

OF
PEOPLE'S LEASING AND FINANCIAL SERVICES LIMITED

For the Year Ended 31 December 2014

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**AUDITORS' REPORT TO THE SHAREHOLDERS
OF
PEOPLE'S LEASING AND FINANCIAL SERVICES LTD.**

We have audited the accompanying financial statements of **PEOPLE'S LEASING AND FINANCIAL SERVICES LIMITED** which comprise the Statement of Financial Position as at 31 December 2014 and the related Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity, Statement of Liquidity Analysis and notes to the financial statements for the year ended 31 December 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs) Bangladesh Financial Reporting Standards (BFRSs), the Financial Institutions Act 1993, the Rules and Regulations Issued by Bangladesh Bank, the Bangladesh Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements 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 of the company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. 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.

Basis for qualified opinion

01. Reference to Note # 7.0:

While verifying borrowers' files we found a shortfall of Taka 272.72 crore in making provision against different types of overdue loans in 24 (twenty four) borrowers' file covering loan amount of Taka 371.49 crore. Out of this total shortfall, Taka 223.67 crore was against 06 (six) borrowers, which were transferred to unclassified category from classified loan category and also transferred Taka 22.89 crore from 'interest suspense' to 'interest income' in the strength of company's Board decision of rescheduling without getting required clearance from Bangladesh Bank.

02. Reference to Note # 6.3.1:

Consolidation of financial statements has not been made as per BAS-27 and Companies Act 1994 although the company held 66.50% share of PLFS Investment Limited. The amount of investment of Taka 160,597,500 has been shown in the financial statements as "Other Investment in Shares".

03. Reference to Note # 7.1.2:

To comply with the policy directives of Bangladesh Securities and Exchange Commission (BSEC), margin loan accounts of the leasing companies were to be transferred to its subsidiary and the subsidiary to be so formed is to deal with the margin loan and share business. We observed that the company, without forming its subsidiary, has been dealing with the margin loan and recognized an amount of Taka 83.27 crore as interest income on such margin loan of Taka 705.05 crore.

Opinion

In our opinion, **except for the effects of the matter described in the Basis for Qualified Opinion paragraphs**, the financial statements along with notes thereon of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of state of the company's affairs as at 31 December 2014, and of the results of its operations and Cash Flows for the year then ended and comply with the Financial Institutions Act 1993, the Rules and Regulations Issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

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 Comprehensive Income Statement dealt with by the report are in agreement with the books of account;
- d) The Financial Statements have been drawn up in conformity with the Financial Institutions Act 1993 and in accordance with the Accounting Rules and Regulations issued by the Bangladesh Bank to the extent applicable to the company;
- e) The Financial Position of the company as at 31 December 2014 and the profit for the year then ended have been properly reflected in the Financial Statements of the company, and these Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles;
- f) The expenditure incurred and payments made were for the purposes of the company's business;
- g) Adequate provisions have been made for loans and advances, investments and other assets which are, in our opinion, doubtful of recovery;
- h) The company has complied with the relevant laws pertaining to reserves and maintenance of liquid assets;
- i) The information and explanations required by us has been received and found satisfactory;
- j) As far as it was revealed from our test checks, the existing rules and regulations for loan/advance and lease sanctioning and disbursements as well as classification, provisioning and suspension of interest have been followed properly;
- k) Adequate capital of the company, as required by law, has been maintained during the year under audit;
- l) It appeared from our test checks that the internal control system was satisfactory and adequate to prevent probable fraud and forgeries;
- m) 80 percent of the risk weighted assets have been reviewed spending over 1,450 person hours.

Dated: Dhaka, 30 April 2015

MABS & J Partners
Chartered Accountants

People's Leasing and Financial Services Limited
Statement of Financial Position
As at 31 December, 2014

Particulars	Notes	Amount in Taka	
		31.12.2014	31.12.2013
Property and Assets			
Cash and Cash equivalent	3	45,124,401	41,472,825
Cash In hand		520,688	492,237
Balance with Bangladesh Bank and its agent banks		44,603,713	40,980,588
Balances with other Banks and Financial Institutions	4	345,135,923	118,496,430
In Bangladesh		345,135,923	118,496,430
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	1,637,307,700	990,051,679
Government Securities		-	-
Other investments		1,637,307,700	990,051,679
Leases, Loans and advances		17,926,974,143	16,675,405,266
Loans, cash credits, overdrafts, etc.	7	17,926,974,143	16,675,405,266
Bills purchased & discounted	8	-	-
Fixed assets including premises, furniture and fixtures	9	63,010,997	59,963,619
Other assets	10	2,451,707,352	984,641,271
Non-financial institution assets			
Total Assets		22,469,260,516	18,870,031,091
Liabilities and Capital			
Liabilities:			
Borrowings from Other Banks, Financial Institutions and agents	11	2,795,526,832	2,426,010,646
Deposits and other accounts	12	11,717,303,221	9,816,000,524
Lease / Loan Advance		110,090,338	87,347,438
Term Deposit		11,586,161,302	9,697,336,465
Deposits Under Schemes		21,051,581	31,316,521
Other liabilities	13	3,410,731,526	2,279,016,730
Total Liabilities		17,923,561,579	14,521,027,900
Capital / Shareholders' Equity			
Paid up capital	14	2,594,914,520	2,359,013,200
Statutory reserve	15	645,578,147	606,238,998
General reserve	16	-	-
Share Premium	17	1,018,605,234	1,018,605,234
Retained earnings	18	286,601,036	365,145,759
Total Shareholders' Equity		4,545,698,937	4,349,003,191
Total Liabilities and Shareholders' Equity		22,469,260,516	18,870,031,091

People's Leasing and Financial Services Limited
Statement of Financial Position
As at 31 December , 2014

Particulars	Notes	Amount in Taka	
		31.12.2014	31.12.2013
Off-Balance Sheet Items			
Contingent liabilities	19		-
Acceptances and endorsements			
Letters of guarantee	19.1		-
Irrevocable letters of credit		-	-
Bill for collection		-	-
Other contingent liabilities		-	-
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Spot and forward foreign exchange contracts		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines other commitments		-	-
Total off-Balance Sheet items including contingent liabilities			-

The annexed notes from 1 to 35 and 'annexure A and B' form an integral part of these financial statements.

Chairman

Director

Director

Managing Director & CEO

DMD/CFO

Signed in terms of our separate report of even date annexed

Dated: Dhaka, 30 April 2015

MABS & J Partners
Chartered Accountants

People's Leasing and Financial Services Limited
Statement of Comprehensive Income
For the year ended 31 December, 2014

Particulars	Notes	Amount in Taka	
		31.12.2014	31.12.2013
Operating Income			
Income from Loans & Advances	20	2,156,816,189	1,640,117,741
Income from Lease Finance		262,249,202	260,419,487
Total operating income		2,419,065,391	1,900,537,228
Less: Interest paid on deposits and borrowings	21	2,039,569,809	1,418,743,679
Net interest income		379,495,582	481,793,549
Income from Investment		217,537,739	86,443,500
Other operational income	22	136,169,153	73,454,400
Total operating income		733,202,474	641,691,449
Operating Expenses			
Salary and allowances	23	87,295,675	69,143,631
Rent, taxes, insurance, electricity	24	11,943,553	6,784,316
Legal expenses	25	591,954	991,336
Postage, stamp, telecommunication	26	2,108,849	1,557,497
Stationery, printing, advertisement	27	7,379,561	7,624,141
Chief Executive Officer's salary & fees	28	5,235,191	6,000,000
Directors' fee		1,020,000	1,070,000
Auditors' fee		220,000	200,000
Depreciation and Repairs of Fixed assets	29	11,344,478	11,903,874
Other expenses	30	61,833,415	57,398,783
Total operating expenses		188,972,676	162,673,578
Profit before provisions		544,229,798	479,017,871
Provision against loans and advances		326,916,000	140,488,000
Provision for diminution in value of investments		-	15,999,053
Provision for off balance sheet items/exposure		-	(1,500,000)
Total provision		326,916,000	154,987,053
Profit before tax		217,313,798	324,030,818
Provision for tax	31	20,618,053	100,601,608
Current Tax		21,223,714	108,427,110
Deferred Tax		(605,661)	(7,825,502)
Profit after tax for the year		196,695,745	223,429,210
Retained earnings, brought forward		365,145,759	448,514,960
Profit available for appropriation		561,841,504	671,944,170
Appropriations		275,240,469	306,798,411
Statutory Reserve		39,339,149	44,685,841
General Reserve		-	-
Bonus shares		235,901,320	262,112,570
Cash dividend		-	-
Retained earnings, carried forward		286,601,036	365,145,759
Earning Per Share (EPS) before restatement	32	0.76	0.95
Earning Per Share (EPS) after restatement	32	0.76	0.95

The annexed notes from 1 to 35 and 'annexure A and B' form an integral part of these financial statements.

Chairman

Director

Director

Managing Director & CEO

DMD/CFO

Signed in terms of our separate report of even date annexed

Dated: Dhaka, 30 April 2015

MABS & J Partners
Chartered Accountants

People's Leasing and Financial Services Limited
Statement of Cash Flows
For the year ended 31 December, 2014

Particulars	Amount in Taka	
	31.12.2014	31.12.2013
Cash flows from operating activities		
Interest receipts	2,409,431,777	1,906,567,931
Interest payments	(2,046,460,637)	(1,320,894,426)
Dividend receipts	23,674,041	5,297,113
Fees & Commission receipts	-	-
Recoveries of Loans previously written off	-	-
Payments to employees	(92,530,866)	(76,107,298)
Payments to suppliers	(7,379,561)	(6,701,332)
Income taxes paid	(36,031,819)	(123,958,102)
Receipts from other operating activities	330,032,851	148,734,607
Payments for other operating activities	(81,217,267)	(67,018,265)
Cash Generated from Operating profit before changes in operating assets and liabilities	499,518,519	465,920,228
(Increase) / Decrease in operating Assets	(2,686,627,791)	(2,065,657,776)
Trading securities-debentures and shares	-	-
Statutory Deposits	-	-
Purchase-sale of trading securities	-	-
Lease, Loans and advances to other banks and other financial institutions	-	-
Lease Finance to customers	209,168,553	(43,841,192)
Loans and advances to Customers	(1,438,363,877)	(1,942,490,569)
Other assets	(1,457,432,467)	(79,326,015)
Increase / (Decrease) in Liabilities	2,781,768,606	2,067,079,675
Deposits from other Banks and other financial institutions	1,616,107,292	1,839,931,098
Deposits from customers (Other than Banks)	285,195,405	250,805,010
Other liabilities account of customers	-	-
Trading liabilities	-	-
Other liabilities	880,465,909	(23,656,433)
Net Cash received from operating activities (A)	594,659,334	467,342,127
Cash flows from investing activities		
Proceeds from sale of securities	352,552,250	250,606,457
Payment for purchase of Securities	(1,052,515,766)	(728,534,542)
Advance for Lease Finance	(22,373,553)	7,713,880
Purchase of Fixed Assets	(10,892,360)	(6,536,419)
Sale of old vehicles	-	623,678
Net cash used in investing activities (B)	(733,229,429)	(476,126,946)
Cash flows from Financing Activities		
Dividend Paid	(655,025)	(15,663,765)
Receipts of Term Loan	1,657,060,572	1,418,711,513
Re-payment of Term Loan	(1,287,544,386)	(1,482,243,393)
Increase in Share Capital	-	-
Preference Share Premium	-	-
Net cash received from financing activities (C)	368,861,161	(79,195,645)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	230,291,066	(87,980,464)
Effect of exchange rate changes on cash and cash equivalents	-	-
Opening Cash and Cash Equivalents	159,969,258	247,949,722
Cash and cash equivalents at end of the year	390,260,324	159,969,258

