman Akan	**Abdul Halim**	**Nasim Ali Khan**
SAVP	**Director**	**CEO**

Dated, Dhaka
23 October 2012

FAS CAPITAL MANAGEMENT LIMITED
Fixed Assets Schedule
As on 30 June 2012

Annexure-1

Paticulars	Cost				Rate (%)	Depreciation				Written Down Value as on 30.06.2012
	Balance as on 01.01.2012	Addition during the year	Adjustment/ disposal during the year	Balance as on 30.06.2012		Balance as on 01.01.2012	Addition during the year	Adjustment / disposal during the year	Balance as on 30.06.2012	
Computer & Accessories	842,707	32,600	-	875,307	15	143,128	54,913	-	198,041	677,266
Furniture & Fixture	1,424,929	135,000	-	1,559,929	10	165,675	69,713	-	235,388	1,324,541
Motor Vehicle	1,429,000	-	-	1,429,000	20	342,960	108,604	-	451,564	977,436
Office Decoration	816,466	-	-	816,466	10	95,989	36,024	-	132,013	684,453
Office Equipment	1,393,800	59,740	48,500	1,405,040	15	237,734	87,548	7,275	318,007	1,087,033
Software	946,750	52,000	-	998,750	15	169,704	62,178	-	231,882	766,868
Telephone & PABX	157,795	15,000	-	172,795	15	26,603	10,963	-	37,566	135,229
Total	**7,011,447**	**294,340**	**48,500.00**	**7,257,287**		**1,181,793**	**429,943**	**7,275.00**	**1,604,461**	**5,652,826**

AUDITORS' REPORT

OF

FAS Finance & Investment Limited

Under section 135(1) and paragraph 24(1)(3) and 25 of Part-II of Third Schedule of the Companies Act 1994

AND

Under Rules 8 (i) of Securities and Exchange Commission (Right Issue) Rules, 2006

We have examined the Financial Statements of FAS Finance & Investment Limited for the period ended 30 June 2012 and for the year ended 31 December 2011 those for the years ended 31 December 2010 was audited by Zoha Zaman Kabir Rashid & Co. Chartered Accountants and 31 December 2007 to 2009 were audited by Hoda Vasi Chowdhury & Co., Chartered Accountants.

The presentation of these financial statements is the responsibility of the company's management.

Our responsibility is to review the relevant audited financial statements and confirm that the related information have been correctly extracted from those audited financial statements.

We have reviewed the relevant audited financial statements and confirm that the related information have been correctly extracted from those audited financial statements.

(a) The FAS Finance & Investment Limited and its subsidiaries were incorporated on :

(i) FAS Finance & Investment Limited - 18 August 2001
(ii) FAS Capital Management Limited - 13 October 2010

(b) Dividend declared:

	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Cash dividend- %	-	-	-	12%	-
Stock dividend (Bonus share)- %	5%	15%	15%	-	-

(c) No proceeds or part of proceeds of the issue of shares shall be applied directly or indirectly by the company in the purchase of any other business;

(d) **Enclosures:**

(i) The Statement of operating results of the company for the period ended 30 June 2012 and for immediately preceding five years. (***Annexure - A)***
(ii) The Statement of Assets and Liabilities of the company as at 30 June 2012 and for immediately preceding five years. (***Annexure - B)***
(iii) The Statement of Cash Flows of the Company for the period ended 30 June 2012 and for immediately preceding five years. (***Annexure - C)***
(iv) The consolidated Profit and Loss Account for six months from 01 January 2012 to 30 June 2012 and for immediate preceding year (No consolidation was required before 30 June 2011). ***(Annexure - D)***
(v) The consolidated Balance Sheet as at 30 June 2012 and for immediate preceding year (No consolidation was required before 31 December 2010). ***(Annexure - E)***
(vi) The consolidated Cash Flows for six months from 01 January 2012 to 30 June 2012 and for immediate preceding year (No consolidation was required before 30 June 2011). ***(Annexure - F)***

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

Dated, Dhaka
23 October 2012

Annexure - A

The Statement of operating results of the company for the period ended 30 June 2012 and for immediately preceding five years.

	Amount in Taka					
	Year ended					
	30-Jun-12	**31-Dec-11**	**31-Dec-10**	**31-Dec-09**	**31-Dec-08**	**31-Dec-07**
OPERATING INCOME						
Interest income	131,706,480	340,668,722	166,612,393	181,065,176	147,926,730	136,361,675
Less: Interest paid on deposit and borrowings, e	93,717,042	199,247,745	99,884,758	74,625,908	61,577,938	38,122,490
Net Interest income	**37,989,438**	**141,420,977**	**66,727,635**	**106,439,268**	**86,348,792**	**98,239,185**
Investment income	(296,191)	69,778,030	98,549,940	45,054,355	22,493,848	15,209,923
Commission, exchange and brokerage	-	-	5,559,244	1,152,500	662,546	67,065
Other operating income	864,360	1,282,765	46,583,796	18,548,597	5,627,354	3,884,771
	568,169	**71,060,795**	**150,692,980**	**64,755,452**	**28,783,748**	**19,161,759**
Total operating income (a)	**38,557,607**	**212,481,772**	**217,420,615**	**171,194,720**	**115,132,540**	**117,400,944**
OPERATING EXPENSES						
Salary and allowances	7,181,815	11,372,828	11,708,902	11,628,141	6,658,683	5,412,537
Rent, taxes, insurance, electricity, etc.	1,603,911	2,524,210	2,278,343	2,893,949	1,915,482	4,149,103
Legal expenses	969,696	496,902	536,217	349,607	579,500	124,865
Postage, stamps, telecommunication, etc.	325,801	761,819	830,431	660,117	739,821	616,427
Stationery, printing, advertisement, etc.	310,269	1,354,176	1,113,160	979,595	1,278,669	862,303
Chief executives salary & fees	1,960,000	4,580,226	4,752,000	3,843,000	2,608,000	1,395,000
Director's fees	658,750	470,000	137,500	92,500	85,000	167,500
Auditor's fees	-	80,000	70,000	59,500	51,525	45,000
Charge on loan losses	-	-	-	-	-	-
Depreciation and repairs of FI's assets	14,391,941	32,670,683	8,908,865	3,275,399	2,046,626	1,279,935
Other expenses	3,640,698	11,850,103	13,118,385	6,290,709	10,117,189	15,012,331
Total operating expenses (b)	**31,042,881**	**66,160,947**	**43,453,803**	**30,072,517**	**26,080,495**	**29,065,001**
Profit before provision (c=a-b)	**7,514,726**	**146,320,825**	**173,966,812**	**141,122,203**	**89,052,045**	**88,335,943**
Provision against loans, advances and leases	4,175,005	25,098,396	76,295,807	18,911,136	17,578,654	2,802,934
Provision for diminution in value of investments	6,851,036	10,891,290	12,972,452	-	2,942,423	236
Other provisions	-	-	-	(2,443,153)	-	-
Total provision (d)	**11,026,041**	**35,989,686**	**89,268,259**	**16,467,983**	**20,521,077**	**2,803,170**
Profit before taxation	**(3,511,315)**	**110,331,139**	**84,698,553**	**124,654,220**	**68,530,968**	**85,532,773**
Provision for taxation	**8,179,912**	**48,756,756**	**5,544,424**	**39,050,857**	**20,849,592**	**31,812,349**
Current tax	8,179,912	51,023,337	5,544,424	36,744,245	20,849,592	31,812,349
Deferred tax	-	(2,266,581)	-	2,306,612	-	
Net profit after taxation	**(11,691,227)**	**61,574,383**	**79,154,129**	**85,603,363**	**47,681,376**	**53,720,424**
Appropriations	**-**	**12,314,877**	**15,830,826**	**17,120,673**	**9,536,275**	**10,744,085**
Statutory reserve		12,314,877	15,830,826	17,120,673	9,536,275	10,744,085
General reserve	-	-	-	-	-	-
Dividend, etc.	-	-	-	-	-	-
Retained surplus	**(11,691,227)**	**49,259,506**	**63,323,303**	**68,482,690**	**38,145,101**	**42,976,339**
Earning per Share (Tk.10/- per share)	(0.23)	1.19	1.53	1.91	1.22	1.38

Sd/-
Managing Director
FAS Finance & Investment Limited

As per our separate report of even date annexed.

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

Dated, Dhaka
23 October 2012

Annexure - B

The Statement of Assets and Liabilities of the company as at 30 June 2012 and for immediately preceding five years.

