

# Half Yearly Report

## June 30, 2014



# GSP FINANCE

creating opportunities

### GSP FINANCE COMPANY (BANGLADESH) LIMITED

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### Honourable Shareholders & Statutory Agencies

### Sub : Half-Yearly Unaudited Financial Statements for the Period Ended June 30, 2014.

We are pleased to present the unaudited Financial Statement for the half-year ended June 30, 2014 in compliance with Rule-13 of the Securities & Exchange Rules 1987 & SEC Letter no. SEC /CFD/Misc/233/ 2004/ 615 dated february 02, 2010.

**Md. Mizanur Rahman**  
Company Secretary

### GSP FINANCE COMPANY (BANGLADESH) LIMITED

#### CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2014

|  | Amount in Taka       |                      |
|--|----------------------|----------------------|
|  | Jan.1 to Jun.30,2014 | Jan.1 to Jun.30,2013 |
| <b>Cash flows from operating activities:</b>   |                      |                      |
| Interest receipt in cash   | 267,062,077          | 167,929,045          |
| Interest payment   | (149,710,744)        | (117,303,188)        |
| Dividend receipts  | 1,034,300            | -                    |
| Recoveries of loan previously written-off  | -                    | -                    |
| Income taxes paid  | (2,644,831)          | (692,571)            |
| Receipts from other operating activities   | 24,834,044           | 34,342,585           |
| Payments from other operating activities   | (28,032,154)         | (26,578,049)         |
| <b>Cash generated from operating activities before changes in operating assets and liabilities</b> | <b>112,542,692</b>   | <b>57,697,822</b>    |
| <b>Increase / decrease in operating assets and liabilities</b>                                     |                      |                      |
| Statutory deposit  | -                    | -                    |
| Trading securities   | -                    | -                    |
| Leases, loans and advances   | (580,097,611)        | (190,574,922)        |
| Other assets   | 5,663,510            | 3,262,616            |
| Deposits and other accounts  | 309,779,441          | 464,213,630          |
| Other liabilities on account of customers  | -                    | -                    |
| Trading liabilities  | -                    | -                    |
| Other liabilities  | 29,806,321           | 51,279,829           |
|  | (234,846,339)        | 326,181,153          |
|  | (122,305,647)        | 385,878,975          |
| <b>Net cash from operating activities</b>  |                      |                      |
| <b>Cash flows from investing activities:</b>   |                      |                      |
| Proceeds from sale of securities   | 15,832,300           | 4,000,000            |
| Payments for purchases of securities   | (34,881,575)         | (100,464,209)        |
| Purchase of fixed assets   | (7,039,409)          | (413,860)            |
| Proceeds from sale of fixed assets   | -                    | -                    |
| Payment against lease obligation   | -                    | -                    |
| <b>Net cash used in investing activities</b>   | <b>(26,088,684)</b>  | <b>(96,878,069)</b>  |
| <b>Cash flows from financing activities:</b>   |                      |                      |
| Receipts of borrowings from banks, other financial institutions and agents                         | 300,000,000          | 250,000,000          |
| Repayment of borrowings from banks, other financial institutions and agents                        | (108,401,476)        | (419,284,628)        |
| Receipts against issue of share capital (IPO)  | -                    | -                    |
| Receipts against Share Premium (IPO)   | -                    | -                    |
| Dividend paid in cash  | -                    | -                    |
| <b>Net cash from financing activities</b>  | <b>191,598,524</b>   | <b>(169,284,628)</b> |
| Net increase / (decrease) in cash and cash equivalents   | 43,204,193           | 119,716,278          |
| Effects of exchange rate changes on cash and cash equivalents                                      | -                    | -                    |
| Cash and cash equivalents at beginning of the period   | 198,890,193          | 46,108,706           |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>242,094,386</b>   | <b>165,824,984</b>   |
| <b>Cash and cash equivalents at the end of the period</b>  |                      |                      |
| cash in hand (including foreign currencies)  | 1,054,675            | 1,269,945            |
| Balance with Bangladesh Bank and its agent banks   | 30,142,332           | 14,807,867           |
| Balance with banks and other financial institutions  | 210,897,379          | 49,747,172           |
| Money at call and short notice   | -                    | 100,000,000          |
|  | <b>242,094,386</b>   | <b>165,824,984</b>   |