Chairman Director Director Managing Director & CEO DMD/CFO

Dated: Dhaka, 30 April 2015

MABS & J Partners
Chartered Accountants

People's Leasing and Financial Services Limited
Statement of changes in Equity
For the year ended 31 December, 2014

Amount in Taka

Particulars	Paid up Capital	Statutory Reserve	General Reserve	Share Premium	Retained earnings	Total
Balance as at January 01, 2014	2,359,013,200	606,238,998	-	1,018,605,234	365,145,759	4,349,003,192
Net profit for the year	-	-	-	-	196,695,745	196,695,745
Transfer to Statutory Reserve	-	39,339,149	-	-	(39,339,149)	-
Transfer to General Reserve	-	-	-	-	-	-
Issue of Preference Share	-	-	-	-	-	-
Issue of Bonus Share (Stock Dividend)	235,901,320	-	-	-	(235,901,320)	-
Balance as at December 31, 2014	2,594,914,520	645,578,147	-	1,018,605,234	286,601,036	4,545,698,937

Particulars	Paid up Capital	Statutory Reserve	General Reserve	Share Premium	Retained earnings	Total
Balance as at January 01, 2013	2,096,900,630	561,553,157	-	1,018,605,234	448,514,961	4,125,573,982
Net profit for the year	-	-	-	-	223,429,210	223,429,210
Transfer to Statutory Reserve	-	44,685,841	-	-	(44,685,841)	-
Transfer to General Reserve	-	-	-	-	-	-
Cash Dividend	-	-	-	-	-	-
Issue of Preference Share	-	-	-	-	-	-
Issue of Bonus Share (Stock Dividend)	262,112,570	-	-	-	(262,112,570)	-
Balance as at December 31, 2013	2,359,013,200	606,238,998	-	1,018,605,234	365,145,759	4,349,003,192

Chairman

Director

Director

Managing Director & CEO

DMD/CFO

Dated: Dhaka, 30 April 2015

MABS & J Partners
Chartered Accountants

People's Leasing and Financial Services Limited
Statement of Liquidity Analysis (Maturity of Asset and Liability)
For the year ended 31 December, 2014

Particulars	Note	Repayable on demand	Up to 1 month's maturity	1-3 month's maturity	3-12 month's maturity	1-5 years maturity	More than 5 years maturity	Amount in Taka	
								2014	2013
Assets:									
Cash	3.1	-	520,688	-	-	-	-	520,688	492,237
Balances with Bangladesh bank and its agents bank(s)	3.2	-	44,603,713	-	-	-	-	44,603,713	40,980,588
Balances with other banks and financial institutions	4.0	-	75,929,903	93,186,699	176,019,321	-	-	345,135,923	118,496,430
Money at call & short notice	5.0	-	-	-	-	-	-	-	-
Investments	6.4	-	327,461,540	491,192,310	654,923,080	163,730,770	-	1,637,307,700	990,051,679
Leases, Loans & Advances	7.3	-	358,539,483	896,348,707	2,689,046,121	9,859,835,778	4,123,204,054	17,926,974,143	16,675,405,266
Fixed assets including land, building, furniture & fixtures	9.0	-	-	-	-	40,957,147	22,053,850	63,010,997	59,963,619
Other Assets	10	-	98,068,294	245,170,735	490,341,471	1,225,853,676	392,273,176	2,451,707,352	984,641,271
Non-financial institution									-
Total Assets		-	905,123,621	1,725,898,451	4,010,329,993	11,290,377,371	4,537,531,080	22,469,260,516	18,870,031,091
Liabilities:									
Borrowing from Bangladesh Bank, Other Banks, Financial Institutions & agents	11.0	-	209,664,512	419,329,025	838,658,050	1,244,009,440	83,865,805	2,795,526,832	2,426,010,646
Deposits	12.4	-	410,105,613	585,865,161	2,343,460,644	6,385,930,256	1,991,941,547	11,717,303,221	9,816,000,524
Other Accounts								-	-
Provision & other liabilities	13.0	-	255,804,864	682,146,305	733,307,278	1,534,829,186	204,643,893	3,410,731,526	2,279,016,730
Total Liabilities		-	875,574,989	1,687,340,491	3,915,425,972	9,164,768,882	2,280,451,245	17,923,561,579	14,521,027,900
Net Liquidity Excess/(Shortage)		-	29,548,632	38,557,960	94,904,021	2,125,608,489	2,257,079,835	4,545,698,937	4,349,003,190

Chairman

Director

Director

Managing Director & CEO

DMD/CFO

Dated: Dhaka, 30 April 2015

MABS & J Partners
Chartered Accountants

People's Leasing and Financial Services Limited

Notes to the Financial Statements

For the year ended 31 December, 2014

1.0 The Legal Status and Nature of the Company

1.1 Legal Status

People's Leasing and Financial Services Ltd. is a leasing and financial Company was registered as a Non Banking Financial Institution (NBFI) under the Financial Institution Act 1993 and the Companies Act 1994 as a public limited company with license from Bangladesh Bank to operate and transact all kinds of business as provided under the relevant laws. This Company was authorized to commence business in Bangladesh as per certificate of commencement dated 26th August 1996. the Company went for public issue in 2005 and its share are listed in both Dhaka and Chittagong Stock Exchange. The Company was listed in Dhaka Stock Exchange and Chittagong Stock Exchange on July 20, 2005.

1.2 Nature of Business Activities

The Company extends lease finance for all types of machinery, equipment and household durable including vehicles both for industrial, commercial and personal use in Bangladesh and also allows temporary finance to its client within the purview of the law.

1.3 Associate Companies

1.3.1 PLFS Investments limited

PLFS Investments limited was registered under the Companies Act 1994 as a private Limited Company on 3rd June, 1998. The Company obtained registration form Securities and Exchange Commission as a Merchant Bank on 31st August, 1999 and commenced its operation as Merchant Bank from December 2008. The PLFS Investments Limited has been created as a concern of Peoples Leasing and Financial Services Ltd to conduct merchant banking activities and play active roll in the capital market of Bangladesh. PLFS holds 50% shares of PLFS Investments Ltd.

2.0 Basis of preparation and Significant Accounting Policies

2.01 Basis of Accounting

The financial statements have been prepared and the disclosures of information have been made in accordance with the requirements of the Financial Institution Act 1993, the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Rules of Dhaka and Chittagong Stock Exchanges, Guide lines of Bangladesh Bank and Bangladesh Accounting Standards and other applicable laws and regulations.

2.02 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.03 Going concern

The financial statements have been prepared on a going concern basis, which contemplate the realization of assets and the satisfaction of liabilities in the normal course of business.

2.04 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka which is the financial institution's functional currency except as indicated.

2.05 Materiality & aggregation

Each significant material item as considered by the management has been presented separately in the financial statements. No amount has been set off unless the financial institution's has a legal right to set off the amounts is intended to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant Accounting Standards.

2.06 Cash flow statement

Cash flow statement is prepared in accordance with IAS - 7 "Cash Flow Statement " and Bangladesh Bank DFIM Circular No - 11 Dated December 23, 2009 under the direct method for the period , classified by operating, investing and financing activities in cash and cash equivalents during the financial year .

2.07 Statement of Liquidity Analysis (Maturity of Asset and Liability)

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

- i) Balance with other banks and financial institutions, money at call and short notice, etc. are shown on the basis of their maturity term;
- ii) Investments are on the basis of their respective maturity;
- iii) Loans and advances / investments are on the basis of their repayment schedule;
- iv) Fixed assets are on the basis of their useful lives;
- v) Other assets are on the basis of their realization / amortization;
- vi) Borrowing from other banks, financial institutions and agents, etc. are as per their maturity / repayment terms;
- vii) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors;
- viii) Provisions and other liabilities are on the basis of their payment / adjustments schedule.

2.08 Reporting period

These financial statements cover for the year from January 01, 2014 to December 31, 2014.

2.09 Components of financial statements :

These financial statements consist of Statement of Financial Position, Statement of Comprehensive Income Statement, Statement of Cash Flows , Statement of Changes in Equity, Statement of Liquidity Analysis and notes thereto.

2.10 Accounting for Leases

With the adoption of BAS 17, The Company has been following finance method of accounting for lease transaction. The aggregate lease receivable including un-granted residual value are recorded as gross lease receivable while the excess of gross lease receivable over the total acquisition cost, including interest during the period of acquiring the lease equipment, constitutes the unearned lease income. Initial direct costs, if any, in respect of lease are charged in the year in which such costs are incurred.

The unearned lease income is usually amortized to revenue on a monthly basis over the lease term yielding a constant rate of return over the period. Unrealized income is suspended, where necessary, in accordance with the requirement of relevant circular issued by the Financial Institutions Department of Bangladesh Bank.

2.11 Accounting for associate company

Investment in associate shall be accounted for using as the equity method. Under equity method, the investment in an associate is initially recognized at cost and carrying amount is increased or decreased to recognized the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the carrying amount of the investment. The investor's share of those profit is to be recognized in other comprehensive income of the investor's. But as per Bangladesh Bank Circular No - 11 Dated December 23, 2009 there is no scope for these profit to be shown other comprehensive income as such investment in associates has been accounted at historical cost of the investment in associates.