	Amount in Taka					
	As at					
	30-Jun-12	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
PROPERTY AND ASSETS						
Cash	**4,111,603**	**2,406,201**	**2,692,213**	**1,030,554**	**531,267**	**440,059**
In hand (including foreign currencies)	46,856	5,985	17,933	3,431	947	1,072
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4,064,747	2,400,216	2,674,280	1,027,123	530,320	438,987
Balance with other banks and financial institutions	**6,982,615**	**30,246,798**	**168,872,145**	**206,935,797**	**52,252,646**	**189,724,742**
In Bangladesh	6,982,615	30,246,798	168,872,145	206,935,797	52,252,646	189,724,742
Outside Bangladesh	-	-	-	-	-	-
Money at call and on short notice	**-**	**-**	**-**	-	-	-
Investments	**114,419,459**	**153,025,246**	**146,186,501**	**120,253,600**	**89,060,538**	**23,768,184**
Government	-	-	-	-	-	-
Others	114,419,459	153,025,246	146,186,501	120,253,600	89,060,538	23,768,184
Loans, advances and leases	**1,734,992,297**	**1,759,917,761**	**1,875,685,044**	**1,052,791,848**	**968,519,119**	**729,268,120**
Loans, cash credits, overdrafts, and leases etc	1,734,992,297	1,759,917,761	1,875,685,044	1,052,791,848	968,519,119	729,268,120
Bills purchases and discounted	-	-	-	-	-	-
Fixed assets including premises, furniture and fixtures	**350,015,730**	**364,642,970**	**394,344,356**	**85,017,549**	**23,317,632**	**16,021,527**
Others assets	**309,971,666**	**257,670,426**	**269,371,813**	**92,628,463**	**151,116,790**	**88,547,371**
Non-financial institution's assets	**53,271,231**	**53,271,231**	**53,271,231**	**53,271,231**	-	-
Total assets	**2,573,764,601**	**2,621,180,633**	**2,910,423,303**	**1,611,929,042**	**1,284,797,992**	**1,047,770,003**
LIABILITIES AND CAPITAL						
Liabilities						
Borrowings from other banks, financial institutions and agents	**946,444,703**	**935,796,856**	**1,062,405,736**	**587,545,574**	**619,937,562**	**487,920,451**
Deposits and other accounts	**289,843,199**	**312,885,648**	**516,815,144**	**222,292,121**	**6,472,378**	**3,869,391**
Current deposits and other accounts	-	-	-	-	-	-
Bills payable	-	-	-	-	-	-
Savings bank deposits	-	-	-	-	-	-
Short-term deposit	-	-	-	-	-	-
Fixed deposits	289,843,199	312,885,648	516,815,144	222,292,121	6,472,378	3,869,391
Bearer certificates of deposit	-	-	-	-	-	-
Others deposits	-	-	-	-	-	-
Others liabilities	**335,256,537**	**358,586,740**	**378,865,417**	**242,796,714**	**137,817,942**	**83,086,427**
Total liabilities	**1,571,544,439**	**1,607,269,244**	**1,958,086,297**	**1,052,634,409**	**764,227,882**	**574,876,269**
Capital/shareholders' equity	**1,002,220,162**	**1,013,911,389**	**952,337,006**	**559,294,633**	**520,570,110**	**472,893,734**
Paid-up capital	516,643,800	516,643,800	449,255,500	390,657,000	390,657,000	390,657,000
Statutory reserve	78,861,879	78,861,879	66,547,002	50,716,176	33,595,503	24,059,228
Other reserve	315,000	315,000	315,000	315,000	315,000	315,000
Share application	-	-	-	-	-	5,000
Revaluation reserve	280,607,325	290,935,886	313,888,244	-	-	-
Retained earnings	125,792,158	127,154,824	122,331,260	117,606,457	96,002,607	57,857,506
Total liabilities and shareholders' equity	**2,573,764,601**	**2,621,180,633**	**2,910,423,303**	**1,611,929,042**	**1,284,797,992**	**1,047,770,003**
Net Asset Value (NAV) (Tk.10/- per share)	19.40	19.62	18.43	12.45	13.33	12.11

Sd/-
Managing Director
FAS Finance & Investment Limited

As per our separate report of even date annexed.

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

Dated, Dhaka
23 October 2012

OFF-BALANCE SHEET ITEMS	Amount in Taka					
	As at					
	30-Jun-12	31-Dec-11	31-Dec-10	31-Dec-09	31-Dec-08	31-Dec-07
Contingent liabilities	**-**	**-**	**120,000,000**	**70,000,000**	**20,000,000**	**-**
Acceptances and endorsements	-	-	-	-	-	-
Letters of guarantee	-	-	120,000,000	70,000,000	20,000,000	-
Irrevocable letters of credit	-	-	-	-	-	-
Bills for collection	-	-	-	-	-	-
Other contingent liabilities	-	-	-	-	-	-
Other commitments	**-**	**-**	**-**	**-**	**-**	**-**
Documentary credits and short term trade-related transactions	-	-	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-	-	-
				-		
Total	**-**	**-**	**120,000,000**	**70,000,000**	**20,000,000**	**-**
Other memorandum items	**1,837,801,128**	**-**	**-**	**492,134,761**	**67,151,626**	**-**

Sd/-
Managing Director
FAS Finance & Investment Limited

As per our separate report of even date annexed.

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

Dated, Dhaka
23 October 2012

Annexure - C

The Statement of Cash Flows of the Company for the period ended 30 June 2012 and for immediately preceding five years.

	Amount in Taka					
	As at					
	30-Jun-12	**31-Dec-11**	**31-Dec-10**	**31-Dec-09**	**31-Dec-08**	**31-Dec-07**
Interest receipts	41,261,749	115,170,942	121,040,535	154,737,389	146,116,711	133,114,549
Interest payments	(87,248,433)	(186,997,389)	(101,050,059)	(61,279,791)	(57,649,343)	(36,359,097)
Dividend receipts	109,917	400,594	1,266,700	2,801,186	885,919	1,113,777
Fee and commission receipts	-	-	6,691,945	459,144	223,201	1,012,065
Payments to employees	(11,821,197)	(13,969,471)	(16,510,195)	(13,632,702)	(8,986,916)	(6,134,846)
Income taxes paid	(55,758,999)	(6,820,451)	(38,143,092)	(16,185,392)	(39,338,542)	(14,474,873)
Receipts from other operating activities	110,265	70,525,201	144,054,036	60,201,412	29,066,507	17,980,917
Payment for other operating activities	(9,452,573)	(17,729,519)	(18,899,392)	(16,463,076)	(13,043,829)	(20,493,979)
Operating profit before changes in operating assets & liabilities	**(122,799,271)**	**(39,420,093)**	**98,450,478**	**110,638,170**	**57,273,708**	**75,758,513**
Increase/decrease in operating assets and liabilities						
Loans advances and leases to customers	83,121,193	245,965,209	(716,517,772)	(107,538,163)	(220,462,274)	(187,002,422)
Other assets	1,621,223	(27,009,371)	(275,296)	(2,377,301)	3,341,532	(63,274,000)
Deposit from other banks	(50,000,000)	(190,000,000)	290,000,000	200,000,000	-	-
Deposit from customers	26,930,321	(14,365,464)	4,050,755	15,395,000	2,218,378	1,312,047
Other liabilities to customer	(7,809,024)	(12,494,710)	8,488,122	19,301,458	(6,957,327)	13,521,621
Trading liabilities (short-term borrowing)	67,602,765	16,282,432	212,581,716	(20,960,603)	22,832,171	-
Other liabilities	(293,570)	(7,869)	(2,369,740)	(40,654)	(1,267,232)	2,609,230
	121,172,908	**18,370,227**	**(204,042,215)**	**103,779,737**	**(200,294,752)**	**(232,833,524)**
Net cash from/ (used in) operating activities	**(1,626,363)**	**(21,049,866)**	**(105,591,737)**	**214,417,907**	**(143,021,044)**	**(157,075,011)**
Cash flows from investing activities (b)						
Purchase/Sale of trading securities, shares, bonds, etc.	41,615,576	49,884,444	(101,178,397)	5,673,155	(86,893,215)	912,372
Purchase/Sale of property, plant and equipment	636,720	(2,523,606)	(6,266,918)	(5,716,979)	(12,252,011)	(8,904,020)
Purchase/sale of subsidiaries	-	(17,000,000)	(80,000,000)	-	-	-
Net cash used in investing activities	**42,252,296**	**30,360,838**	**(187,445,315)**	**(43,824)**	**(99,145,226)**	**(7,991,648)**
Cash flows from financing activities (c)						
Increase/ (decrease) of long-term borrowings	(62,184,174)	(148,222,331)	256,635,997	(12,555,796)	104,785,382	204,588,951
Proceeds from issue of ordinary share				-	-	140,635,000
Share money deposit				-	-	-
Dividend paid	(540)	-	(938)	(46,635,849)	-	-
Net cash flow from financing activities	**(62,184,714)**	**(148,222,331)**	**256,635,059**	**(59,191,645)**	**104,785,382**	**345,223,951**
Net increase/(decrease) in cash (a+b+c)	**(21,558,781)**	**(138,911,359)**	**(36,401,993)**	**155,182,438**	**(137,380,888)**	**180,157,292**
Cash and cash equivalents at beginning of the year	**32,652,999**	**171,564,358**	**207,966,351**	52,783,913	190,164,801	10,007,509
Cash and cash equivalents at end of the year*	**11,094,218**	**32,652,999**	**171,564,358**	**207,966,351**	**52,783,913**	**190,164,801**
***Cash and cash equivalents at end of the year**						
Cash in hand and balance with Bangladesh Bank	4,111,603	2,406,201	2,692,213	1,030,554	531,267	440,059
Balance with other banks	6,982,615	30,246,798	168,872,145	206,935,797	52,252,646	189,724,742
	11,094,218	**32,652,999**	**171,564,358**	**207,966,351**	**52,783,913**	**190,164,801**

Sd/-
Managing Director
FAS Finance & Investment Limited

As per our separate report of even date annexed.
Sd/-
M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
23 October 2012

Annexure - D

The consolidated Profit and Loss Account for six months from 01 January 2012 to 30 June 2012 and for immediate preceding year (No consolidation was required before 30 June 2011).