Company Secretary

Managing Director

### GSP FINANCE COMPANY (BANGLADESH) LIMITED

#### PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2014

|   | Amount in Taka        |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | Jan.1 to Jun.30, 2014 | Jan.1 to Jun.30, 2013 | Apr.1 to Jun.30, 2014 | Apr.1 to Jun.30, 2013 |
| Interest income from leases,loans and advances        | 276,930,490           | 200,918,819           | 152,005,473           | 96,039,257            |
| Interest expenses on borrowings, deposits, etc        | (145,876,542)         | (120,163,909)         | (81,900,451)          | (63,239,796)          |
| <b>Net interest income</b>                            | <b>131,053,948</b>    | <b>80,754,910</b>     | <b>70,105,022</b>     | <b>32,799,461</b>     |
| Investment income                                     | 7,150,645             | 13,033,553            | (1,545,210)           | 15,884,338            |
| Commission , exchange and brokerage                   | -                     | -                     | -                     | -                     |
| Other operating income                                | 17,683,399            | 21,309,032            | 5,041,534             | 9,920,153             |
| <b>Total operating income</b>                         | <b>155,887,992</b>    | <b>115,097,495</b>    | <b>73,601,346</b>     | <b>58,603,952</b>     |
| Salary and allowances                                 | 12,191,356            | 11,737,520            | 4,729,933             | 5,874,441             |
| Rent, taxes,insurance,electricity,etc.                | 680,431               | 452,300               | 172,012               | 274,412               |
| Legal expenses  | 138,500               | 78,350                | 69,500                | 74,500                |
| Postage,stamp,telecommunication,etc.                  | 213,327               | 144,567               | 72,156                | 84,701                |
| Stationery,printing,advertisements,etc.               | 1,419,948             | 1,293,787             | 643,012               | 583,836               |
| Managing Director's salary and allowances             | 2,410,714             | 3,000,000             | 1,500,000             | 1,500,000             |
| Directors' fees                                       | 220,000               | 125,000               | 90,000                | 125,000               |
| Audit fees  | 50,000                | 75,000                | 50,000                | 75,000                |
| Charges on loan losses                                | -                     | -                     | -                     | -                     |
| Depreciation and repairs of company's assets          | 5,071,855             | 4,315,730             | 2,726,196             | 2,294,693             |
| Other operating expenses                              | 9,490,468             | 8,557,100             | 5,036,095             | 6,385,945             |
| <b>Total operating expenses</b>                       | <b>31,886,599</b>     | <b>29,779,354</b>     | <b>15,088,904</b>     | <b>17,272,528</b>     |
| <b>Profit before provision</b>                        | <b>124,001,393</b>    | <b>85,318,141</b>     | <b>58,512,442</b>     | <b>41,331,424</b>     |
| Provision for leases,loans and advances               | 27,986,016            | 3,754,278             | 6,986,682             | (4,018,526)           |
| Other provision                                       | -                     | -                     | -                     | -                     |
| <b>Total provision</b>                                | <b>27,986,016</b>     | <b>3,754,278</b>      | <b>6,986,682</b>      | <b>(4,018,526)</b>    |
| <b>Total profit before income tax</b>                 | <b>96,015,377</b>     | <b>81,563,863</b>     | <b>51,525,760</b>     | <b>45,349,950</b>     |
| Provision for income tax                              | 41,003,315            | 35,134,905            | 22,530,021            | 19,743,992            |
| <b>Net profit after income tax</b>                    | <b>55,012,062</b>     | <b>46,428,958</b>     | <b>28,995,739</b>     | <b>25,605,958</b>     |
| Retained earnings brought forward from previous year  | 73,107,627            | 79,459,422            | 21,593,945            | 96,117,822            |
|   | 128,119,689           | 125,888,380           | 50,589,684            | 121,723,780           |
| <b>Appropriations:</b>                                |                       |                       |                       |                       |
| Statutory reserve                                     | 11,002,412            | 9,285,792             | 5,799,147             | 5,121,192             |
| Bonus share issued for the year 2013                  | 72,326,740            | -                     | -                     | -                     |
|   | 83,329,152            | 9,285,792             | 5,799,147             | 5,121,192             |
| <b>Retained earnings carried to the balance sheet</b> | <b>44,790,537</b>     | <b>116,602,588</b>    | <b>44,790,537</b>     | <b>116,602,588</b>    |
| Earning per share (EPS)                               | 0.81                  | 0.69                  | 0.43                  | 0.38                  |