2.12 Recognition of Fixed Assets

2.12.1 Assets acquired under Own Finance

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of Bangladesh Accounting Standard (BAS)-16; Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In respect of major projects involving construction, related pre-operational expenses form part of the value of asset capitalized. Expenses capitalized also include applicable borrowing cost considering the requirement of BAS 23; Borrowing costs, Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Software and all up gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

2.12.2 Depreciation of own used Fixed Assets

Depreciation on Property, plant and equipment acquired for Company's own use is charged on diminishing balance method at rate varying from 5% to 20% throughout the estimated useful life of the assets. Additions in any year to fixed assets are depreciated for the full year irrespective of the date of acquisition of assets.

2.13 Basis for valuation of liabilities and provisions

2.13.1 Provision for taxation

Current Tax

Provision for current income tax has been made @ 42.5% as prescribed in the Finance Act, 2011 on the accounting profit made by the company after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with BAS-12 "Income Taxes".

Deferred Tax

As per Bangladesh Accounting Standard-12 deferred tax is required to be provided using the liability method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose.

2.13.2 Provision for doubtful losses

Provision for future losses is an estimate of the losses that may be sustained in our investment portfolio. The provision is based on Bangladesh Bank guidelines. Our methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factor as set forth in the Bangladesh Bank guidelines. FID circular 8 dated August 03, 2002 is the basis for calculating the provision for doubtful losses.

2.13.3 Risk and Uncertainly for use of Estimates (Provisions)

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires Management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during and the date of the financial statements. Due to inherent uncertainly involved in making estimates, actual result reported could differ from those estimates:

In accordance with the guidelines as prescribed by BAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations;

When the company has an obligation as a result of past events;

When it is provable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

Reliable estimate can be made of the amount of the obligation.

2.13.4 Interest Suspense Account

Rental/interest income overdue beyond 3 months on account of less than 5 years of Lease finance and Term Loan & 6 months on account of more than 5 years of Lease finance and Term Loan and 9 months on account of less than and more than 5 years of Housing Finance are not recognized as income rather than credited to interest suspense account. Recovery of overdue credited to interest suspense account is recognized as income on cash basis.

2.13.5 Dividend payments

Interim dividends are recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed dividend for the year 2010 has not been recognized as a liability in the balance sheet in accordance with the BAS -10 "Events after The Balance Sheet Date"

Dividend payable to the financial institution's shareholders are recognized as a liability and deducted from the shareholders equity in the period in which the shareholders right to receive the payment is established.

2.13.6 Statutory reserve

Financial Institution Act, 1993 requires the financial institution's to transfer not less than 20% of its current year's profit before dividend recommendation to reserve until such reserve equals to its paid up capital.

2.13.7 Employees Retirement Benefit Plan

Provident Fund:

The company operates a contributory provident fund for its employee. Separate Board of Trustees administers the fund. The fund approved by the National Board of Revenue.

Gratuity Fund:

Gratuity benefit is accounted for in the Books at the time of payment. Quantum of gratuity benefit has been calculated as per BAS-19.'Employee Benefits"

2.14 Revenue Recognition

Revenue is recognized in accordance with Bangladesh Accounting Standard BAS-18: Revenue Recognition.

2.14.1 Interest income

In terms of the provision of the BAS-18 "Revenue" the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken in to income when such advances are classified. It is than kept in interest suspense in a memorandum account. Interest on classified advances is accounted for on a cash receipt basis.

2.14.2 Investment income

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

2.14.3 Lease Income

The excess of gross lease rental receivable over the cost of the leased assets constitutes the total unearned income at the commencement of the execution of lease. This income is allocated over the period of lease that reflects a constant periodic return on the net investment. The pattern of the periodic return is, however, differs in case of structured lease finance depending on the structure of the particular lease contract. Income is recognized when it is earned, i.e. income on due installation on unclassified lease irrespective of whether received or not. Income is not taken into profit and loss account when a lease is classified and hence it is interest suspense account as income is earned when it is received

2.14.4 Income from term finance

Interest income on term finance is recognized on accrual basis. Installment comprises both interest and principal. Interest part of the installments that become receivable is recognized as income in the financial statements. Interest on term finance ceases to be taken into income when such term finance are classified and kept in interest suspense account. Interest on classified term finance is accounted for on cash basis.

2.14.5 Fees and commission income

Fees and commission income arises on services provided by the financial institution's are recognized on a cash received basis. Commission charged to customer on letters of credit and letters of guarantee is credited to income at the time of effecting the transactions.

2.14.6 Dividend income on shares

Dividend income on shares is recognized during the period in which it is declared and ascertained.

2.14.7 Gain on sale of securities

Capital gain on sale of securities listed in the stock exchanges is recorded only when the securities are sold in the market.

2.15 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services.

2.16 Earnings per share

Basic earning per share

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

Diluted earnings per share

No diluted earning per share is required to be calculated for the year as there was no scope for dilution during the year under review.

2.17 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstance indicate that the book value of the assets may not be recovered. Accordingly, the company estimates the recoverable amount of the assets. An impairment loss is recognized in the profit and loss account while the recoverable amount is less than the carrying amount of the asset group.

2.18 Proposed Dividend

Dividend proposed by the Board of Directors for the year is recognized and accounted for after approval by the shareholders at the AGM.

2.19 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Name of the BAS	BAS	Status
Presentation of Financial Statements	1	*
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Date	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting for Investment	25	Applied
Investment in Associates	28	*
Financial Instrument: disclosure and Presentation	32	*
Earnings Per Share	33	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instrument: Recognition and Measurements	39	*

Name of the BFRS	BFRS	Status
Share Based Payment	2	Not applicable
Business Combinations	3	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	5	Not applicable
Exploration for and Evaluation of Mineral Resources	6	Not applicable
Financial Instruments : Disclosures	7	Applied

* As the regulatory requirements differ with standards, relevant disclosure are made in accordance with Bangladesh Bank's requirements.

2.20 Events after the balance sheet date

Events after the balance sheet date are those events that occur between the balance sheet and the date when the financial statements are authorized for issue .All material events occurring after the balance sheet date have been considered in these financial statements .

		Amount in Taka	
		31.12.2014	31.12.2013
3.0	Cash and Cash equivalent: Tk. 45,124,401		
	The break up of the above amount is as under :		
	Cash in hand	3.1	520,688
	Balance with Bangladesh Bank and its agent banks	3.2	44,603,713
			492,237
			40,980,588
			45,124,401
			41,472,825
3.1	Cash in hand: Tk. 520,688		
	The break up of the above amount is as under :		
	Local currency		520,688
	Foreign currency		492,237
			-
			-
			520,688
			492,237
3.2	Balance with Bangladesh Bank and its agent banks: Tk. 44,603,713		
	The break up of the above amount is as under :		
	Local currency		44,603,713
	Foreign currency		40,980,588
			-
			-
			44,603,713
			40,980,588
3.3	Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)		
	Statutory Liquidity Reserve (SLR) have been calculated and maintained On the Basis of total liabilities and in accordance with the Bangladesh Bank's FID Circular No. 02 dated November 10,2004.The Statutory Liquidity Reserve 5% includes 2.5% cash Reserve Requirement (CRR) Calculated on the company's total term deposits and maintained a fortnight average basis in the current account is maintaining with the Bangladesh Bank and rest amount has to be maintained in the form of cash at commercial bank account and Fixed Deposit Account.		
a)	Cash Reserve Requirement (CRR) 2.5% on total term deposits: Tk. 53,997,000		
	The break up of the above amount is as under :		
	Required Reserve		50,414,000
	Actual Reserve held		32,914,000
	Surplus/ (deficit)		53,997,000
			34,355,000
			3,583,000
			1,441,000
b)	Statutory Liquidity Reserve (SLR) 5% on total liabilities: Tk. 341,258,000		
	The break up of the above amount is as under :		
	Required Reserve (including CRR)		40,879,000
	Actual Reserve held (including CRR)	3.3.a	236,010,000
	Surplus/ (deficit)		69,655,000
			136,625,000
			195,131,000
			66,970,000
	Total required reserve		105,929,000
	Total actual reserve held		341,258,000
	Total Surplus/(deficit)		69,655,000
			136,625,000
			235,329,000
			66,970,000
4.0	Balances with other Banks and Financial Institutions: Tk. 345,135,923		
	The break up of the above amount is as under :		
	Inside Bangladesh	4.1	345,135,923
	Outside Bangladesh		118,496,430
			-
			-
			345,135,923
			118,496,430
4.1	Inside Bangladesh: Tk. 345,135,923		
	The break up of the above amount is as under :		
	Fixed Deposits	4.1.1	290,000,000
	Balance with other Accounts	4.1.2	55,135,923
			100,255,000
			18,241,430
			345,135,923
			118,496,430
4.1.1	Fixed Deposits: Tk. 290,000,000		
	The break up of the above amount is as under :		
	Southbanga Agriculture & Commerce Bank Ltd.		80,000,000
	Midland Bank Ltd.		10,000,000
	NRB Commercial Bank Ltd		200,000,000
	Prime Bank Ltd.		-
			-
			100,000,000
			255,000

Amount in Taka	
31.12.2014	31.12.2013
290,000,000	100,255,000

4.1.2 Balance with other Accounts: Tk. 55,135,923

The break up of the above amount is as under :