	Amount in Taka	
	30-Jun-12	**30-Jun-11**
OPERATING INCOME		
Interest income	138,932,449	109,266,771
Less: Interest paid on deposit and borrowings, etc.	93,717,042	110,437,653
Net interest income	**45,215,407**	**(1,170,882)**
Investment income	30,460,447	124,247,858
Commission, exchange and brokerage	-	-
Other operating income	9,615,182	17,226,157
	40,075,629	**141,474,015**
Total operating income (a)	**85,291,036**	**140,303,133**
OPERATING EXPENSES		
Salary and allowances	11,964,769	6,289,807
Rent, taxes, insurance, electricity, etc.	1,891,427	1,051,424
Legal expenses	984,696	195,202
Postage, stamps, telecommunication, etc.	581,437	758,115
Stationery, printing, advertisement, etc.	389,667	744,082
Chief executives salary & fees	1,960,000	3,003,000
Director's fees	658,750	40,000
Auditor's fees	-	20,500
Charge on loan losses	-	-
Depreciation and repairs of assets	14,968,615	16,713,782
Other expenses	4,697,246	6,848,717
Total operating expenses (b)	**38,096,607**	**35,664,629**
Profit before provision (c=a-b)	**47,194,429**	**104,638,504**
Provision against loans, advances and leases	49,175,005	36,332,196
Provision for diminution in value of investments	11,068,659	59,116,089
Other provisions	-	-
Total provision (d)	**60,243,664**	**95,448,285**
Profit before taxation (c-d)	**(13,049,235)**	**9,190,219**
Provision for taxation	**16,560,468**	**7,163,702**
Current tax	16,560,468	7,163,702
Deferred tax	-	-
Net profit after taxation	**(29,609,703)**	**2,026,517**
Attributable:	**(29,609,703)**	**2,026,517**
Shareholders of the company	(29,072,149)	4,422,051
Minority interest	(537,554)	(2,395,534)
Appropriations	**-**	**2,800,838**
Statutory reserve	-	2,800,838
General reserve	-	-
Dividend, etc.	-	-
Retained surplus	**(29,072,149)**	**1,621,213**
Earning per Share (Tk.10/- per share)	**(0.56)**	**0.09**

Sd/-
Managing Director
FAS Finance & Investment Limited

As per our separate report of even date annexed.

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

Dated, Dhaka
23 October 2012

Annexure - E

The consolidated Balance Sheet as at 30 June 2012 and for immediate preceding year (No consolidation was required before 31 December 2010).

	Amount in Taka		
	30-Jun-12	**31-Dec-11**	**31-Dec-10**
PROPERTY AND ASSETS			
Cash:	**4,116,454**	**2,407,059**	**2,693,053**
In hand (including foreign currencies)	51,707	6,843	18,773
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4,064,747	2,400,216	2,674,280
Balance with other banks and financial institutions	**7,314,318**	**33,546,986**	**280,447,400**
In Bangladesh	7,314,318	33,546,986	280,447,400
Outside Bangladesh	-	-	-
Money at call and on short notice	-	-	-
Investments	**185,786,619**	**240,032,047**	**225,285,856**
Government	-	-	-
Others	185,786,619	240,032,047	225,285,856
Loans, advances and leases	**1,804,506,613**	**1,788,481,860**	**1,832,652,389**
Loans, cash credits, overdrafts, and leases etc	1,804,506,613	1,788,481,860	1,832,652,389
Bills purchases and discounted	-	-	-
Fixed assets including premises,	**355,668,556**	**370,472,624**	**399,623,186**
Others assets	**224,231,787**	**173,060,784**	**266,406,477**
Non-Financial institution's assets	**53,271,231**	**53,271,231**	**53,271,231**
Total Assets	**2,634,895,578**	**2,661,272,591**	**3,060,379,592**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institution, and agents	**946,444,703**	**935,796,856**	**1,062,405,736**
Deposits and other accounts	**289,843,199**	**312,885,648**	**516,815,144**
Current deposits and other accounts	-	-	-
Bills payable	-	-	-
Savings bank deposits	-	-	-
Short-term deposit	-	-	-
Fixed deposits	289,843,199	312,885,648	516,815,144
Bearer certificates of deposit	-	-	-
Others deposits	-	-	-
Others liabilities	**464,218,694**	**448,591,402**	**496,291,053**
Total liabilities	**1,700,506,596**	**1,697,273,906**	**2,075,511,933**
Capital / Shareholders' equity	**933,378,830**	**962,450,979**	**962,361,528**
Paid-up capital	516,643,800	516,643,800	449,255,500
Statutory reserve	78,861,879	78,861,879	66,547,002
Other reserve	315,000	315,000	315,000
Revaluation reserve	280,607,325	290,935,886	313,888,244
Retained earnings	56,950,826	75,694,414	132,355,782
Minority interest	**1,010,152**	**1,547,706**	**22,506,131**
Total liabilities and shareholders' equity	**2,634,895,578**	**2,661,272,591**	**3,060,379,592**
	-	**-**	**-**
Net Asset Value (NAV) (Tk.10/- per share)	**18.07**	**18.63**	**18.63**

Sd/-
Managing Director
FAS Finance & Investment Limited

As per our separate report of even date annexed.

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

Dated, Dhaka
23 October 2012

	Amount in Taka		
	30-Jun-12	31-Dec-11	31-Dec-10
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	**-**	**-**	**120,000,000**
Acceptances and endorsements	-	-	-
Letters of guarantee	-	-	120,000,000
Irrevocable letters of credit	-	-	-
Bills for collection	-	-	-
Other contingent liabilities	-	-	-
Other commitments	**-**	**-**	**-**
Documentary credits and short term trade-related	-	-	-
Forward assets purchased and forward deposits placed	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-
Total	**-**	**-**	**120,000,000**
Other memorandum items	**1,837,801,128**	**1,943,619,395**	**2,931,976,383**

Sd/-
Managing Director
FAS Finance & Investment Limited

As per our separate report of even date annexed.
Sd/-
M. J. ABEDIN & CO
Chartered Accountants

Dated, Dhaka
23 October 2012

Annexure - F

The consolidated Cash Flows for six months from 01 January 2012 to 30 June 2012 and for immediate preceding year (No consolidation was required before 30 June 2011).

		Amount in Taka	
		30-Jun-12	30-Jun-11
A.	**Cash flows from operating activities**		
	Interest receipts	133,671,817	101,937,990
	Interest payments	(87,248,433)	(87,492,090)
	Dividend receipts	999,507	732,321
	Fee and commission receipts	4,250,869	3,388,000
	Recoveries on loans previously written off	-	-
	Payments to employees	(17,625,874)	(8,626,315)
	Payments to suppliers	-	-
	Income taxes paid	(56,025,588)	(11,778,998)
	Receipts from other operating activities	38,728,135	140,841,694
	payment for other operating activities	(11,277,676)	(10,926,279)
	Operating profit before changes in operating assets & liabilities	**5,472,757**	**128,076,323**
	Increase/decrease in operating assets and liabilities		
	Statutory deposit	-	-
	Trading securities	-	-
	Loans, advances and leases to FI's	-	-
	Loans, advances and leases to customers	(46,764,470)	(1,543,396)
	Other assets	(258,809)	20,000
	Deposit from other banks	(50,000,000)	(140,000,000)
	Deposit from customers	26,930,321	12,386,209
	Other liabilities to customer	(8,309,024)	(15,246,349)
	Trading liabilities (short-term borrowing)	67,602,765	(143,823,822)
	Other liabilities	(14,628,686)	(84,467,724)
		(25,427,903)	**(372,675,082)**
	Net cash from/ (used in) operating activities	**(19,955,146)**	**(244,598,759)**
B.	**Cash flows from investing activities**		
	Purchase/Sale of government securities	-	-
	Purchase/Sale of trading securities, shares, bonds, etc.	57,267,207	32,084,459
	Purchase/Sale of property, plant and equipment	349,380	(1,178,593)
	Purchase/Sale of Subsidiaries	-	-
	Net cash used in investing activities	**57,616,587**	**30,905,866**
C.	**Cash flows from financing activities**		
	Increase/(decrease) of long-term borrowings	(62,184,174)	3,792,901
	Dividend paid	(540)	1,000,000
	Net cash flow from financing activities	**(62,184,714)**	**4,792,901**
	Net increase/ (decrease) in cash (a+b+c)	**(24,523,273)**	**(208,899,992)**
	Effects of exchange rate changes on cash and cash equivalents		
	Cash and cash equivalents at beginning of the year	35,954,045	283,140,453
	Cash and cash equivalents at end of the year*	**11,430,772**	**74,240,461**
	***Cash and cash equivalents at end of the year**		
	Cash in hand and balance with Bangladesh Bank	4,116,454	3,566,268
	Balance with other banks	7,314,318	70,674,193
	Money at call and short notice	-	-
	Treasury bills	-	-
	Prize bond	-	-
		11,430,772	**74,240,461**
		-	-

Sd/-
Managing Director
FAS Finance & Investment Limited

As per our separate report of even date annexed.