Company Secretary

Managing Director

### GSP FINANCE COMPANY (BANGLADESH) LIMITED

#### BALANCE SHEET (UNAUDITED) AS AT JUNE 30, 2014

|   | Amount in Taka       |                      |
|---|----------------------|----------------------|
|   | JUN. 30, 2014        | DEC. 31, 2013        |
| <b>PROPERTY AND ASSETS</b>  |                      |                      |
| <b>Cash</b>   | <b>31,197,007</b>    | <b>32,495,733</b>    |
| In hand (including foreign currencies)                                | 1,054,675            | 660,924              |
| Balance with Bangladesh Bank and its agents banks                     | 30,142,332           | 31,834,809           |
| <b>Balance with other banks and financial institutions</b>            | <b>210,897,379</b>   | <b>166,394,460</b>   |
| In Bangladesh   | 210,897,379          | 166,394,460          |
| Outside Bangladesh  | -                    | -                    |
| <b>Money at call and short notice</b>                                 | <b>-</b>             | <b>-</b>             |
| Investments   | 246,086,822          | 227,037,547          |
| Government  | -                    | -                    |
| Others  | 246,086,822          | 227,037,547          |
|   | <b>3,946,545,194</b> | <b>3,366,447,583</b> |
| Leases , loans and advances   | 3,946,545,194        | 3,366,447,583        |
| Bills Purchased and discounted  | -                    | -                    |
| <b>Fixed assets including premises, furniture and fixtures</b>        | <b>316,113,414</b>   | <b>312,878,453</b>   |
| <b>Other assets</b>   | <b>112,531,264</b>   | <b>118,194,773</b>   |
| <b>Non-business assets</b>  | <b>-</b>             | <b>-</b>             |
| <b>Total assets</b>   | <b>4,863,371,080</b> | <b>4,223,448,549</b> |
| <b>LIABILITIES AND CAPITAL</b>  |                      |                      |
| <b>Liabilities</b>  |                      |                      |
| Borrowings from banks, other financial institutions and agents:       | 660,790,938          | 469,192,415          |
| <b>Deposits and other accounts</b>                                    | <b>2,133,642,268</b> | <b>1,823,862,827</b> |
| Current deposits  | -                    | -                    |
| Bills payable   | -                    | -                    |
| Savings deposits  | -                    | -                    |
| Term deposits   | 2,133,642,268        | 1,823,862,827        |
| Bearer certificate of deposit   | -                    | -                    |
| Other deposits  | -                    | -                    |
| <b>Other liabilities</b>  | <b>584,003,159</b>   | <b>500,470,653</b>   |
| <b>Total Liabilities</b>  | <b>3,378,436,365</b> | <b>2,793,525,895</b> |
| <b>Capital / Shareholders' Equity</b>                                 | <b>1,484,934,715</b> | <b>1,429,922,654</b> |
| Paid up capital   | 675,049,650          | 602,722,910          |
| Share premium   | 300,000,000          | 300,000,000          |
| Statutory reserve   | 213,692,404          | 202,689,993          |
| Other reserve   | 251,402,124          | 251,402,124          |
| Retained earnings:  |                      |                      |
| Retained earnings balance   | 44,790,537           | 73,107,627           |
| <b>Total liabilities and Shareholders' equity</b>                     | <b>4,863,371,080</b> | <b>4,223,448,549</b> |
| <b>OFF-BALANCE SHEET ITEMS :</b>                                      |                      |                      |
| <b>Contingent liabilities</b>   |                      |                      |
| Acceptances and endorsements  | -                    | -                    |
| Letter of guarantee   | -                    | -                    |
| Irrevocable letter of credit  | -                    | -                    |
| Bills for collection  | -                    | -                    |
| Other contingent liabilities  | -                    | -                    |
| <b>Other commitments</b>  |                      |                      |
| Documentary credits and short term trade and 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 | -                    | -                    |
| Others  | -                    | -                    |
| <b>Total off-balance sheet items including contingent liabilities</b> | <b>-</b>             | <b>-</b>             |

Company Secretary

Managing Director

### GSP FINANCE COMPANY (BANGLADESH) LIMITED

#### STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2014

| Particulars                         | Paid up capital (Tk.) | Capital Reserve (Tk.) | Statutory Reserve (Tk.) | Share Premium(Tk.) | Retained Earnings (Tk.) | Total (Tk.)   |
|-------------------------------------|-----------------------|-----------------------|-------------------------|--------------------|-------------------------|---------------|
| Balance as at January 01, 2013      | 524,106,880           | 251,402,124           | 184,623,834             | 300,000,000        | 79,459,422              | 1,339,592,360 |
| Profit for the year                 | -                     | -                     | -                       | -                  | 156,203,668             | 156,203,668   |
| Transferred to statutory reserve    | -                     | -                     | 18,066,059              | -                  | (18,066,059)            | -             |
| Transferred to provision for Tax    | -                     | -                     | -                       | -                  | (65,873,374)            | (65,873,374)  |
| Bonus share issued                  | 78,616,030            | -                     | -                       | -                  | (78,616,030)            | -             |
| Balance as at 31st December 2013    | 602,722,910           | 251,402,124           | 202,689,893             | 300,000,000        | 73,107,627              | 1,429,922,654 |
| Changes in accounting policy        | -                     | -                     | -                       | -                  | -                       | -             |
| Restated balance                    | 602,722,910           | 251,402,124           | 202,689,893             | 300,000,000        | 73,107,627              | 1,429,922,654 |
| Bonus share issued                  | 72,326,740            | -                     | -                       | -                  | (72,326,740)            | -             |
| Net profit after tax for the period | -                     | -                     | -                       | -                  | 55,012,061              | 55,012,061    |
| Transferred to statutory reserve    | -                     | -                     | 11,002,412              | -                  | (11,002,412)            | -             |
| Balance as at June 30, 2014         | 675,049,650           | 251,402,124           | 213,692,405             | 300,000,000        | 44,790,537              | 1,484,934,715 |

Company Secretary

Managing Director