Name of the bank	Branch name	A/C no.		
Al-Arafa Islami Bank Ltd.	VIP Br.	SND A/C-0471	8,958	7,123
Al-Arafa Islami Bank Ltd.	Motijheel Corp	SND A/C-3022	12,268	9,763
Bank Al Falah Ltd.	Gulshan Br.	CD A/C-1005	1,025	2,175
BDBL	Principal Br.	CD A/C-4001	1,535	1,995
BDBL	Principal Br.	SOD A/C- 0032	154,461	155,461
Dhaka Bank Ltd.	Adomjee Court Br.	STD A/C-4889	1,527	2,677
Dutch Bangla Bank Ltd.	Ring Road Br.	STD A/C-0999	48,966	48,461
Dutch Bangla Bank Ltd.	Motijheel Br.	STD A/C-0600	6,456,682	1,620,595
EXIM Bank Ltd	Agrabad Br.	CD A/C-0755	930	1,505
EXIM Bank Ltd.	Gulshan Br.	CD A/C-2917	43,003	44,273
EXIM Bank Ltd	Paltan Br.	STD A/C-8174	5,302	11,947
EXIM Bank Ltd	Paltan Br.	STD A/C-2664	10,002,760	177,407
EXIM Bank Ltd	Motijheel Br.	STD A/C-8778	110,970	267,178
EXIM Bank Ltd	Banani Br.	A/C- 4414	8,047	23,834
ICB Islamic Bank Ltd.	VIP Road Br.	STD A/C-5915	1,619,430	1,821,465
ICB Islamic Bank Ltd.	VIP Road Br.	STD A/C-3226	8,488	8,816
IFIC Bank Ltd.	Banani Br.	SND A/C-5041	12	10,999
Janata Bank Ltd	Local Office	SND A/C-1687	6,017	7,187
Janata Bank Ltd	Purana Paltan Br.	STD A/C-0340	21,664	21,883
Mutual Trust Bank Ltd.	Principal Br.	SND A/C-1929	6,477	73,473
Mutual Trust Bank Ltd.	Tejgaon Br	SND A/C-1507	2,910	-
Mutual Trust Bank Ltd.	Agrabad Br.	SND A/C-3031	2,123,358	-
Midland Bank Ltd.	Dilkusha br.	CD A/C-0287	17,856	116,422
Modhumoti Bank Ltd	Motijheel	SND-64	414	0
National Bank Ltd	Mirpur Br.	STD A/C-0664	1,907	3,756
NRB Commercial Bank Ltd.	Principal Br.	SOD A/C- 0014	6,384	8,224
NCC Bank Ltd.	Dilkusha br.	CD A/C-2394	200,397	201,897
One Bank Ltd.	Principal Br.	CD A/C-3008	18,363	19,513
One Bank Ltd.	Imamgonj Br.	SND A/C-6028	-	14,494
One Bank Ltd.	Imamgonj Br.	SND A/C-6001	-	18,776
Prime Bank Ltd.	Bijoy Nagar br.	SND A/C-8952	3,561	3,561
Prime Bank Ltd.	Bijoy Nagar br.	SND A/C-8747	819	1,969
Prime Bank Ltd.	Bijoy Nagar br.	SND A/C-8951	82,298	81,905
Prime Bank Ltd.	Bijoy Nagar br.	SND A/C-5052	12,402,286	3,277,930
Prime Bank Ltd.	Bijoy Nagar br.	SND A/C-12324	9,391	116,147
Prime Bank Ltd.	Gulshan Br.	SND A/C-7554	21,129,998	9,294,052
Pubali Bank Ltd.	P.Sarani Br	CD A/c-3466	-	48,910
The Premier Bank Ltd	Ashulia Br	CD-114	564	-
Shahjalal Islami Bank Ltd.	Foreign Exchange Br.	SND A/C-175	165,143	161,023
Shahjalal Islami Bank Ltd.	Motijheel Br.	CD A/C-0608	10,649	8,509
Shahjalal Islami Bank Ltd.	Foreign Exchange Br.	SND A/C-221	17,616	56,332
Shahjalal Islami Bank Ltd.	Dhaka Main Br.	SND A/C-781	57,149	18,122
Social Islami Bank Ltd.	Principal Br.	SND A/C-0771	-	32,460
Social Islami Bank Ltd.	Babu bazar Br.	CD A/C-0656	10,624	11,544
Social Islami Bank Ltd.	R.Soroni Br.	STDA/C-1038	899	-
Southeast Bank Ltd.	Principal Br.	STD A/C-1330	101,439	99,043
SBAC Bank Ltd	Principal Br.	SND A/C-0001	45,650	7,563
SBAC Bank Ltd	Principal Br.	CD A/C-0434	6,413	44,697
Standard Bank Ltd.	Dhanmondi Br.	CD A/C-5673	91,730	175,765
The City Bank Ltd.	Uttara br.	CD A/C-7327	89,471	90,281
The Trust Bank Ltd.	Gulshan Br.	CD A/C-0598	-	334
The Farmers Bank Ltd	Gulshan Br.	CD A/C-6942	19,866	-
UCBL	Santinagar Br,	STD A/C-0414	248	9,984
Total			55,135,923	18,241,430

Amount in Taka	
31.12.2014	31.12.2013

5.0 Money at call and short notice: Tk. Nil

The break up of the above amount is as under :

Banking Company	-	-
Non-banking financial institutions	-	-
	<u>-</u>	<u>-</u>

6.0 Investments: Tk. 1,637,307,700

The break up of the above amount is as under :

Government securities	6.1	-	-
Other investment	6.2	1,637,307,700	990,051,679
		<u>1,637,307,700</u>	<u>990,051,679</u>

6.1 Government securities: Tk. Nil

The break up of the above amount is as under :

National investment bonds	-	-
Bangladesh bank bills	-	-
Government bonds	-	-
Prize bonds	-	-
	<u>-</u>	<u>-</u>

6.2 Other Investments: Tk. 1,637,307,700

The break up of the above amount is as under :

Held for trading (HFT)	1,260,934,790	705,132,369
Held to maturity (HTM)	376,372,910	284,919,310
Equity instruments	-	-
	<u>1,637,307,700</u>	<u>990,051,679</u>

6.3 Other investment: Tk. 1,637,307,700

The break up of the above amount is as under :

Shares	6.3.1	1,637,307,700	990,051,679
Debentures		-	-
		<u>1,637,307,700</u>	<u>990,051,679</u>

6.3.1 Other investments in Shares: Tk. 1,637,307,700

The break up of the above amount is as under :

This represents the investment in shares of difference companies and institutions. Details are as follows:

Particulars	Category of Shares	No. Of Shares	Market Price	Cost Price	
				31.12.2014	31.12.2013
Quoted Share:					
AB Bank Ltd	A	107,833	3,224,207	2,812,285	58,325,042
AmaraTech	A	374,500	-	-	3,223,148
Al-Arafa Islami Bank Ltd.	A	3,820,355	56,923,290	58,471,255	36,333,849
Bengal WTL	A		-	-	13,170,900
BRAC Bank Ltd	A	5,042,085	187,565,562	132,419,349	94,839,550
BSC	A	197,985	100,477,388	119,059,422	71,260,997
Submarine Cable	A	255,100	29,770,170	43,849,721	7,091,313
City Bank Ltd.	A	1,800,000	3,924,000	3,938,800	3,366,280
Desco	A	112,125	-	-	8,384,707
Federal Insurance	A	80,000	-	-	2,072,800
Fu-wang Ceramics	A	443,000	-	-	9,989,650
Grameen Phone Ltd.	A	27,309	9,883,127	10,381,516	2,010,000
GHAIL	A	105	-	-	3,979
Jumuna Bank Ltd.	A	3,212,360	39,512,028	43,685,338	22,837,406
KPPL	A	209,970	4,661,334	4,771,539	-
Lafarge Surma Cement	Z	4,070,768	500,704,464	337,188,401	81,501,720
Lanka Bangla Finance	A	80,000	-	-	5,331,200
M Petroleum	A	151,580	31,983,380	39,490,836	980,913

				Amount in Taka	
				31.12.2014	31.12.2013
One Bank Ltd.	A	5,966,304	94,267,603	83,958,394	34,524,160
Padma Oil	A	104,000	26,166,400	36,287,583	1,025,640
PHPMF-1	A	599,500	-	-	3,872,770
PENINSULA	A	30,400	811,680	871,872	-
Premier Leasing	A	177,500	-	-	2,335,900
Prime Finance	A	169,900	-	-	4,638,270
RN Spinning	A	182,750	-	-	6,748,957
Uttara Bank Ltd	A	1,896,181	49,111,088	49,986,435	12,539,661
United Commercial Bank Ltd.	A	565,200	-	-	14,057,928
Zahin Tex.	A	113,850	1,878,525	3,087,612	7,459,970
BGIC	A	113,600	2,431,040	3,062,656	1,377,310
Dhaka Insurance	A	138,000	3,560,400	4,951,440	3,255,975
GBB Power	A	200,920	4,681,436	5,147,570	2,964,600
Generation Next	A	45,000	684,000	699,750	3,187,680
Grameen 1	A	261,500	5,909,900	9,424,460	4,376,400
Grameen 2	A	168,000	2,049,600	2,479,680	1,946,550
MTBL	A	368,668	7,299,626	5,537,393	19,063,950
Orion Pharma	A	200,300	9,113,650	12,208,285	10,468,424
Saiham Cotton	A	82,250	1,488,725	2,350,705	2,227,960
Popular MF 1	A	1,029,308	5,146,540	6,916,950	8,000,977
Standard Bank Ltd.	A	1,044,500	13,265,150	15,051,245	8,653,055
Trust Bank 1st MF	A	514,173	2,776,534	3,604,353	3,918,485
Trust Bank Ltd	A	98,500	-	-	8,340,364
Unique Hotels & Resorts	A	231,800	15,275,620	20,702,058	58,405,609
United Airways ltd	A	2,715,652	-	-	51,021,619
DELTALIFE	A	34025	5100348	6532460	-
Jumuna Oil Ltd.	A	6,050	1,245,695	1,289,195	-
Mercantile Bank	A	280,000	3,836,000	4,785,200	-
Rupali Bank Ltd.	A	26,000	1,539,200	1,655,420	2,318,647
APOLPISPAT	A	118,000	-	-	4,349,780
Beximco Ltd	A	2,253,000	82,009,200	95,974,870	3,328,270
BSRM Steel	A	59,500	5,218,150	6,051,610	-
Beximco Pharma	A	35,750	2,098,525	2,293,553	-
CONFIDENCE	A	20,920	2232164	2567990	-
Beacon Pharma	Z	231000	4158000	3955961	-
Shine Pukur Ceramic Ltd.	A	428,800	6,174,720	5,806,155	-
Square Pharma	A	265485	68627743	67625474	-
			1,396,786,212	1,260,934,790	705,132,369

Particulars	No. Of Shares	Amount in Taka	
		31.12.2014	31.12.2013
Unquoted Share:			
E-Securities Ltd.		69,978,600	
GMG Airlines Ltd. Placement	1,000,000	50,000,000	50,000,000
SAIF Power Ltd. Placement	200,000	7,000,000	7,000,000
Jamuna Mobil Placement	40,192	-	-
Apollo Ispat	-	-	44,000,000
Energy prima Ltd. Placement	1,358,500	13,585,000	13,585,000
MEB Poly Ltd. Placement	500,000	5,000,000	-
Scholastica Ltd. Placement	340,000	3,400,000	3,400,000
CDBL	25,694	5,711,810	5,711,810
PLFS Investment Ltd.	51,000	5,100,000	5,100,000
Sandhani Life Unit Fund	5,600,000	56,000,000	26,000,000
ICB Islami Bank Ltd.	27,500	-	275,000
Sub Total (B)	9,142,886	215,775,410	155,071,810
Associate Company: (C)			
PLFS Investment Ltd. (Note-2.11) (Formal Mercantile Securities)	16,059,750	160,597,500	129,847,500
Grand Total (A+B+C)		1,637,307,700	990,051,679

All investments in marketable ordinary shares are valued at average cost price as on reporting date and adequate provision has been made as per Bangladesh Bank guidelines. Investment in non marketable ordinary shares are valued at cost due to fair value can not be measured reliably. As on December 31, 2014 there was Tk. 135,851,422 as unrealised gain on marketable shares which was not

Amount in Taka	
31.12.2014	31.12.2013

accounted in the financial statements due to considering present capital market of Bangladesh.