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

Dated, Dhaka
23 October 2012

CREDIT RATING REPORT

On
FAS FINANCE AND INVESTMENTS LIMITED

REPORT: RR/1249/11

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL long-term rating is valid for only one year and short term rating for six months. After the above periods, these ratings will not carry any validity unless the financial institution goes for rating surveillance. ***CRISL followed Bank/FI Rating Methodology published in CRISL website www.crislbd.com***

Date of Rating	January 31, 2012	
	Long Term	**Short Term**
Entity Rating-2011	BBB-	ST-4
Outlook	Stable	

Address:
CRISL
Nakshi Homes
(4th & 5th Floor)
6/1A, Segunbagicha,
Dhaka-1000
Tel: 9515807-8
9514767-8
Fax: 88-02-9565783
Email:
crisldhk@crislbd.com

Analysts:
Md. Touhidul Islam
touhidul@crislbd.com

Shazeda Akther
shompa@crislbd.com

Entity Rating
Long Term: BBB-
Short Term: ST-4

Outlook: *Stable*

FAS FINANCE AND INVESTMENTS LIMITED

DATE OF INCORPORATION
March 09, 1997

CHAIRMAN
Mr. Abdul Matlub Ahmed

MANAGING DIRECTOR
Mr. Md. Mofiz Uddin Chowdhury

EQUITY
Tk.1014.28 Million

TOTAL ASSETS
Tk.2811.27 Million

TOTAL CREDIT PORTFOLIO
Tk.1840.01 Million

1.0 RATIONALE

CRISL has assigned 'BBB-' (pronounced as triple B minus) rating in the Long Term and 'ST-4' in the Short Term to FAS Finance and Investments Limited (hereinafter called 'FASFIN') based on the financials up to September 30, 2011 and other relevant qualitative and quantitative information up to the date of rating. The above ratings have been assigned in consideration of its comfortable fundamentals like good capital base, good operating efficiency, average financial performance etc. The above fundamentals, however, were constrained, to some extent by, below average asset quality, small portfolio concentrates on few clients, increase in NPL with high infection ratio, moderate liquidity etc.

The long term rating indicates that Financial Institutions rated in this category are adjudged to offer moderate safety for timely repayment of financial obligations. This level of rating indicates that a FI is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however, considered to have the capability to overcome the above-mentioned limitations with special care and cautious operation. The short term rating indicates satisfactory liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.

CRISL also placed the company with "Stable Outlook" in consideration that the company may maintain its existing fundamentals in the foreseeable future.

2.0 COPORATE PROFILE

2.1 The Genesis

FAS Finance and Investment Limited, a Non-Banking Financial Institution (NBFI) in Bangladesh, was incorporated on March 09, 1997 as a Private Limited Company under the Companies Act, 1994. FASFIN was initially incorporated as Fidelity Assets & Securities Company Limited and subsequently its name was changed on April 26, 2011. The company initially started its business as merchant banker obtaining license from Securities and Exchange Commission in 1998 with paid-up capital of Tk.53.62 million against authorized capital of Tk.500.00 million. After couple of years of limited operation, the company has been taken over by a group of industrialists and businessmen and was converted into Public Limited Company on August 18, 2001. Subsequently, FASFIN obtained license to work as a non-banking financial institution on September 2001. FASFIN went into public offerings in last quarter of 2007 to augment its capital base. The company experienced some internal problem during the first half of year which resulted to disruption of its operation and the problem was subsequently resolved. Recently authorized capital of the company has been enhanced to Tk.2100.00 million and after issuance of bonus share, the paid up capital stood at Tk.516.64 million as on September 30, 2011. The outstanding credit portfolio of the company stood Tk.1840.01 million as on September 30, 2011. The company is listed with both the bourses of the country and its shares are being traded in 'A' category. With the main objective to build the company as multiproduct NBFI for different segment of the market and provide customized financial solutions to specific clients in both leasing and merchant banking services, the company expanded its operational network to three geographic areas. The corporate head office of the company is located at Suvastu Imam Square, 65 Gulshan Avenue, Gulshan, Dhaka-1212.

CRISL Rated FASFIN in the previous year based on its financials up to December 31, 2009 as well as other relevant qualitative and quantitative information up to the date of rating and it was assigned 'BBB+' (pronounced as triple B plus) in the Long Term and 'ST-3' rating in the Short Term. The company carried the rating comforts such as good capital base, financial and operating efficiency with concerns as high NPL ratio, concentration of credit portfolio on few clientele base, moderate corporate governance etc. This report is being prepared as a part of rating surveillance, which covers the changes that took place in the fundamentals of the company that might have an impact on the above ratings.

2.2 Ownership Pattern

Ownership Concentrated among Sponsors

The company had undergone with couple of changes in ownership during the period of surveillance. The ownership of FASFIN has been found to be concentrated among the sponsors. The company had a total of 51,66,438 ordinary shares of Tk.100 each as on September 30, 2011 owned by 4747 shareholders. Shareholding pattern reveals that 64% shares were held by sponsors shareholders and remaining 36% by general public. The sponsor shareholders consist of institutional sponsors (65.38%), family shareholding (18.16%) and remaining portion held by other individual shareholders. However, the Chairman of the company held 7.68% of the shares as on September 30, 2011.

2.3 Market Share of Credit Portfolio

FASFIN has been continuing its business operation with a small market share during the surveillance. The outstanding credit portfolio of the company stood at Tk.1.83 billion as on December 31, 2010 as per FICL statement representing only 1.13% and in September 30, 2011 the outstanding credit portfolio stood at Tk.1.84 billion (including margin loan). The credit portfolio contributed to around 65.45% of total assets of Tk.2811.27 million as on September 30, 2011.

2.4 Business Profile

Product line of the most of the NBFIs in Bangladesh is confined to lease and term financing. However, FASFIN is also offering merchant banking service (underwriting, portfolio management for own & investor, project counseling) in addition to its traditional product lines. FAS's asset products include House Building Loan, Small and Medium Enterprises financing, transport financing, factoring, Short Term Finance, Mid Term Financing and Working Capital Loan along with Lease & Term Financing. On the other hand, liability products cover Term Deposit Receipts (monthly benefit scheme, quarterly benefit scheme & yearly benefit scheme) for 1 year, 2 year & 3 year maturity. Recently, the company has taken initiative to issue convertible coupon bond worth of Tk.100 crore which is subject to the approval of SEC.

3.0 INVESTMENT IN SUBSIDIARY

Holds 97% Shares of FCML

The company also has investment in a fully owned subsidiary for Merchant Banking operations under the name and style 'FAS Capital Management Limited' (FCML) having membership in both DSE and CSE. It commenced its operations on October 13, 2010. FASFIN owns almost 97% shares of its subsidiary with a nominal holding (3%) by 3 individuals. FCML is involved in merchant banking and margin loan facilities with different value added services. It has so far successfully completed 6 deals as underwriter of which 3 were in IPO's worth total issue size of around Tk.672.07 million and remaining 3 were in rights issue worth total issue size of around Tk.4162.86 million. Total operating income of FCML stood at Tk.16.72 million as on September 30, 2011 and this is only 11.02% of total operating income of FASFIN of Tk.151.77 million. The company is managed by a team of professionals under the leadership of Mr. Md. Shahidul Alam, Chief Operating Officer having considerable exposure in this sector.

4.0 NON-BANK FINANCIAL INSTITUTION SECTOR

Financial sector of Bangladesh had long been solely confined to banking institutions since independence. With the promulgation of Financial Institutions Act 1993, the sector has entered into a new era of development. Since the promulgation of the Act, 30 FIs have been licensed by the Bangladesh Bank (BB). The sector have been contributing towards increasing both the quality and quantity of financial services and thus mitigating the lapses of existing

financial intermediation to meet growing needs of different types of investment in the country. However, with the opening of leasing units by the banks directly, the FIs have been facing tough competition. Over the last 15 years, this sector witnessed a number of changes, which eventually made their operation more effective and consolidated. Along with the banks, FIs enjoy the privilege of issuing shares, debentures and bonds to raise funds. They are allowed to take public deposits and borrow funds from banks under the Financial Institutions Act 1993. FIs are also allowed to collect fund from the call money market up to certain limit of their total net assets for their investment purpose.

The financing modes of FIs are long term in nature. The outstanding credit portfolio of the FIs stood at around TK.165 billion as on December 31, 2010 having stable growth over previous year. Although the FIs are allowed to take public deposits, the public in general, are less confident on FIs and feel free to put their money in banks instead of FIs even at a lower interest rate. Credit lines from banks, consequently, remain one of the principal sources of funding for FIs, which makes their cost of funds higher than that of banks. In the competitive market scenario FIs, therefore, operate on a very thin margin. Most of the FIs are, therefore, in fund problem.

Bangladesh Bank, in its effort to streamline the activities of the FIs, has enacted the loan classification and provisioning system as a mandatory task for all FIs since 2000. Transformation into financial lease method in 2004 from the operating lease method of accounting is another development of the sector that reduces the confusion between lessor and the lessee, and brings fair presentation in the accounting treatment. Moreover, Bangladesh Bank circulated guidelines regarding roles, responsibilities and transparency of the Board of Directors, Chairman and the Managing Director for the financial institutions. In line with core risk management guidelines, BB also introduced risk based audit system known as 'system audit'. Bangladesh Bank also issued prudential regulation for financial institutions covering details of corporate governance and operational periphery in December 2010. In connection of the above BB issued guideline on ICT security for Bank and financial institutions. Bangladesh Bank has already given the road map of Basel-II framework for FIs in keeping with the global standard. Under the above directive, all the FIs will have to maintain 10% of the Risk Weighted Assets (RWA) as capital. The FIs are in test run of BASEL-II during 2011 with complete switch over from 2012. The directive will warrant additional capital at one side and sound risk management at the other. Meanwhile, BB has directed the FIs to enhance their capital base.

Against the backdrop of the global financial crisis, FIs have been asked to be cautious in their financial management. As part of better management, BB has instructed the FIs to take adequate steps to realize default loans whose classified loans to total outstanding loan ratios have raised sharply. The BB has asked the FIs to take measures to rationalize investment portfolios and overcome other adverse trends. CRISL forecasts a qualitative change through successful implementation of the aforementioned reform initiatives. However, Finance Ordinance 2007 withdrew the facility to claim depreciation on leased assets by the FIs which has significant adverse impact on the cash flows of those FIs which are operating mainly under leasing sector. Under the above backdrop, FIs are now endeavoring to diversify their business portfolio to absorb the shock.

In the process of further strengthening the financial institution, Govt. is at final stage of amending the existing Financial Institution Act. The range of the proposed "Financial Institution Act 2011" is being expanded to include development finance, credit card, factoring and forfeiting under the law. The proposed law imposes various restrictions regarding tenure and number of directors of the NBFIs like that in Banks. As per the draft, no person, company or members of a same family can hold more than 10 percent of shares of any NBFI either alone or collectively. In the proposed law the maximum number of members in the board of directors of the financial institutions has been fixed at 13 for ensuring good governance. It has specific rules on forming subsidiary company by the financial institutions and investing in shares of to other companies. The institutions will have to obtain the central bank's permission for forming subsidiary company. An NBFI can invest 10 percent of its capital in the general share of to other companies in the stock market and in case of venture capital the ceiling is 15 percent.

5.0 CORPORATE GOVERNANCE

The overall corporate governance of FASFIN was found moderate. CRISL examines and evaluates the following areas under corporate governance practice:

5.1 Board of Directors

There were found some changes in the board during the period under surveillance. The Board of FASFIN is currently consisted of 9 members including Chief Executive as ex-officio. Among the board members, seven are individual directors representing the sponsor group. The board is currently chaired by Mr. Abdul Matlub Ahmed who is also the chairman of Nitol Group. The members of the board jointly hold 64% share of the company. The board held 12 meetings during the 9 month period of 2011 (Jan-2011 to Sep-2011) against 8 meetings during the YE2010. The Board deals with establishing overall policies & procedures, approves credit facilities and reschedule proposal. In order to discharge functions more effectively, the Board has constituted two sub committees namely Executive Committee (EC) and Audit Committee (AC).

5.2 Board Committees

Five Members Executive Committee

The board formed a five-member Executive Committee which is presently chaired by Mr. Abdul Matlub Ahmed. The EC has delegation of approving credit facilities as per terms of references as well as to supervise and implement the directives of Board of Directors. EC held 3 meetings during the 9 month period of 2011 (Jan-2011 to Sep-2011) against 12 meetings during the YE2010. On the other hand, the five members Audit Committee (AC) is presently chaired by Mr. Nasim Ali Khan (Director). The above overlapping responsibilities is not in line with best corporate governance practice. However, the company is yet to incorporate the independent director in the Audit Committee. The AC conducted 1 meeting during the period (Jan-2011 to Sep-2011) against 4 meetings during the YE2010. AC reviews draft annual financial report prepared by external auditor, half yearly financial report and evaluates the effectiveness of the internal control system of the company.

5.3 Corporate Management

During the year under surveillance, the management of FASFIN has undergone some major changes. The core management team of the company is presently led by Managing Director (MD), Mr. Md. Mofiz Uddin Chowdhury who joined the company in July 14, 2011. Mr. Mofiz has, to his credit, more than 3 decades experience in different industries under different capacities. The overall operation of the company is being managed by MD being aided by 1 Executive Vice President (EVP) and 1 Senior Assistant Vice President (SAVP).The activities of the company are being operated under as many as five departments namely, Board Secretariat, Credit, Accounts, Merchant Banking and Internal Audit. Besides, in order to run the day to day operation, the management has formed five committees namely, Management Committee (MANCOM), Risk Management Committee, Internal Control and Compliance Committee, Assets Liability Management Committee and Credit Risk Management Committee. However, the above committees have been given specific financial and administrative delegation. The company currently has 3 branches (excluding head office) and activities of the branches are being supervised by the respective departments of the head office.

5.4 Human Resources Management

The company has formulated structured service rules covering different aspects of human resources policies. It also incorporated festival bonus, staff loan, gratuity and provident fund for the employees. However, compensation package of the company is not found attractive among the peer Financial Institutions. Total staff strength of the company stood at 43 including 8 supporting staff as on September 30, 2011. During the period 2011, FASFIN recruited 10 new employees and promoted 7 employees at various levels. On the other hand, 1 employee left the company during the same period, which resulted to 2% turnover (excluding supporting staff). During 2011, 8 employees attended in different training programs organized by different outside organizations. However, FASFIN is in process to develop their own software by their own which will ensure more smoothness in their operation than earlier.

5.5 ICT and MIS

The information technology and its use in MIS of the company is still at the developing stage. Head office and all the branches are equipped with hard infrastructure and connected through an Intel clone server. FASFIN has been using Leasing and Investment Software "TeLIS" from Techno-haven Limited since 2006. By using this software FASFIN records its day to day operations and generates different statutory reports as well as other MIS reports for the management. "mBank", a merchant banking software of LEADS Corporation, was used by the company's merchant banking unit since 2008. "Fidelity-2009", in-house developed integrated database management software, manages trail balance, general ledger, party ledger etc. However, the company is yet to be established any separate Information Communication & Technology (ICT) Department to look after the affairs. The IT related activities of the company are being looked after by Mr. Nadim Sr. Officer. For ensuring data safety, FASFIN maintains day to day data backup in optical drive and store in two different places as well as all hard disks of server are configured as Redundant Array of Independent Disks (RAID) to minimize the risk of losing data. However, the company is in process to develop own software.

IT at Developing Stage

6.0 BUSINESS STRATEGY

The business strategy for non-banking financial institutions encompasses strategic decision for efficient management of asset and liability products for achieving its long term objectives keeping in view the competitive market environment. The marketing aspects of the company are carried out through Credit Department. The department comprised of 10 professionals under the direct supervision of an Executive Vice President. Management expects that the above team will assist the company to achieve its desired business target.

7.0 PERFORMANCE ANALYSIS

7.1 Analytical Framework

The analytical framework has mainly been based on consolidated financials (considering the subsidiaries into account) of the Financial Institution. However, separate position has also been considered wherever required. The FASFIN reported consolidated financial statements as well as separate financial statement in line with Bangladesh Accounting Standards as well as BB guideline.

7.2 Financial Performance (Consolidated)

The overall financial performance of FAS was found average during period of surveillance. CRISL evaluates the financial performance in terms of return on average asset (ROAA), return on average equity (ROAE), and net profit margin.

Average Financial Performance

Consolidated profit before tax of the company stood at Tk.67.58 million during 2011 (Jan-2011 to Sep-2011) against Tk.104.37 million in YE2010 representing 13.67% (annualized) reduction mainly due to decrease in operating revenue and increase in operating expenses. Total operating revenue of the company stood Tk.151.77 million in YE2011 (Jan-2011 to Sep-2011) against Tk.261.12 million in YE2010 registering 22.50% (annualized) reduction due to increase in interest paid on deposit and borrowings than the interest income. Operating income composition of the company during last nine months of 2011 revealed that, 49.79% (38.07% in YE2010) of total operating income was generated from investment income, 34.39% (28.26% in YE2010) from net interest income, 15.27% (3.88% in YE2010) from Commission, Exchange & Brokerage and rest 0.55% (29.78% in YE2010) from other operating income. On the other hand, the operating expenses stood at Tk.56.95 million during YE2011 (Jan-2011 to Sep-2011) against Tk.52.47 million during 2010 representing a 44.72% (annualized) growth which was mainly due to increase in depreciation, salary and other administrative expenses. The major portion of the same was comprised of salary, allowances & benefits 25.88% in 2011 (Jan-2011 to Sep-2011) against 37.07% in 2010 followed by depreciation expenses 43.85% in 2011 (Jan-2011 to Sep-2011) against 17.36% in 2010, rent, taxes & insurance etc. 3.63% in 2011 (Jan-2011 to Sep-2011) against 4.54% in 2010 and rest are different management & other expenses. The above increase in operating expenses was mainly caused by increase in depreciation expenses by 2.65 times during 2011 (Jan-2011 to Sep-2011) over previous year.

Consequently, ROAA before tax decreased to 3.07% (annualized) during 2011 from 4.47% in YE2010 due to decrease in net profit during the period. However, ROAE before tax increased to 9.12% (annualized) in 2011 against 6.84% in the previous year which was mainly due to higher growth in equity than the profit. However, profit margin of FASFIN increased to 40.24% during 2011 (Jan-2011 to Sep-2011) against 35.11% in YE2010.