6.4 Maturity grouping of investments: Tk. 1,637,307,700

The break up of the above amount is as under :

On demand		-	-
Up to one month		327,461,540	49,502,584
Over one month but not more than three months		491,192,310	118,806,201
Over three months but not more than six months		209,575,385	128,706,718
Over six months but not more than one year		445,347,695	396,020,672
Over one year but not more than five years		163,730,770	267,313,953
Over five years		-	29,701,550
		1,637,307,700	990,051,679

7.0 Loans, cash credits, overdrafts, etc.: Tk. 17,926,974,143

The break up of the above amount is as under :

Inside Bangladesh	7.1	17,926,974,143	16,675,405,266
Outside Bangladesh	7.2	-	-
		17,926,974,143	16,675,405,266

7.1 Inside Bangladesh: Tk. 17,926,974,143

The break up of the above amount is as under :

Lease Finance	7.1.1	3,027,712,000	3,214,507,000
Loans	7.1.2	14,899,262,143	13,460,898,266
Cash Credit		-	-
Overdrafts etc.		-	-
		17,926,974,143	16,675,405,266

7.1.1 Lease Finance: Tk. 3,027,712,000

The break up of the above amount is as under :

Net lease receivable	7.1.1.1	3,000,887,325	3,210,055,878
Advance for Leases	7.1.1.2	26,824,675	4,451,122
		3,027,712,000	3,214,507,000

7.1.1.1 Net lease receivable: Tk. 3,000,887,325

The break up of the above amount is as under :

Gross lease receivable		3,801,976,042	3,743,000,972
Less: Unearned lease income		801,088,717	532,945,094
		3,000,887,325	3,210,055,878

7.1.1.2 Advance for Leases: Tk. 26,824,675

The break up of the above amount is as under :

Imported Equipment		2,557,693	3,169,633
Local Equipment		24,266,982	1,281,489
		26,824,675	4,451,122

7.1.2 Loans: Tk. 14,899,262,143

The break up of the above amount is as under :

Term loan		7,526,132,242	13,183,421,603
Home loan		322,620,766	272,367,767
Other loans		7,050,509,135	5,108,896
		14,899,262,143	13,460,898,266

Break up of the figures are as follows :

Balance at January 1		13,460,898,266	11,518,407,697
Add: Addition during the year		4,402,220,388	4,116,771,132
		17,863,118,654	15,635,178,829
Less: Realized during the year		2,963,856,511	2,174,280,563
Balance at December 31		14,899,262,143	13,460,898,266

		Amount in Taka	
		31.12.2014	31.12.2013
These Loans have been disbursed against collateral, security of term deposit and shares.			
7.2	Outside Bangladesh: Tk. Nil		
The break up of the above amount is as under :			
	Lease Finance	-	-
	Loans	-	-
	Advance for Lease finance	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
7.3	Residual maturity grouping of loans and advances: Tk. 17,926,974,143		
The break up of the above amount is as under :			
	Repayable on demand	-	-
	Up to one months	358,539,483	500,262,158
	Up to three months	896,348,707	1,667,540,527
	Over three months but less than one year	2,689,046,121	5,002,621,580
	Over one year but less than five years	9,859,835,778	8,004,194,528
	Above five years	4,123,204,054	1,500,786,474
		<u>17,926,974,143</u>	<u>16,675,405,266</u>
		<u>17,926,974,143</u>	<u>16,675,405,266</u>
7.4	Classification of Lease, Loans and advances: Tk. 17,926,974,143		
The break up of the above amount is as under :			
	Unclassified	7.4.1 16,241,473,143	15,322,714,266
	Classified	7.4.2 1,685,501,000	1,352,691,000
		<u>17,926,974,143</u>	<u>16,675,405,266</u>
		<u>17,926,974,143</u>	<u>16,675,405,266</u>
7.4.1	Unclassified: Tk. 16,241,473,143		
The break up of the above amount is as under :			
	Standard	11,840,473,143	15,129,746,266
	Special Mention Account	4,401,000,000	192,968,000
		<u>16,241,473,143</u>	<u>15,322,714,266</u>
		<u>16,241,473,143</u>	<u>15,322,714,266</u>
7.4.2	Classified: Tk. 1,685,501,000		
The break up of the above amount is as under :			
	Sub-standard	121,657,000	633,807,000
	Doubtful	155,881,000	240,302,000
	Bad/Loss	1,407,963,000	478,582,000
		<u>1,685,501,000</u>	<u>1,352,691,000</u>
		<u>1,685,501,000</u>	<u>1,352,691,000</u>
8.0	Bills purchased and discounted: Tk. Nil		
The break up of the above amount is as under :			
	Inside Bangladesh	-	-
	Outside Bangladesh	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
9.0	Fixed assets including premises, furniture and fixtures: Tk. 63,010,997		
The break up of the above amount is as under :			
	Cost	9.1 114,695,752	103,803,392
	Less: Accumulated depreciation	9.2 51,684,755	43,839,773
	Net book value	<u>63,010,997</u>	<u>59,963,619</u>
		<u>63,010,997</u>	<u>59,963,619</u>
		<u>63,010,997</u>	<u>59,963,619</u>
9.1	Cost: Tk. 114,695,752		
The break up of the above amount is as under :			
	Balance at January 1	103,803,392	99,913,973
	Add: Addition made during the year	10,892,360	6,536,419
		<u>114,695,752</u>	<u>106,450,392</u>
	Less: Adjustment made during the year	-	2,647,000
		<u>-</u>	<u>2,647,000</u>
		<u>-</u>	<u>2,647,000</u>

		Amount in Taka	
		31.12.2014	31.12.2013
Balance at December 31		114,695,752	103,803,392
9.2	Accumulated depreciation: Tk. 51,684,755		
	The break up of the above amount is as under :		
	Balance at January 1	43,839,773	39,466,009
	Add: Addition during the year	7,844,982	6,521,935
		51,684,755	45,987,944
	Less: Adjustment during the year	-	2,148,171
	Balance at December 31	51,684,755	43,839,773
Details of fixed assets have been shown in Annexure - A			
10.0	Other Assets : Tk. 2,451,707,352		
	The break up of the above amount is as under :		
	Lease rental & Interest Receivable	1,158,475,905	336,851,863
	Interest Receivable on FDR	14,188,499	4,554,884
	Advance for Office Rent	6,088,958	1,911,595
	Advance for Land Purchase	1,236,640,000	606,100,000
	Stamp in hand	10,750	7,550
	Advance Tax paid	-	-
	Advance Tax (At Source)	-	-
	Other prepayment-Head Office	1,147,456	840,000
	Security Deposit	223,200	23,200
	Other Receivable		25,256
	Deferred tax	34,932,584	34,326,923
		2,451,707,352	984,641,271
10.1	In the 221st Board Meeting dated 09.01.2011 and 274th Board Meeting dated 22.04.2014 of People's Leasing and Financial Services Limited has approved to acquire a total 66.53 katha land in two phases against payment of total Tk. 123.66 crore. The main objective of acquiring these land is to construct one/two high rise office building for the company and the rest portion will be letting out for the commercial purposes. It may be noted that 66.53 katha land will be registered in the name of the company within shortest possible time.		
10.2	Deferred tax Assets: Tk. 34,932,584		
	The break up of the above amount is as under :		
	Balance at January 1	34,326,923	26,501,421
	Add: Addition made during the year	605,661	7,825,502
		34,932,584	34,326,923
	Less: Settlement during the year	-	-
	Balance at December 31	34,932,584	34,326,923
Details of deferred tax assets have been shown in annexure-B			
11.0	Borrowings from Other Banks, Financial Institutions and agents: Tk. 2,795,526,832		
	The break up of the above amount is as under :		
	Inside Bangladesh	2,795,526,832	2,426,010,646
	Outside Bangladesh	-	-
		2,795,526,832	2,426,010,646
	Break - up is given below :		
	Balance at January 1	2,426,010,646	2,461,563,965
	Add: During the year	1,657,060,572	1,418,711,513
		4,083,071,218	3,880,275,478
	Less: Payment during the year	1,287,544,386	1,454,264,832
	Balance at December 31	2,795,526,832	2,426,010,646
11.1	Inside Bangladesh: Tk. 2,795,526,832		
	The break up of the above amount is as under :		
	Loan from Bangladesh Bank	128,450,253	154,716,392
	Loan from Other Banks	2,667,076,579	2,271,294,254

Loan from Financial Institution

11.1.3

Amount in Taka	
31.12.2014	31.12.2013
-	-
2,795,526,832	2,426,010,646
128,450,253	154,716,392

11.1.1 Loan from Bangladesh Bank: Tk. 128,450,253

11.1.2 Loan from Other Banks: Tk. 2,667,076,579

The break up of the above amount is as under :