7.2.1 Stand Alone Operation

On stand alone basis, operating income of the FASFIN stood at Tk.135.28 million during YE2011 (Jan-2011 to Sep-2011) against Tk.217.42 million in YE2010 registering 17.04% (annualized) reduction from previous year which was mainly due to increase in interest paid on deposit and borrowings as well as decrease in income from commission, exchange & brokerage and other operating income. The total operating income composition revealed that, 63.74% was contributed by investment income, 35.49%net interest income and rest by other operating income. Interest payment against deposits and borrowing has increased by 95.76% (annualized) during 2011 (Jan-2011 to Sep-2011). Net profit before tax stood at Tk.75.11 million during 2011 (Jan-2011 to Sep-2011) against Tk.84.70 million in YE2010 representing 18.24% growth (annualized) mainly due to decrease in provision during the period.

7.2.2 Operations of Subsidiary

As said earlier, the FASFIN has one subsidiary (FCML) which provides merchant banking and margin loan facilities. During the period Jan-2011 to Sep-2011, the company underwrote 5 issues (3 IPO & 2 Rights offer) having total issue size of Tk.4034.86 million. The margin loan stood at Tk.973.07 million as on September 30, 2011 against Tk.996.08 million at YE2010. Operating income of the subsidiary stood at Tk.16.72 million in period 2011 (Jan-2011 to Sep-2011) against Tk.44.29 million in the previous year 2010. Revenue composition of FCML composed of 84.48% of interest income from margin loan, 15.51% from underwriting commission and remaining from other operating income. Similarly, the operating expenses of the same period stood at Tk.11.22 million and the net profit after tax stood at (Tk.7.53) million during the period Jan-2011 to Sep-2011.

7.3 Operating Efficiency (Consolidate)

Good Operating Efficiency

Operating efficiency of FASFIN was found good during the period 2011 (Jan-2011 to Sep-2011). CRISL measures operating efficiency in terms of efficiency ratio (cost to income ratio) and yield per Tk.100 staff cost. The efficiency ratio of the company stood at 55.48% in 2011 from 60.03% in 2010. Yield per Tk.100 staff cost also decreased to Tk.459 (annualized) in 2011 from Tk.537 in 2010 which was due to in decrease in income during the periods.

8.0 RISK MANAGEMENT

Risk management is one of the core operational pillars of financial institutions. The primary objective of risk management is to take calculative risk in order to safeguard its capital and well managed financing business. In order to go for more risk sensitive financing, Bangladesh Bank formulated Core Risk Management Guidelines on the basis of best practices in the industry and advised the NBFIs to comply with the above. The risk management modules circulated by the Bangladesh Bank covers core risk areas i.e. credit risk, asset and liability/balance sheet risks, internal control and compliance risks. The risk related observations of CRISL are narrated below:

8.1 Credit Risk Management

FASFIN has its Board approved policy guideline for the Credit Risk Management (CRM). Ideal credit process suggests the segregation of Credit Marketing, Credit Analysis and Credit Administration. However, in view of small operation, the company is yet to segregate the duties of credit department. In FASFIN, the assigned dealing or credit officer handles all the issues of credit analysis and documentation, which lacks the segregation of duties. FASFIN is yet to be stepped to adopt credit risk grading system at the pre-sanction stage for proper transparency in credit management which will ensure the lending price, extent of exposure, appropriate credit facility or lending decisions to any client. However, the company follows Bangladesh Bank rescheduling or restructuring policy. Additionally, company has four members Credit Management Committee headed by Managing Director.

8.1.1 Credit Approval Process

Credit Department is responsible for all credit related function. First, officers of Credit Department assess the credit/lease proposal through analyzing background of the applicant, purpose & amount of credit, financials of the applicant and prepared credit appraisal. After preparing credit appraisal, the same is submitted to the EC for approval with the recommendation of Credit Management Committee (CMC) and minutes of EC meeting is placed before the board for intimation.

8.2 Operational Risk Management

The operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Some of the examples of Operational Risks are internal and external frauds, legal risks, damages to clients, diversity, damage to physical assets, business interruptions etc. The global best practice suggests that the financial institutions irrespective of size and business must identify and assess all operational risk against all of its products and services and monitor the same through an operationally independent professional.

FASFIN established separate Credit Department from Accounts Department. Accounts Department ensures that all accounting, financial and government regulations and standards are complied with the company. Company has 4 member board audit committee and 3 member internal audit section, but these efforts are yet to make any breakthrough of traditional system for internal control. Branch offices do not enjoy any financing delegation. Head office approves all financing proposals of the branch and disburses the same from Head office. However, a new policy about delegation is under process which will implement.

8.3 Spread Management

Financial market of Bangladesh has been experiencing volatile interest rate in recent years. Pressure of market to reduce the lending rate forced the NBFIs to rearrange interest rate of financing agreements in many cases, which ultimately squeezed the margin of NBFIs. Subsequent interest rate adjustment capability of the company plays a vital role in minimizing the interest rate risk. FASFIN has a clause in its credit agreement of necessary interest rate adjustment in accordance with the market pressure, which provides flexibility to the company to adjust interest rate. Cost of fund of FASFIN has been increased during 2011 (Jan-2011 to Sep-2011) due to Bangladesh bank intervention in the financial market as well as better fund management by the company. Weighted average cost of fund of the company stood at 15.06% as on September 30, 2011 against 13.62% in 2010. On the contrary, range of lending rate was 16% to 19% during the year 2011.

9.0 ASSET QUALITY

The total assets of FASFIN stood at Tk.2811.27 million as on September 30, 2011 against Tk.3060.38 million as on December 31, 2010. The above asset base was financed 36.08% by equity capital while rests were financed by outside liabilities as on September 30, 2011. The total assets have been composed of 65.45% by loan and lease financing, 7.95% by investment in shares, 8.21% by investment in subsidiaries, advances and others, and rest are cash, fixed and other assets.

9.1 Quality of Credit Portfolio

The overall credit quality of FASFIN has been deteriorated though the significant portion (52.69%) of credit portfolio is contributed by clean loan to subsidiary during the year under surveillance. FICL statement submitted to Bangladesh Bank (BB) as on September 30, 2011 revealed classified amount of TK.436.05 million (8.18% substandard, 16.14% doubtful and 75.68% bad & loss) against TK.408.39 million (11.49% substandard, 8.69% doubtful and 79.83% bad & loss) as on December 31, 2010. The above increase in classified loan enhanced the gross NPL ratio to 23.80% on September 30, 2011 from 21.77% on December 31, 2010. NPL of the company increased due to significantly increase in classified loan and decrease in credit portfolio. Considering provision and interest suspense, the net NPL ratio has increased to 14.83% on September 30, 2011 from 13.44% on December 31, 2010. NPL coverage ratio of the company decreased to 36.61% in September 30, 2011 from 36.76% over the previous

High NPL Ratio

period. By analyzing sector wise loan classification of FAS, it has been observed that the condition of lease financing was found in worst position. Gross NPL ratio of lease financing stood at 39.94% as on September 30, 2011.

Infection Ratio 34.53%

The overall infection ratio (considering overdue of one and above) of the company stood at 34.53% as on September 30, 2011 (same is 72.98% without considering the loan to subsidiary). However, the total outstanding amount of rescheduled assets of the company stood at Tk.52.48 million (2.86% of total loan outstanding) as on September 30, 2011 which is comparatively low due to having significant loan to subsidiary. The recovery from the above reschedules contracts was Tk.0.91 million up to September 30, 2011.

The outstanding portfolio against top 20 contracts as September 30, 2011 stood at TK.445.01 million (48.04% classified loan and 51.96% un-classified loan) which represent 24.18% of total loan portfolio.

9.2 Sectoral Exposure

The loan portfolio of FASFIN is moderately diversified among different sectors. The loan portfolio of the company reveals more concentration towards its to own subsidiary (52.69%) and Real Estate & Housing sector (18.20%) followed by, transport financing (10.35%), Garments & Accessories (5.87%) while rest in other different sectors without having any significant concentration. On the other hand, most of the non-performing loan is mainly contributed by Real Estate & Housing sector, Garments & Accessories, transport financing as on September 30, 2011.

9.3 Quality of Investment Portfolio

Investment Portfolio Tk.123.23 Million

The investment portfolio of FASFIN in different securities stood at TK.123.23 million (7.95% of total assets) as on September 30, 2011, all of which were invested in quoted and unquoted securities. The market price of the investment portfolio as on the same day stood at Tk.103.91 million as per FICL statement submitted to BB. However, the company kept required provision of Tk.20.41 million as on September 30, 2011 for diminution in value of investment. Investment portfolio of the company was concentrated in 67 companies. Moreover, the company has an investment in own subsidiary of Tk.97.00 million on the same date.

9.4 Related Party Exposure

As per balance statement as on September 30, 2011, the outstanding amount of related party exposure of the company stood at Tk.52.41 million against 6 contracts which represented 2.86% of total outstanding loan portfolio. While analyzing the status of those contracts as on September 30, 2011, it was revealed that the entire amount was found unclassified.