Al-Arafa Islami Bank Ltd.	20,234,894	40,234,894
Al-Arafa Islami Bank Ltd.	20,067,073	40,067,073
Basic Bank Ltd.	-	88,872,363
Bangladesh Commerce Bank Ltd.	-	27,439,833
Bangladesh Commerce Bank Ltd.	63,425,954	100,000,000
EXIM Bank Ltd.	1,655,687	8,166,558
EXIM Bank Ltd.	9,120,222	21,178,553
EXIM Bank Ltd.	97,629,491	137,942,764
EXIM Bank Ltd.	27,920,341	37,431,294
EXIM Bank Ltd.	-	2,423,650
EXIM Bank Ltd.	-	28,265,837
EXIM Bank Ltd.	1,655,634	8,166,558
Mutual Trust Bank Ltd	-	11,177,325
Mutual Trust Bank Ltd	-	21,654,090
Mutual Trust Bank Ltd	-	11,052,501
Mutual Trust Bank Ltd	158,634,491	193,107,580
National Bank Ltd.	-	37,849,958
National Bank Ltd.	-	56,570,046
National Bank Ltd.	-	44,661,070
National Bank Ltd.	-	44,661,070
National Bank Ltd.	76,884,254	92,236,794
One Bank Ltd	-	29,702,283
Pubali Bank Ltd.	15,000,000	35,000,000
Pubali Bank Ltd.	270,000,000	-
Shahjalal Islami Bank Ltd.	71,339,657	100,000,000
Shahjalal Islami Bank Ltd.	71,370,093	100,000,000
Shahjalal Islami Bank Ltd.	83,785,277	-
Shahjalal Islami Bank Ltd.	81,384,594	-
Social Islami Bank Ltd.	143,446,720	200,000,000
Social Islami Bank Ltd.	93,161,255	-
Standard Bank Ltd	-	9,645,329
Standard Bank Ltd	-	10,135,348
Standard Bank Ltd	5,056,795	20,454,387
Standard Bank Ltd	1,018,744	20,944,406
Sonali Bank Ltd	-	7,888,000
Sonali Bank Ltd	-	10,520,000
Sonali Bank Ltd	-	26,304,000
Southeast Bank Ltd.	-	10,582,521
The Trust Bank Ltd.	-	26,334,110
The Trust Bank Ltd.	-	-
The Trust Bank Ltd.	-	-
United Commercial Bank Ltd.	42,991,690	24,033,512
United Commercial Bank Ltd.	-	64,100,520
United Commercial Bank Ltd.	-	42,149,858
United Commercial Bank Ltd.	97,616,052	-
United Commercial Bank Ltd.	98,808,026	-
Uttara Bank Ltd.	-	4,166,663
Uttara Bank Ltd.	27,046,069	45,833,333
Midland Bank	85,442,380	100,000,000
NRB Commercial Bank	63,953,197	93,344,783
NRB Commercial Bank	85,420,196	100,000,000
NRB Commercial Bank	85,420,196	100,000,000
NRB Commercial Bank	139,206,031	-
Mercantile Bank Ltd	92,763,281	-
Modhumoti Bank Ltd	183,206,808	-
Prime Bank Ltd.	192,836,477	-
Prime Bank Ltd.	92,804,021	-
UAE Bangladesh	23,728,804	36,995,391

ICB Islami Bank Ltd

Amount in Taka	
31.12.2014	31.12.2013
43,042,178	-
2,667,076,579	2,271,294,254

11.1.3 Loan From Financial Institution: Tk. Nil

-	-
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11.2 Classification of loans as per security: Tk. 2,795,526,832

The break up of the above amount is as under :

Secured	2,795,526,832	2,426,010,646
Un-secured	-	-
	2,795,526,832	2,426,010,646

11.3 Residual maturity grouping of loans payable: Tk. 2,795,526,832

The break up of the above amount is as under :

Repayable on demand	-	-
Within one month	209,664,512	-
More than one month but less than three month	419,329,025	24,260,106
More than three month but less than six month	377,396,122	60,650,266
More than six month but less than one year	461,261,928	72,780,319
More than one year but less than five year	1,244,009,440	2,219,799,741
Above five years	83,865,805	48,520,213
	2,795,526,832	2,426,010,646

Fund required for the Company's operations are primarily obtained from various commercial banks. Secured loans are covered by first equitable mortgage of all present and future immovable properties and by floating charges on movable assets of the company ranking pari-passu among the lenders. The Company has pari-passu security sharing agreements with the secured lenders stipulating the procedure in the sharing of the security provided by the Company.

12.0 Deposits and other accounts: Tk. 11,717,303,221

The break up of the above amount is as under :

Lease / Loan Advance	12.1	110,090,338	87,347,438
Term Deposit	12.2	11,586,161,302	9,697,336,465
Deposits Under Schemes	12.3	21,051,581	31,316,621
		11,717,303,221	9,816,000,524

12.1 Lease / Loan Advance: Tk. 110,090,338

The break up of the above amount is as under :

Balance at January 1	87,347,438	79,633,558
Add: Received during the year	29,810,730	13,103,780
	117,158,168	92,737,338
Less: Repayment during the year	7,067,830	5,389,900
Balance at December 31	110,090,338	87,347,438

12.2 Term Deposit: Tk. 11,586,161,302

The break up of the above amount is as under :

Balance at January 1	9,697,336,465	7,606,600,357
Add: Received during the year	9,026,319,626	7,972,188,318
	18,723,656,091	15,578,788,675
Less: Repayment during the year	7,137,494,789	5,881,452,210
Balance at December 31	11,586,161,302	9,697,336,465

Term deposits have taken from institutions/individuals for 1 to 6 years' terms . These deposits are revolving and substantial part of deposits usually are renewed for further period, Hence entire term deposit has been considered as non current liability.

Amount in Taka	
31.12.2014	31.12.2013

12.3 Deposits Under Schemes: Tk. 21,051,581

The break up of the above amount is as under :

Balance at January 1	31,316,621	33,161,356
Add: Received during the year	7,938,500	6,020,785
	39,255,121	39,182,141
Less: Repayment during the year	18,203,540	7,865,520
Balance at December 31	21,051,581	31,316,621

12.4 Maturity grouping of Deposits and other accounts: Tk. 11,717,303,221

The break up of the above amount is as under :

Repayable on demand	-	98,160,005
Within one month	410,105,613	490,800,026
More than one month but less than six month	585,865,161	1,472,400,079
More than six month but less than one year	2,343,460,644	1,963,200,105
More than one year but less than five year	6,385,930,256	5,398,800,288
More than five year but less than ten year	1,991,941,547	392,640,021
Above ten years	-	-
	11,717,303,221	9,816,000,524

The Company takes one to two rental/ installment from the lessees/loanees on signing of lease/loan agreement which are refundable / adjustable at the expiry of lease term. This advance bears no interest.

13.0 Other Liabilities: Tk. 3,410,731,526

The break up of the above amount is as under :

Short Term Loan	13.1	723,756,805	484,464,937
Provision for Lease, loans and advances	13.2	924,561,000	597,645,000
Provision for Investment Fluctuation in Shares	13.3	69,225,257	69,225,257
Provision for income tax	13.4	177,280,114	282,088,219
Provision for Gratuity	13.5	25,877,736	20,069,090
Provision for off balance sheet items/exposure	13.6	-	-
Interest Suspense Account	13.7	1,078,153,000	409,852,000
Liabilities for financial expenses	13.8	294,560,995	301,451,823
Liabilities for sundry creditor	13.9	87,813,361	84,497,604
Liabilities for accrued expenses	13.10	1,071,597	1,122,809
VAT Payable		14,190	
Tax deducted at source (TDS) payable		6,525,791	6,053,286
Dividend Payable		21,891,680	22,546,705
		3,410,731,526	2,279,016,730

13.1 Short Term Loan: Tk. 723,756,805

The break up of the above amount is as under :

Call loan received from Banks/Financial Institutions	13.1.1	300,000,000	200,000,000
Overdraft from Bank	13.1.2	423,756,805	284,464,937
		723,756,805	484,464,937

13.1.1 Call loan received from Banks/Financial Institutions: Tk. 300,000,000

The break up of the above amount is as under :

The City Bank	100,000,000	-
Janata Bank Ltd.	100,000,000	100,000,000
Basic Bank	-	50,000,000
BDBL	100,000,000	50,000,000
	300,000,000	200,000,000

13.1.2 Overdraft from Bank: Tk. 423,756,805

The break up of the above amount is as under :

NRB Bank	181,120,224	75,603,380
Mutual Trust Bank Ltd.	242,636,581	208,861,557
	423,756,805	284,464,937

		Amount in Taka	
		31.12.2014	31.12.2013
13.2	Provision for Lease, loans and advances: Tk. 924,561,000		
	The break up of the above amount is as under :		
	Lease Finance	13.2.1 498,399,000	288,799,000
	Loans	13.2.2 426,162,000	308,846,000
	Cash Credit	-	-
	Overdrafts etc.	-	-
		924,561,000	597,645,000
13.2.1	Provision for Lease Finance: Tk. 498,399,000		
	The break up of the above amount is as under :		
	Balance at January 1	288,799,000	202,509,000
	Add :Provision required during the year	209,600,000	86,290,000
		498,399,000	288,799,000
	Less: Recoveries of amount previously written off	-	-
	Balance at December 31	498,399,000	288,799,000
13.2.2	Provision for Loans: Tk. 426,162,000		
	The break up of the above amount is as under :		
	Balance at January 1	308,846,000	254,648,000
	Add :Provision required during the year	117,316,000	54,198,000
	Provision charged during the year	426,162,000	308,846,000
	Less: Recoveries of amount previously written off	-	-
	Balance at December 31	426,162,000	308,846,000
13.2.3	Category-wise provision: Tk. 924,561,000		
	The break up of the above amount is as under :		
	Provision for unclassified lease, loans and advances	242,451,300	169,450,000
	Provision for classified lease, loans and advances	682,109,700	428,195,000
		924,561,000	597,645,000
13.3	Provision for Investment Fluctuation in Shares: Tk. 69,225,257		
	The break up of the above amount is as under :		
	Balance at January 1	69,225,257	53,226,204
	Add: Addition made during the year	-	15,999,053
		69,225,257	69,225,257
	Less : Adjustment made during the year	-	-
	Balance at December 31	69,225,257	69,225,257
13.4	Provision for income tax: Tk. 117,280,114		
	The break up of the above amount is as under :		
	Provision		
	Balance at January 1	413,080,347	404,653,237
	Add: Provision made during the year	21,223,714	108,427,110
		434,304,061	513,080,347
	Less: Settlement of previous year's liability	90,000,000	100,000,000
	Balance at December 31	344,304,061	413,080,347
	Advance tax		
	Balance at January 1	130,992,128	107,034,026
	Add: Addition made during the year	36,031,819	23,958,102
	Under sections 64 and 74 of Income Tax ordinance 1984	30,000,000	20,000,000
	Tax Deduction at source (TDS)	6,031,819	3,958,102
	Less: Adjustment during the year	-	-
	Balance at December 31	167,023,947	130,992,128

		Amount in Taka	
		31.12.2014	31.12.2013
Net balance at December 31		177,280,114	282,088,219
13.5	Provision for Gratuity: Tk. 25,877,736		
	The break up of the above amount is as under :		
	Balance at January 1	20,069,090	14,276,962
	Add : Provision made during the year*	5,808,646	5,792,128
		25,877,736	20,069,090
	Less : Settlement during the year	-	-
	Balance at December 31	25,877,736	20,069,090
	* Provision for Gratuity is calculated on the basis of double of the last basic into length of service for the employees who have completed service length of five years. Total number of employees eligible for Gratuity are 43.		
13.6	Provision for off balance sheet items/exposure: Tk. Nil		
	The break up of the above amount is as under :		
	Balance at January 1	-	1,500,000
	Add: Provision made during the year	-	-
		-	1,500,000
	Less : Settlement during the year	-	1,500,000
	Balance at December 31	-	-
13.7	Interest Suspense Account: Tk. 1,078,153,000		
	The break up of the above amount is as under :		
	Balance at January 1	409,852,000	198,335,000
	Add : Addition made during the year	668,301,000	211,517,000
		1,078,153,000	409,852,000
	Less : Amount written off during the year	-	-
	Balance at December 31	1,078,153,000	409,852,000
13.8	Liabilities for financial expenses: Tk. 294,560,995		
	The break up of the above amount is as under :		
	Interest payable on Term Loan	-	-
	Interest payable on Term Deposit	294,560,995	301,451,823
	Interest Payable on Bank Overdraft	-	-
		294,560,995	301,451,823
13.9	Liabilities for sundry creditor: Tk. 87,813,361		
	The break up of the above amount is as under :		
	S/Cr. A/c. Lessees	42,194,974	41,741,128
	S/Cr. A/c. Loanees	37,294,165	20,056,005
	S/Cr. A/c. Others	8,324,222	22,700,471
		87,813,361	84,497,604
13.10	Liabilities for accrued expenses: Tk. 1,071,597		
	The break up of the above amount is as under :		
	Excise duty payable	851,597	922,809
	Payable for Audit fee	220,000	200,000
		1,071,597	1,122,809
14.0	Share Capital		
14.1	Authorized Capital:		
	500,000,000 ordinary shares of Tk. 10/= each	5,000,000,000	5,000,000,000

Amount in Taka	
31.12.2014	31.12.2013

14.2 Issued, subscribed & fully paid-up capital: Tk. 2,594,914,520

The break up of the above amount is as under :

42,662,733	Ordinary shares of TK. 10 each issued for cash	426,627,330	426,627,330
207,712,055	Ordinary shares of TK. 10 each issued as bonus	2,077,120,550	1,841,219,230
-	Ordinary shares of TK. 10 each issued as right share in cash	-	-
9,116,664	Ordinary shares of TK. 10 each issued as preference share in cash	91,166,640	91,166,640
259,491,452		2,594,914,520	2,359,013,200

14.3 Percentage of shareholding

Category	Number of share		Percentage (%)	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Sponsors	99,379,341	91,021,074	38.30	38.58
General public including NRB	126,400,169	111,604,251	48.71	47.31
Financial Institutions	19,239,558	15,626,300	7.41	6.62
Investment companies	14,472,384	17,649,695	5.58	7.48
Foreigners	-	-	-	-
Total	259,491,452	235,901,320	100	100

14.4 Classification of shareholders by holding

Holding	Number of shareholders		Number of shares		Percentage (%)	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Less than 500	24512	26086	4,140,884	4,834,353	1.60	2.05
501 to 5,000	17454	19584	30,644,035	33,347,244	11.81	14.14
5,001 to 10,000	2207	2054	15,758,464	14,370,771	6.07	6.09
10,001 to 20,000	1166	1102	16,696,895	15,235,087	6.43	6.46
20,001 to 30,000	404	347	9,866,765	8,420,815	3.80	3.57
30,001 to 40,000	150	136	5,177,657	4,661,971	2.00	1.98
40,001 to 50,000	119	87	5,372,657	3,917,271	2.07	1.66
50,001 to 100,000	187	142	13,191,773	9,984,142	5.08	4.23
100,001 to 1000000	158	151	39,962,838	36,141,766	15.40	15.32
Over 1000000	34	33	118,679,484	104,987,900	45.74	44.51
Total	46391	49722	259,491,452	235,901,320	100.00	100.00

14.5 Name of Directors and their share holdings as on December 31, 2014

Name of Directors		31.12.2014	31.12.2013
Capt. M. Moazzam Hossain	Chairman	5,241,003	4,764,576
Mr. Khabir Uddin Miah	Vice-Chairman	5,608,961	5,099,056
Mr. Motiur Rahman	Director	5,941,063	5,400,967
Ms. Nargis Alamin	Director	5,313,900	4,830,819
Mr. Nizamul Ahsan	Director	5,190,384	4,718,531
Ms. Humaira Alamin	Director	5,685,632	5,168,757
Arafin Shamsul Alamin	Director	5,664,574	5,149,613
Ms. Sayma Islam	Director	6,138,302	-
Mr. Biswajit Kumar Roy	Ex. Director	-	4,782,999
Md. Shirajul Islam Mollah	Ex. Director	-	5,366,176
Mr. Sarder Neamul Islam	Ex. Director	-	676,270
Mr. Ehsan-E-Moazzam	Independent Director	-	-
A.H. Ekbal Hossain	Independent Director	-	-

Amount in Taka	
31.12.2014	31.12.2013

14.6 Capital adequacy ratio

14.6.1 Core Capital (Tier - I): Tk. 4,545,698,937

The break up of the above amount is as under :

Paid up capital	14.2	2,594,914,520	2,359,013,200
Statutory reserve	15.0	645,578,147	606,238,998
General reserve	16.0	-	-
Share premium	17.0	1,018,605,234	1,018,605,234
Retained earnings	18.0	286,601,036	365,145,759
		4,545,698,937	4,349,003,191

14.6.2 Supplementary Capital (Tier-II): Tk. 242,451,300

The break up of the above amount is as under :

General provision maintained against Unclassified loan	242,451,300	169,450,000
General provision on off-balance sheet items	-	-
General provision on off-shore banking units	-	-
Asset revaluation reserve	-	-
Revaluation gain/loss on investments	-	-
	242,451,300	169,450,000

15.0 Statutory Reserve: Tk. 645,578,147

The break up of the above amount is as under :

Balance at 1st January 2014	606,238,998	561,553,157
Add : Addition made during the year	39,339,149	44,685,841
	645,578,147	606,238,998
Less: Transfer during the year	-	-
Balance at 31st December 2014	645,578,147	606,238,998

This has been kept according to section 6 (1) of Financial Institution Regulation 1994 and shall be maintained until it reaches in equal to paid up capital .

16.0 General reserve: Tk. Nil

The break up of the above amount is as under :

Balance at 1st January 2014	-	-
Add : Addition made during the year	-	-
	-	-
Less: Transfer during the year	-	-
Balance at 31st December 2014	-	-

17.0 Share premium: Tk. 1,018,605,234

1,018,605,234 **1,018,605,234**

This represents a premium of net Tk. 111.73 per share over the value of Tk.10 per share received against the issue of 9,11,6664.8 shares in 2010.

18.0 Retained earnings: Tk. 286,601,036

The break up of the above amount is as under :

Balance at January 1	365,145,759	448,514,961
Add : Profit after tax for the year	196,695,746	223,429,210
Profit available for appropriation	561,841,505	671,944,171
Less: Appropriations	275,240,469	306,798,412
Transferred to statutory reserve	39,339,149	44,685,841
Transferred to General reserve	-	-
Issued to Bonus shares	235,901,320	262,112,570
Issued to cash dividend	-	-

		Amount in Taka	
		31.12.2014	31.12.2013
Balance at December 31		286,601,036	365,145,759
19.0	Contingent liabilities: Tk. Nil		
	The break up of the above amount is as under :		
	Acceptances and Endorsement	-	-
	Letter of Guarantee	-	-
	Irrevocable letters of credit	-	-
	Bill for collection	-	-
	Other contingent liabilities	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
19.1	Letter of Guarantee: Tk. Nil		
	The break up of the above amount is as under :		
	Money for which the Bank is contingently liable in respect of guarantees issued	-	-
	Directors	-	-
	Government	-	-
	Banks and Other Financial Institutions	-	-
	Others	-	-
	Less : Margin	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
19.2	Other commitments: Tk. Nil		
	The break up of the above amount is as under :		
	Documentary credits and short term trade-related transactions	-	-
	Forward assets purchased and forward deposits placed	-	-
	Spot and forward foreign exchange contracts	-	-
	Undrawn note issuance and revolving underwriting facilities	-	-
	Undrawn formal standby facilities, credit lines other commitments	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
20.0	Income from Loans & Advances: Tk. 2,156,816,189		
	The break up of the above amount is as under :		
	Interest on Staff Loan	27,874	55,023
	Interest on Loan	1,269,400,629	750,704,798
	Interest on Home Loan	36,749,392	28,012,333
	Interest on Loan against Share	832,725,124	859,418,484
	Interest on MDS	34,063	-
	Interest on Loan against TDR	17,879,107	1,927,103
		<u>2,156,816,189</u>	<u>1,640,117,741</u>
		<u>2,156,816,189</u>	<u>1,640,117,741</u>
21.0	Interest paid on deposits and borrowings: Tk. 2,039,569,809		
	The break up of the above amount is as under :		
	Interest on Call Loan	24,722,444	15,710,069
	Interest on Term Loan	450,993,524	511,681,794
	Interest on Term Deposit	1,525,888,822	845,241,770
	Interest on Overdraft	31,610,284	46,110,046
	Interest on MDS	6,354,735	-
	Interest on Short Term Loan	-	-
		<u>2,039,569,809</u>	<u>1,418,743,679</u>
		<u>2,039,569,809</u>	<u>1,418,743,679</u>

		Amount in Taka	
		31.12.2014	31.12.2013
22.0	Other Operational Income: Tk. 136,169,153		
	The break up of the above amount is as under :		
	Interest on FDR	22,182,524	24,280,764
	Interest on Bank A/C.	864,261	693,552
	Documentation charge	682,157	320,156
	Service charge	2,289,095	791,000
	Late Payment Interest	31,875,776	13,431,760
	Income from Dividend	23,674,041	5,297,113
	Transfer Money	2,357,666	695,070
	Interest on advance for lease finance	2,408,113	25,734,620
	Gain for sale of old vehicles	-	124,849
	Others	49,835,520	2,085,516
		136,169,153	73,454,400
22.1	Gain for sale of old vehicles: Tk. Nil		
	The break up of the above amount is as under :		
	Sales of old vehicle	-	623,678
	Less: Book value	-	498,829
	Cost of vehicles	-	2,647,000
	Accumulated depreciation	-	(2,148,171)
	Gain for sale of old vehicle	-	124,849
23.0	Salary & allowances: Tk. 87,295,675		
	The break up of the above amount is as under :		
	Salary	63,912,087	57,077,998
	Bonus to Staff	8,233,776	4,270,705
	Company's Contribution to Employees Provident Fund	2,054,376	2,002,800
	Gratuity Expenses	5,808,646	5,792,128
	Staff Incentive	7,286,790	-
		87,295,675	69,143,631
24.0	Rent, Taxes, Insurances , Electricity Etc.: Tk. 11,943,553		
	The break up of the above amount is as under :		
	Office Rent	4,127,430	3,883,480
	Tax, Rates	3,650,937	724,709
	Insurance premium	2,721,730	843,589
	Electricity	1,443,456	1,332,538
		11,943,553	6,784,316
25.0	Legal Expenses: Tk. 591,954		
	The break up of the above amount is as under :		
	Legal fees	372,690	825,051
	Stamp & Court Fees	219,264	166,285
		591,954	991,336
26.0	Postage , Stamps , Telecommunication Etc.: Tk. 2,108,849		
	The break up of the above amount is as under :		
	Postage	204,574	73,998
	Telephone bills	1,108,008	936,453
	Fax & Internet	796,267	547,046