10.0 CAPITAL STRENGTH

Good Capital Base

The company is operating with good capital base in compared to credit portfolio. The equity base of the company increased to Tk.1014.28 million as on September 30, 2011 against Tk.962.36 million. The equity base of the company included paid up capital of Tk.516.64 million, revaluation reserves of Tk.296.67 million, statutory and other reserve of Tk.80.59 million and retained earnings of Tk.120.37 million. As per the Risk Based Capital Adequacy Framework of Basel II as on September 30, 2011, the Risk Weighted Assets stood at Tk.370.91 million of which 78.99% was emanated from credit risk, 13.04% from market risk and rest 7.97% from operational risk. Against the same, the eligible capital stood at Tk.88.61 million based on which Risk weighted Capital Adequacy Ratio stood at 23.89% as on September 30, 2011 which puts the company in comfort zone. Moreover, the recent plan for right issue might again enhance the capital base in near future. Again BB has instructed to increase the paid up capital to Tk.1000 million within specific time frame.

CAR 23.89%

As the capital base significantly increased during the year, the equity related indicators were positively affected during the period under surveillance. Shareholder's equity to total assets of the company stood at 36.08% in 2011 against 31.45% in 2010. However, internal capital generation ratio of FASFIN decreased to 2.08% in 2011 from 3.92% in 2010. The total gearing ratio of the company decreased to 1.77 times in 2011 from 2.16 times in 2010.

11.0 FUNDING AND LIQUIDITY

11.1 Fund Management

TDR 7.80% of Total Funding

FASFIN mainly depends on own capital base, different deposits and loans from different commercial banks, SME refinancing scheme of Bangladesh Bank and term deposit on some scale. Funding composition of FASFIN as on September 30, 2011 includes shareholder's equity of Tk.1014.28 million (36.08% of total funding), long term bank loan of Tk.972.68 million (34.60% of total funding), SME re-financing loan from Bangladesh Bank Tk.148.93 million (5.30% of total funding), term deposit receipts (TDR) Tk.219.27 million (7.80% of total funding) of which 91.21% was institutional deposit while 8.79% was public deposit and other sources of fund Tk.456.11 million (16.22% of total funding).

Credit Line with 3 Commercial Banks

FASFIN had credit line with 3 commercial banks for loan of Tk.1250.00 million (term loan Tk.950.00 million and overdraft limit Tk.300.00 million) whereas total outstanding amount was Tk.904.00 million as on September 30, 2011. Interest rate of those credit lines varies from 11.75% to 15.50% with different maturity period. However, the company did not have any involvement in call money market during the last year.

11.2 Liquidity Management

While analyzing the asset-liability maturity structure of FASFIN, it has been observed that the company had asset surplus in all maturity buckets. Liquidity ratio up to 3 months period was 5.10 times on September 30, 2011 showing a surplus liquid asset of Tk.322.39 million on September 30, 2011. Likewise, maturity bucket 3 to 12 months period total asset was Tk.433.87 million against total liabilities Tk.312.79 million indicating liquidity ratio 1.65 times in YE2009. However, times interest earned ratio decreased to 0.46 times in 2011 (Jan-2011 to Sep-2011) from 1.04 times in 2010. Again, liquid assets to total assets of FASFIN increased to 47.32% in 2011 (Jan-2011 to Sep-2011) against 43.46% of the previous year. Loan (credit portfolio) to deposit ratio stood at 8.39 times in 2011 from 3.55 times in 2010 which reveals that the firm has increased dependency on bank loan.

12.0 OBSERVATION SUMMARY

Comforts:	**Concerns:**
• Good capital base • Good operating efficiency • Average financial performance	• Below average asset quality • Small portfolio concentrates on few clients • Increase in NPL with high infection ratio • Moderate corporate governance • Moderate liquidity
Prospects:	**Challenges:**
• Scope to explore fee based products • Scope of exploring cheaper cost funding sources • Good funding access of high investment grade NBFIs under Basel-II regime	• Increased competition in the market for quality products • Commercial banks portfolio expansion to lease financing • Regulatory pressure to increase capital base

13.0 PROSPECTS

The financial sector of Bangladesh is now considered to be the most regulated sector compared to other sectors. Alongside 47 banks, 29 NBFIs are now in operation in a small economy like Bangladesh. Consequently, the financial institutions have been facing tough competition in grabbing market share. The economy of Bangladesh had gone through a crucial time for last couple of years. It had to face several downside risks including political disruption, infrastructure constraints, power shortage, natural calamities etc. There were high

inflation, sluggishness in the capital Market and sudden oil price fall in the world market. Above all, the world felt the pinch of debacle in the financial institutions in the western world causing financial meltdown leading to recession in the western economy. Especially in USA all recovery financial package, advanced by Government did not bring the desired impetus in the banking and financial system. The meltdown has affected all western countries including some Asian countries. Due to timely withdrawal of investment by Bangladesh Bank from the western world country's interest has been safe guarded.

Introduction of risk based capital adequacy for banks under Basel-II framework will also pose challenges to NBFIs for smooth fund mobilization from the banks. The existing 20% risk weight against FIs' exposure will be replaced by a dynamic risk weight depending on the credit quality of the respective FI while unrated exposure will attract a risk weight of 100%. This may decrease the present practice of wholesale funding through banking sector to NBFIs, unless the FIs carry high investment grade rating. Therefore, extraction of funds from banking system will be dependent on the overall credit quality of the NBFIs. BB already introduced mandatory credit rating for scheduled banks. Although the financial institutions are yet to come under regulatory framework of rating, many banks ask for the same before extending credit lines or fixing the rate for the NBFIs. Meanwhile, BB has implement Basel-II framework for the NBFIs with test run in keeping with global standard which will again press on a new challenge to NBFIs for better risk management at one side and additional capital requirement at the other. In line with the above, BB has already advised all the NBFIs to enhance their capital base.

Though FASFIN has been maintaining considerable asset portfolio over the last three years, non performing loan in asset portfolio also significantly increased which have subsequent impact on profitability of the company. However, being supported by an industrial group, FASFIN has the potentials to enhance the market share and tap growth opportunities by exploring its franchise value and making proper marketing drives. Above all, the long run sustainability of the company depends, to a great extent on maintenance of good asset quality, good human resource base and effective implementation of risk management tools.

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement)

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the SEC rules as prescribed by the Securities and Exchange Commission.]

CREDIT RATING REPORT

On
FAS FINANCE AND INVESTMENTS LIMITED

14.0 CORPORATE INFORMATION

Date of Incorporation:	March 04, 1997
Licensed as Non-Banking Financial Institution:	September 17, 2001

Board of Directors:

Mr. Abdul Matlub Ahmad	Chairman
Mrs. Selima Ahmad	Director
Mr. Syed Monwar Ali	Director
Ms. Shahnaz Ahmad	Director
Mr. Nasim Ali Khan	Director
Mr. Asaduzzaman Chaudhury	Director
Mr. Sirajul Islam	Director
Mr. Md. Mofiz Uddin Chowdhury	Managing Director

Auditor:

M. J. Abedin & Co.	*Chartered Accountants*

Management:

Mr. Md. Mofiz Uddin Chowdhury	Managing Director
Mr. Md. Akhter Hossain	Vice President & Chief Financial Officer
Mr. Md. Abdul Maleque	Vice President
Mr. Abdul Halim	Executive Vice President
Mr. Md. Moniruzzaman Akan	Assistant Vice President

15.0 FINANCIAL STATEMENT:

A. Balance Sheet (As on December 31)			Tk. In Million
Particulars:	**30-Sep-2011**	**YE2010**	**YE2009**
PROPERTY AND ASSETS			
Cash:	**2.89**	**2.69**	**1.03**
Cash in hand	0.04	0.02	0.00
Balance with Bangladesh Bank	2.85	2.67	1.03
Balance with other Banks and Financial Institutions:	**83.01**	**280.45**	**206.94**
Inside Bangladesh	83.01	280.45	206.94
Outside Bangladesh	0.00	0.00	0.00
Money at Call & Short Notice	**0.00**	**0.00**	**0.00**
Investments in Securities	**223.58**	**225.28**	**120.25**
Government	0.00	0.00	0.00
Others	223.58	225.28	120.25
Lease, Loans and Advances:	**1840.01**	**1832.65**	**1052.79**
Loans, Cash Credits, Overdrafts, Leases etc.	1840.01	1832.65	1052.79
Bills Purchased & Discounted	0.00	0.00	0.00
Fixed Assets including Premises, Furniture and Fixtures	**377.67**	**399.62**	**85.02**
Other Assets	**230.84**	**266.41**	**92.63**
Non Banking Assets	**53.27**	**53.27**	**53.27**
Total Assets	**2811.27**	**3060.38**	**1611.93**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Inst. and Agents	**1121.61**	**1062.41**	**587.55**
Deposits and Other Accounts	**219.27**	**516.82**	**222.29**
Current Deposits	0.00	0.00	0.00
Term Deposits	219.27	516.82	222.29
Other Deposits	0.00	0.00	0.00
Other Liabilities	**453.18**	**496.29**	**242.79**
Total Liabilities	**1794.06**	**2075.51**	**1052.63**
Capital/Shareholders' Equity	**1014.28**	**962.36**	**559.29**
Paid-up Capital	516.64	449.26	390.66
Statutory Reserve	80.27	66.55	50.72
Other Reserve	0.32	0.32	0.32
Revaluation Reserve	296.67	313.89	0.00
Retained Earnings	120.37	132.36	117.61
Minority Interest	**2.93**	**22.51**	**0.00**
Total Liabilities & Shareholders' Equity	**2811.27**	**3060.38**	**1611.93**

*As on December 31.

A. Income Statement (Year End December 31)			Tk. In Million
Particulars:	**30- Sep-2011***	**YE2010**	**YE2009**
Interest Income	198.85	173.66	181.06
Less: Interest paid on Deposits & Borrowings etc.	146.65	99.88	74.63
Net Interest Income	**52.20**	**73.79**	**106.44**
Income from Investment	75.57	99.41	45.05
Commission, Exchange and Brokerage	23.17	10.15	1.15
Other Operating Income	0.83	77.79	18.55
Total Operating Income	**151.77**	**261.12**	**171.19**
Salaries and Allowances	10.86	14.69	11.63
Rent, Taxes, Insurances, Electricity etc.	2.07	2.38	2.89
Legal Expenses	0.35	0.51	0.35
Postage, Stamps, Telecommunication etc.	1.17	0.97	0.66
Stationery, Printings, Advertisements etc.	1.35	1.19	0.98
Chief Executives Salary and Fees	3.87	4.75	3.84
Directors' Fees	0.06	0.17	0.09
Auditors' Fees	0.01	0.13	0.06
Charge on Loan Losses	0.00	0.00	0.00
Depreciation & Repairs of Assets	24.97	9.11	3.28
Other Expenses	12.23	18.55	6.29
Total Operating Expenses	**56.95**	**52.47**	**30.07**
Profit before Provision	**94.83**	**208.65**	**141.12**
Provision for Loans, Advances & Leases	7.43	86.26	18.91
Provision for the diminution in the value of investments	19.82	18.02	(2.44)
Other Provisions	0.00	0.00	0.00
Total Provision	**27.25**	**104.28**	**16.47**
Profit before Taxation	**67.57**	**104.37**	**124.65**
Provision for Income Tax	**6.49**	**12.68**	**39.05**
Current Tax	6.49	12.68	36.74
Deferred Tax	0.00	0.00	2.31
Net Profit after Taxation	**61.08**	**91.68**	**85.60**

*Year End December

CREDIT RATING REPORT

On
FAS FINANCE AND INVESTMENTS LIMITED

CRISL RATING SCALES AND DEFINATIONS
LONG-TERM – BANK AND FINANCIAL INSTITUTIONS

RATING	DEFINITION
AAA Triple A (Highest Safety)	Bank/FIs rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of banks.
AA+, AA, AA- (Double A) (High Safety)	Bank/ FIS rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
A+, A, A- Single A (Adequate Safety)	Bank/FIs rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Bank/FIs rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a bank is under-performing in some areas. These entities are however, considered to have the capability to overcome the above-mentioned limitations with special care and cautious operation. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
BB+, BB, BB- Double B (Inadequate Safety)	Bank/FIs rated in this category are adjudged to lack of key protection factors, which results in an inadequate safety. This level of rating indicates a bank as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (Risky)	Bank/FIs rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support.
CCC+,CCC, CCC- Triple C (Vulnerable)	Bank/FIs rated in this category are adjudged to be with vulnerable protection factors. This rating indicates that the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances are favorable.
CC+,CC, CC- Double C (Highly Vulnerable)	Bank/FIs rated in this category are adjudged to be with high vulnerable position. This rating indicates that the degree of certainty regarding timely payment of financial obligations is quite lower unless overall circumstances are favorable or there is possibility of high degree external support.
C (Near to Default)	Bank/FIs rated in this category are adjudged to be with near to default in timely repayment of financial obligations. This type rating may be used to cover a situation where a insolvency petition has been filed or similar action has been taken, but payments on the obligation are being continued with high degree of external support.
D (Default)	Bank/FIs rated in this category are adjudged to be either currently in default or expected to be in default. This level of rating indicates that the entities are unlikely to meet maturing financial obligations and calls for immediate external support of a high order.

(For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group.)

SHORT-TERM- BANK AND FINANCIAL INSTITUTIONS

ST-1	**Highest Grade** Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.
ST-2	**High Grade** High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	**Good Grade** Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	**Satisfactory Grade** Satisfactory liquidity and other protection factors qualify issues as to Investment grade. Risk factors are larger and subject to more variation.
ST-5	**Non-Investment Grade** Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
ST-6	**Default** Issuer failed to meet scheduled principal and/or interest payments.

FAS Finance & Investment Limited

Head Office: Suvastu Imam Square (4th floor)
65, Gulshan Avenue, Gulshan, Dhaka-1212

Folio/BO Account No. : ……
Name :…….
Address :……..

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder (s)

We are pleased to inform you that the honorable shareholders of FAS Finance and Investment Limited in the 8th Extra Ordinary General Meeting held on October 31, 2012 approved rights issuance of **54,247,599** Ordinary Shares of **Tk. 10.00 each at par**, totaling Tk. 542,475,990 at **1 (One) [R]: 1 (One)** i.e. 1 (one) rights share for 1 (one) existing share held on the record date. As a registered shareholder of the Company as on **February 28, 2013** (Record date for entitlement), you are entitled to subscribe your rights share.

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

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

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ **Tk. 10.00** each at par and to be deposited with any of the branches of Bankers to the Issue during Banking hours from **March 18, 2013** to **April 04, 2013** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque must be payable to "**FAS Finance & Investment Limited**" and must be drawn on a Bank in the same town where the branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transactions above **Tk.1.00** lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application **Form-A** and/or Renunciation **Form-B** and **Form-C** with necessary payments have not been received by **April 04, 2013** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board,

Sd/-
Md. Mofiz Uddin Chowdhury
Managing Director

APPLICATION FORM-A

FAS Finance & Investment Limited

Head Office: Suvastu Imam Square (4th floor)
65, Gulshan Avenue, Gulshan, Dhaka-1212

Rights Issue of 54,247,599 Ordinary Shares of Tk.10.00 each at par totaling Tk. 542,475,990 offered to the Shareholders whose name appeared in the share register at the closure of business on **February 28, 2013**.

Subscription	**Opens on: March 18, 2013**
	Closes on: April 04, 2013
Within Banking Hours Both Days Inclusive	

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director
FAS Finance & Investment Limited
Head Office: Suvastu Imam Square (4th floor)
65, Gulshan Avenue, Gulshan, Dhaka-1212

Dated: ……/……. / 2013

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

Folio/BO Account No.	No. of Shares Held at the Closure of Business on February 28, 2013	No. of Shares Offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

1. Name (in block letters) :
   Address :

   Signature

2. Name (in block letters) :
   Address :

   Signature

BO Account No.																	

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

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

……

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk. **…… (**Taka**……)** only from Mr. /Mrs. /Ms. **……**Folio/BO Account No. **……** for**……**no.(s) of Rights Share of **FAS FINANCE & INVESTMENT LIMITED** in Cash/Draft/Pay Order/ Cheque No. **……** dated **……** of**……** Bank **……** Branch.

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

RENUNCIATION FORM-B

FAS Finance & Investment Limited

Head Office: Suvastu Imam Square (4th floor)
65, Gulshan Avenue, Gulshan, Dhaka-1212

Rights Issue of 54,247,599 Ordinary Shares of Tk.10.00 each at par totaling Tk. 542,475,990 offered to the Shareholders whose name appeared in the share register at the closure of business on February 28, 2013.

Subscription	**Opens on: March 18, 2013**
	Closes on: April 04, 2013
Within Banking Hours Both Days Inclusive	

FORM OF RENUNCIATION

The Managing Director
FAS Finance & Investment Limited
Head Office: Suvastu Imam Square (4th floor)
65, Gulshan Avenue, Gulshan, Dhaka-1212

Dated: ……/……../ 2013

Dear Sir,

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

Folio/BO Account No.	No. of Shares Held at the Closure of Business on February 28, 2013	No. of Shares Offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

1. Name (in block letters) :
   Address :

   Signature

2. Name (in block letters) :
   Address :

   Signature

Name(s) of Renouncee(s)	BO A/C No.
1 Name:	
2 Name:	

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

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

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

RENUNCIATION FORM-C

FAS Finance & Investment Limited

Head Office: Suvastu Imam Square (4th floor)
65, Gulshan Avenue, Gulshan, Dhaka-1212

APPLICATION BY RENOUNCEE(S)

The Managing Director
FAS Finance & Investment Limited
Head Office: Suvastu Imam Square (4th floor)
65, Gulshan Avenue, Gulshan, Dhaka-1212

Dated: ……/…… / 2013

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/we do hereby apply for the number of share noted above as renounced, by making payment of Tk. ……. being the value of ……no. of Shares of Tk.10.00 each at par.

Yours faithfully,

1. Signature:	2. Signature:
Name (in Block Letters):	Name (in Block Letters):
S/O. D/O. W/O.:	S/O. D/O. W/O.:
Address:	Address:
BO No.	BO No.

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

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

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

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

……

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk**.....(**Taka**.....)** only From Mr. /Mrs. /Ms. **.....** Folio/BO Account No**. .....** for **.....**no.(s) of Rights Share of **FAS FINANCE & INVESTMENT LIMITED** in Cash/Draft/Pay Order/Cheque No. **.....** dated**.....** of **.....** Bank **.....** Branch.

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