Amount in Taka	
31.12.2014	31.12.2013
2,108,849	1,557,497

27.0 Stationery , Printing , Advertisement Etc.: Tk. 7,379,561

The break up of the above amount is as under :

Stationery & Printing	3,290,813	2,687,574
Advertisement	3,616,514	4,304,115
Computer Accessories expenses	472,234	632,452
	7,379,561	7,624,141

28.0 Chief Executive's Salary and Fees: Tk. 5,235,191

The break up of the above amount is as under :

Salary	4,935,191	5,400,000
Other allowances	300,000	600,000
	5,235,191	6,000,000

29.0 Depreciation and Repair of Fixed Assets: Tk. 11,344,478

The break up of the above amount is as under :

Depreciation of Fixed Assets	7,844,982	6,521,935
Repair & Maintenance (Machinery)	1,222,068	1,944,954
Repair & Maintenance (Generator)	166,056	62,236
Telephone Maintenance	86,900	46,650
Motor car Maintenance	2,024,472	3,328,100
	11,344,478	11,903,874

30.0 Other Expenditure: Tk. 61,833,415

The break up of the above amount is as under :

Traveling & Conveyance Expenses	1,107,553	485,277
Entertainment	2,496,416	6,986,208
Esp./C-Documentation charge	37,130	20,000
Esp./C-Processing Fee	21,100	20,000
Esp./C-Service Charge	-	400,000
Staff welfare	1,930,618	773,247
Security Services	797,500	786,000
Meeting Expenses	1,670,000	4,964,022
Professional fee	401,050	1,097,200
Fees & Subscription	1,924,046	1,929,548
Office maintenance	1,380,271	1,880,489
Office Exp.	4,149,218	
Miscellaneous	716,582	973,278
Books & periodicals	1,264,980	53,048
Business Promotion	32,144,249	24,398,194
Fuel ,Oil & Lubricant	2,028,488	1,820,357
Fuel ,Oil & Lubricant (Generator)	-	487,330
Staff training	157,250	78,000
Uniform & Leveris	108,570	112,420
Recovery expenses	-	102,000
Bank charges & commission	497,396	619,779
Excise duty	78,120	148,890
Lease rental expenses	2,381,364	3,157,070
Software Expenses	382,000	1,232,600
Donation	500,000	
Donation (CSR)	5,300,600	4,873,826
Wasa & Gas Bill	7,276	-
Car Exp.	351,638	-

	Amount in Taka	
	31.12.2014	31.12.2013
Total	61,833,415	57,398,783

31.0 Provision for taxation: Tk. 20,618,053

The break up of the above amount is as under :

Current Tax	21,223,714	108,427,110
Deferred Tax	(605,661)	(7,825,502)
	20,618,053	100,601,608

32.0 Earning Per Share

Profit After Tax	196,695,745	223,429,210
Less : Cumulative Preference Dividend	-	-
Profit attributable to the ordinary shareholders	196,695,745	223,429,210
Weighted Average number of ordinary shares before issue of stock dividend	259,491,452	235,901,320
Earning Per Share before restatement	0.76	0.95
Adjustment for bonus factor	1.00	1.00
Earning Per Share (EPS) after restatement	0.76	0.95

- a) Earning Per Share is calculated in accordance with BAS 33 "Earning Per Share" which has been shown on the face in Profit & loss account.
- b) Basic earning per share has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year . Weighted average number of ordinary shares outstanding during the year was TK. 259,491,452
- c) EPS for the year has been restated for the issue of bonus share.

33.0 Related Party Transaction:

The company in normal course of business has entered into transactions with other entities that fall with in the definition of related party contained in the Bangladesh Accounting Standards 24. The Company believes that the terms of related party transaction are not significantly different from those that could have been obtained from third parties. Exposure with related party as at 31 December 2014 is as under:

Name of Related Party	Nature of Facility	Outstanding as at 01.01.2014	Transactions		Outstanding as at 31.12.2014
			Debit	Credit	
Ms.Humaira Alamin Director	Term Deposit Receipts	2,417,900	500,000	32,100	1,950,000 -
Mr.Arafin Shamsu Alamin Shareholder	Term Deposit Receipts	600,000	100,000	-	- 500,000
Mr.Alamgir Shamsul Alamin Shareholder	Term Deposit	11,627,000	264,654	6,740,155	18,102,501

Name of Related Party	Relationship	Nature of Facilities	Outstanding as at 31.12.2014
Fuad Spinning Mills Ltd.	Concern related to Director	Term Loan	78,341,157
S. A. Spinning Mills Ltd.	Concern related to Director	Term Loan	134,505,786
S. A. Spinning Mills Ltd.	Concern related to Director	Term Loan	15,526,514
Canadian Trillilinium School Ltd.	Concern related to Director	Term Loan	19,373,710
Mrs. Shilpi Rani Roy	Sponsored Shareholder	Term Loan	31,709,833
Mr. Bishwajit Kumar Roy	Sponsored Shareholder	Lease Finance	1,981,134
Mr. Bishwajit Kumar Roy	Sponsored Shareholder	Term Loan	28,425,666

34.0 Events after the Balance sheet date:

The Board of Directors in its 290th meeting on 30 April 2015 has recommend stock dividend @ 10% for the year 2014. The dividend is payable subject to the necessary approval of all Regulatory Authorities and Shareholders.

35.0 General

- i) The Company has no claim that has not been acknowledged as debt at the Balance Sheet.
- ii) There was no contingent liability of the company on the Balance Sheet date.
- iii) The company has no receivable from the Directors of the company as on December 31, 2014.
- iv) The total number of employee's engaged full time in the Company and their remuneration above Tk.36,000/= per annum was 66 during the year.
- v) The total number of employee's engaged part time in the Company and their remuneration below Tk.3,000/= per month was nil.
- vi) Certain figures of previous year have been rearranged to conform to current year's presentation.
- vii) Figures have been rounded off to the nearest Taka.

Chairman

Director

Director

Managing Director & CEO

DMD/CFO

Dated: Dhaka, 30 April 2015

People's Leasing and Financial Services Limited

Schedule of Fixed Assets

As at 31 December, 2014

Figures in Taka

Annexure - A

Assets Category	Cost				Rate (%)	Depreciation				W.D.V as on 31.12.2014
	Balance as on 01.01.2014	Addition during the year	Adjustment / Disposal during the year	Balance as on 31.12.2014		Balance as on 01.01.2014	Charged during the year	Adjustment during the year	Balance as on 31.12.2014	
Company Premises	33,265,482	-		33,265,482	10%	13,622,547	1,964,294	-	15,586,841	17,678,641
Motor Car & Vehicle	22,091,404	3,800,000	-	25,891,404	20%	12,091,172	2,760,046	-	14,851,218	11,040,186
Computer	5,830,034	3,801,678	-	9,631,712	20%	4,128,627	1,054,407	-	5,183,034	4,448,678
Telephone System	1,378,815	11,500	-	1,390,315	10%	748,801	64,151	-	812,952	577,363
Air Cooler	3,422,500	1,659,954	-	5,082,454	5%	1,311,249	174,060	-	1,485,309	3,597,145
Refrigerator	265,499	91,500	-	356,999	10%	108,725	24,827	-	133,552	223,447
Generator	2,033,200	-	-	2,033,200	10%	832,616	120,058	-	952,674	1,080,526
Office Equipment	3,644,598	1,023,258	-	4,667,856	20%	1,982,563	529,159	-	2,511,722	2,156,134
Furniture & Fixtures	31,848,994	504,470	-	32,353,464	5%	8,993,144	1,153,473	-	10,146,617	22,206,847
Crockery	22,866	-	-	22,866	20%	20,329	507	-	20,836	2,030
Total	103,803,392	10,892,360	-	114,695,752		43,839,773	7,844,982	-	51,684,755	63,010,997

Peoples Leasing and Financial Services Ltd.
Computation of Deferred Tax
For the year ended 31 December, 2014

Annexure - B

Particulars	Notes to the Audited Accounts	As per Carrying Amount	As per Tax Base	Temporary Difference (Taxable)/ Deductible
Written down value of Fixed Assets	9.0	63,010,997	50,102,322	(12,908,675)
Provision for Investment Fluctuation in Share	13.3	69,225,257	-	69,225,257
Provision Gratuity fund	13.5	25,877,736	-	25,877,736
				-
				-
Total Temporary Difference (Deductible)				<u>82,194,318</u>
				-
Deferred tax assets	82,194,318 @ 42.5%			<u>34,932,584</u>
Deferred tax asset as on 31 December 2014				34,932,584
Less : Deferred tax asset as on 31 December 2013				34,326,923
Deferred tax income				<u>605,661</u>

People's Leasing and Financial Services Limited
Calculation of Basic Earning Per Share (BEPS)
For the year ended December 31, 2014
Determination of Weighted Average number of Ordinary Shares

Particulars	Share Numbers	Outstanding Period	Length in Months	Monthly Product	Yearly Product (Weighted Average)	
					2014	2013
Shares at beginning	235,901,320	Jan - Dec	12	2,830,815,840	235,901,320	209,690,063
Bonus Share issue	23,590,132	Jan - Dec	12	283,081,584	23,590,132	26,211,257
Bonus Preference issue		Jan - Dec	12	-	-	-
Total	259,491,452				259,491,452	235,901,320

Calculation of BEPS

	Amount In Taka	
	2014	2013
Profit After Tax - PAT	196,695,745	223,429,210
Less. Cumulative Preference Dividend	-	-
Profit attributable to the ordinary shareholders	196,695,745	223,429,210
Weighted Average number of ordinary shares	259,491,452	235,901,320
Basic Earning Per Share before restatement	0.76	0.95
Adjustment for bonus factor	1.00	1.00
Basic Earning Per Share - restated	0.76	0.95
Or		
Profit After Tax - PAT	196,695,745	223,429,210
Less. Cumulative Preference Dividend	-	-
Profit attributable to the ordinary shareholders	196,695,745	223,429,210
Weighted Average number of ordinary shares	259,491,452	235,901,320
Basic Earning Per Share before restatement	0.76	0.95
Basic Earning Per Share - restated	0.76	0.95